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Q4 2021

ESG Impact Report

Global engagement to deliver positive change

LGIM

Our mission

We aim to use our influence to ensure:

1. Companies integrate environmental, social and governance (ESG) factors into their culture and everyday thinking

2. Markets and regulators create an environment in which good management of ESG factors is valued and supported

In doing so, we seek to fulfil LGIM's purpose: to create a better future through responsible investing.

Our focus

Holding boards to account

To be successful, companies need to have people at the helm who are well-equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks while seeking to benefit from emerging opportunities. We aim to safeguard and enhance our clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which we use extensively.

Creating sustainable value

We believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to ensure companies are well-positioned for sustainable growth, and to prevent market behaviour that destroys long-term value. Our investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking. We engage directly and collaboratively with companies to highlight key challenges and opportunities, and support strategies that can deliver long-term success.

Promoting market resilience

As a long-term investor for our clients, it is essential that markets are able to generate sustainable value. In doing so, we believe companies should become more resilient to change and therefore seek to benefit the whole market. We use our influence and scale to ensure that issues impacting the value of our clients' investments are recognised and appropriately managed. This includes working with key policymakers, such as governments and regulators, and collaborating with asset owners to bring about positive change.

Action and impact

From COP26 and the climate transition, to executive pay and ethnicity, we engaged with companies on a broad spectrum of topics during the final quarter of 2021. A summary of key activity, core themes and public policy focus points during the period, this report also contains detailed voting and engagement statistics.

Environmental | Social | Governance

ESG: Environment

COP 26

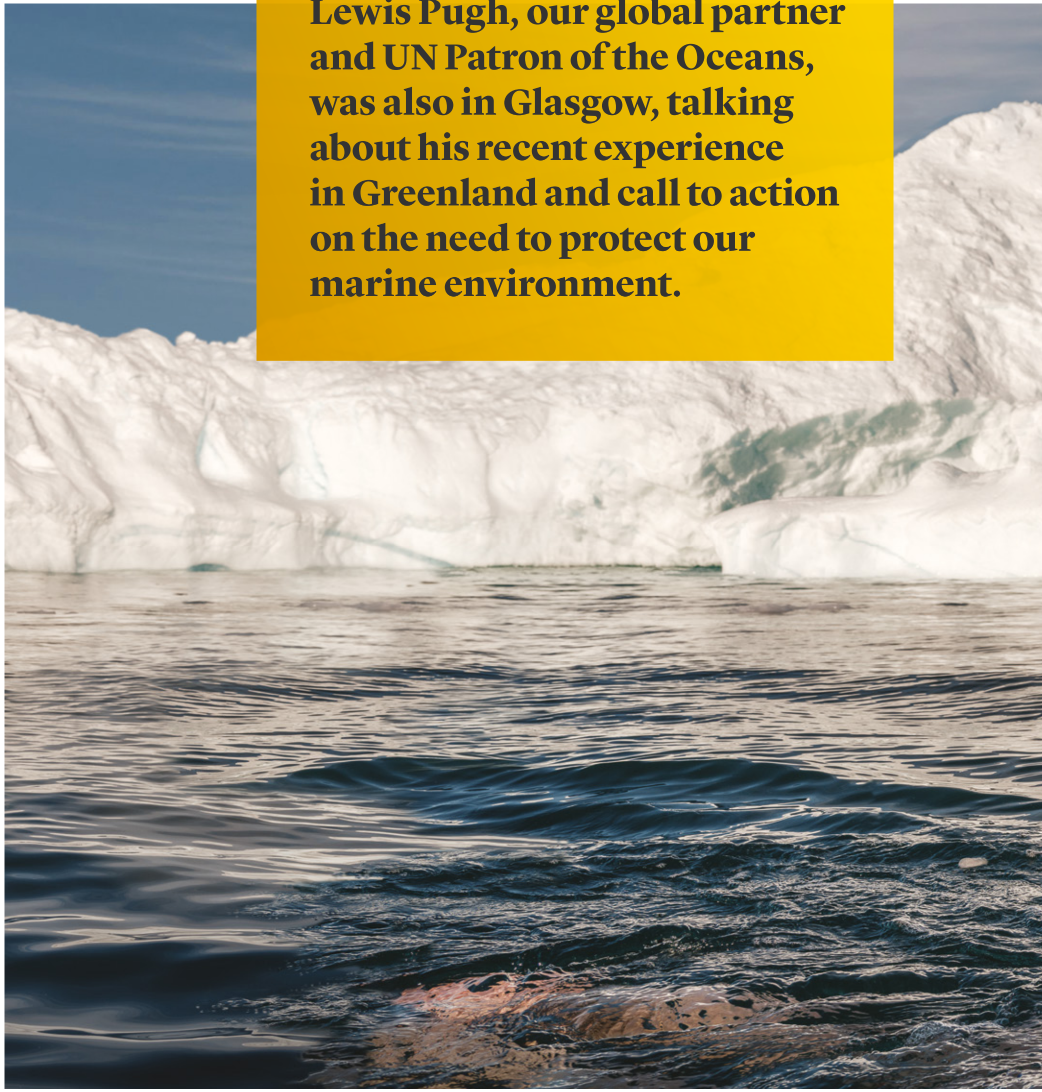
We firmly believe that international leadership and collaboration are key to delivering a decarbonised future. In November 2021, Glasgow played host to world leaders, heads of state, industry chiefs and civil organisations at the UN global climate summit, COP26. The acceleration of carbon pricing, fossil-fuel subsidy reform, phase-out of thermal coal and unlocking of capital to emerging markets were some of the important issues high on the agenda.

LGIM was at the heart of the COP26 programme, helping to push the private sector to do more on the transition to net zero and to galvanise climate action in the public sector. Our CEO, Michelle Scrimgeour, represented LGIM at the summit and, as co-chair of the UK government's COP26 Business Leaders Group, addressed the audience on Finance Day.

Lewis Pugh, our global partner and UN Patron of the Oceans, was also in Glasgow, talking about his recent experience in Greenland and call to action on the need to protect our marine environment.

Our engagement at COP26 was a natural extension of the work we already do to influence change in our industry and across global markets where we have been part of a number of initiatives and commitments. Among these was our support for the Get Nature Positive campaign, in recognition of the role that protecting and restoring biodiversity will play in creating a more sustainable future, as well as the Deforestation-Free Finance commitment on agricultural commodity-driven deforestation.

Lewis Pugh, our global partner and UN Patron of the Oceans, was also in Glasgow, talking about his recent experience in Greenland and call to action on the need to protect our marine environment.



Climate Impact Pledge – launch of the 5th engagement cycle

In October, we launched the fifth engagement cycle of the Climate Impact Pledge, our flagship climate engagement programme. From apparel and airlines to technology companies and utilities, we analyse and directly engage with around 60 companies in 15 climate-critical sectors on their strategic approach to climate change, and to what extent they are aligning their businesses with the constraints and opportunities of a net-zero transition.

The programme targets companies that are large and influential in their respective sectors, but who are not yet meeting 'best practice' expectations. These are companies who could have a significant positive trickle-down effect across their industries and value chains by setting and pursuing ambitious net-zero targets.

At this point in the engagement cycle, 75% of companies have responded to our engagement requests.

To date, we have been encouraged by the rapid growth in the number of companies with net-zero commitments, across sectors and markets. We are seeing financial institutions improve their emissions reporting practices, airlines set targets for the use of sustainable aviation fuels (SAF) and food companies establishing more stringent deforestation policies.

However, there is often a lack of detailed net-zero transition plans to support emissions reduction targets. In 2022, we will continue to press companies to establish robust decarbonisation strategies, with granular interim roadmaps out to 2050, to accompany their public announcements.

BHP* - Climate Transition Plan

BHP, one of the world's largest mining companies, had put its climate transition plan to a shareholder vote for the first time in its history – a trend we expect to gather pace across the extractives sector in the coming years.

When assessing such plans, among other factors, we look closely at how aligned the emissions reduction targets are to Paris goals and whether the milestones set are credible and pragmatic.

While we note BHP has made a substantial progress in its environmental footprint, we opposed its climate transition plan as we deemed the targets to be insufficient and fall short of the level of ambition required to support a net zero pathway.

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Environmental | Social | Governance

ESG: Social

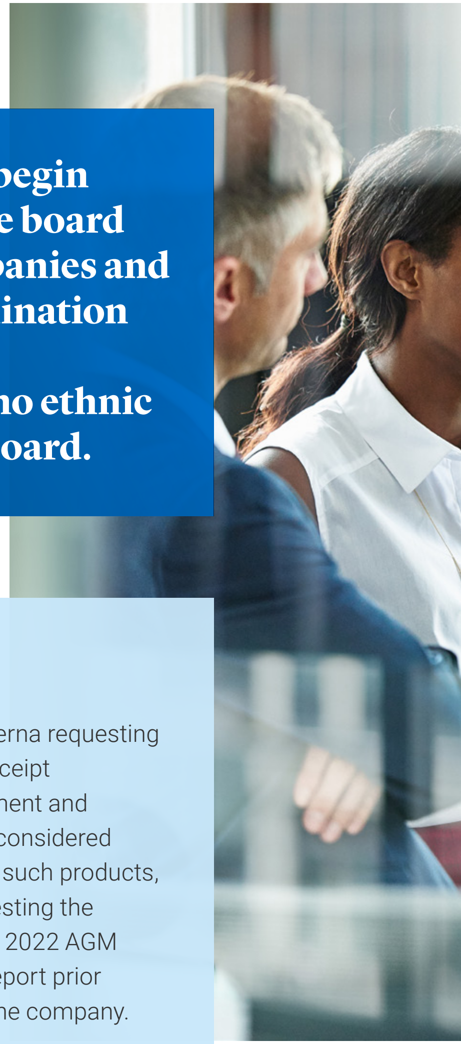
Ethnicity campaign

In September 2020, we launched our ethnicity engagement campaign and voting strategy, where we committed to engaging with the largest US and UK companies with no ethnic diversity on the board, with a commitment to taking action on a lack of improvement by placing a negative vote at their 2022 AGM.

We wrote to 79 companies across the S&P500 and FTSE 100 indices to alert them of our expectations, and to the potential voting action we would take.

In October 2021, we re-visited the board's ethnic representation of the companies in these indices, with the intention of writing to those who were still in breach of our expectations of one person of diverse ethnicity on the board. This review resulted in us writing to 37 companies in total, meaning that our target list has almost halved compared to the previous year, demonstrating decent progress. On initial study of the data, we discovered that in 2021, we wrote to 10 US and 12 UK companies which have been persistent laggards – falling short of our expectations in both 2020 and 2021 – which means that they have not improved the ethnic diversity of their boards over the last 18 months.

In Q1 2022 we will be taking a more granular look at the data to understand in more detail any trends and improvements. Our voting commitment is steadfast, and from January 2022 we shall be voting against the board chair of UK companies and the Chair of the Nomination Committee of US companies with no ethnic diversity on the board.



In 2022, we shall begin voting against the board chair of UK companies and the Chair of Nomination Committee of US companies with no ethnic diversity on the board.

Moderna*

We have filed a shareholder proposal at Moderna requesting that the company publicly disclose how its receipt of government financial support for development and manufacture of a COVID-19 vaccine is being considered when making decisions that affect access to such products, such as setting prices. The company is contesting the inclusion of the proposal on its agenda at the 2022 AGM and has indicated that it will publish such a report prior to the AGM. We are currently engaging with the company.

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Antimicrobial Resistance (AMR)

LGIM, together with the Investor Action on Antimicrobial resistance, wrote to the G7 finance ministers, in response to their Statement on Actions to Support Antibiotic Development. The letter highlights that investors see AMR as a financial stability risk, and as an investor across multiple asset classes, LGIM is exposed via multiple sectors from healthcare and pharmaceuticals, to travel and leisure.

The letter also highlights how the current pandemic is a clear illustration of the potential financial consequences of a global public health crisis, and that it has worsened the impact of AMR. If not addressed, AMR is projected to have significantly greater impacts than COVID-19. The World Health Organisation (WHO) describes AMR as one of the biggest threats to society today.

One of our team is a member of the Expert Committee for the 2021 Antimicrobial Resistance Benchmark methodology. The Expert Committee (EC) is made up of 10 independent experts, including from WHO, top-level academic centres, governments in low- and middle-income countries, as well as investors and pharmaceutical industry representatives. The 2021 Antimicrobial Resistance Benchmark was launched during World AMR Awareness Week in November; it evaluates how 17 of the world's largest pharmaceutical companies are performing in the fight against antimicrobial resistance. During the World AMR Awareness Week, a member of LGIM's Stewardship team was also invited to participate in a panel discussion on the topic of 'A 'One Health' Spotlight on Access, Innovation and Stewardship' hosted by the Investor Action on AMR initiative with investors and industry representatives. LGIM presented and discussed our engagement work on water utility companies and AMR.

Social responsibility for social media

In early 2019, the Social Media Collaborative Engagement of 104 global investors was established, representing approximately £7 trillion AUM, in response to the live streaming of the Christchurch terror attack on 15 March 2019 on Meta[1], Alphabet* and Twitter*. It was believed that these companies betrayed their users' trust, breached their duty of care and severely damaged their social licence to operate.

The Collaboration has now closed and the results and impact show how powerful working together can be, where speaking with a united voice on an important issue can yield positive change.

Why did we join this collaboration?

Technology stocks are a significant part of many global indices and as ESG risks have developed, there have been consequences for global investment portfolios. There are many additional risks for the broader technology sector, for example the decline of consumer trust, litigation risk including anti-trust, regulatory risks, and reputational risks.

The purpose of the collaboration was to engage these three social media companies with a single focus: to strengthen controls to prevent the livestreaming and dissemination of objectionable content.

[1] Meta, formerly facebook

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What action did the collaboration take?

The first action was to speak out publicly on the Collaboration's intention to engage the identified social media companies – Meta, Alphabet, Twitter – on this issue. This decision was taken to indicate clear dissatisfaction with the companies who showed a lack of accountability. Engagement letters were sent to the chairs of the boards of each of the three companies and engagement meetings were held to discuss their responses.

The Collaboration also created and distributed a resource for shareholders outside the group who sought to engage on the same issue. This ensured the social media companies were hearing the same message from a wide range of investors, signalling the importance of the issue to the broader investor community.

The identified companies assured the Collaboration that they were making changes to strengthen controls to avoid a similar situation in future. However, none of the companies agreed for a board member to meet the Collaboration, and it was felt that there wasn't enough commitment from the companies on the issue.

Therefore, the Collaboration published an open letter distributed via global press, calling for:

- clear lines of governance and accountability to ensure social media platforms cannot be used to promote objectionable content; and
- sufficient resources dedicated to combatting the live-streaming and spread of objectionable material across the platforms.

Additionally, during 2020 and 2021, LGIM voted in favour of various shareholder proposals at all three companies that focused on human rights issues, such as expertise at board level and further disclosures.

What are the results?

- In late 2020, Meta informed the Collaboration that it had strengthened its Audit & Risk Oversight Committee charter to explicitly include a focus on the sharing of content that violate its policies;
- Meta also made a commitment to prevent such abuse, not just to mitigate it; and
- all the company platforms have moved to strengthen controls to prevent the live streaming and distribution of objectionable content.

What does this mean?

Research commissioned by the Collaboration by an external think tank called Brainbox Institute reviewed the technology changes and concluded that:

- the measures introduced by the platforms have a high likelihood of significantly mitigating the scale of dissemination of future objectionable content;
- the platforms have made and continue to make reasonable efforts to reduce the spread of objectionable content;
- the platforms are well-placed to rapidly triage potential objectionable content and they have implemented mechanisms to quickly intervene in such cases and can do so much faster than a government body could;
- however, the platforms are highly unlikely to absolutely prevent the spread of objectionable content of another similar type of event because once new content has been uploaded, there is an unavoidable time delay before it can be accurately classified as objectionable and this time gap cannot be entirely eliminated

Environmental | Social | Governance

ESG: Governance

Filing of shareholder proposals

We have once again filed a shareholder resolution requesting that an S&P pharmaceutical company appoint an independent chair, thereby splitting its currently combined chair and CEO role. We have engaged with the company since filing the shareholder proposal and will continue to monitor the situation to consider whether to maintain the proposal or withdraw it.

Cardinal Health*

In May 2021, LGIM America co-filed a shareholder resolution, together with our investor colleagues within The Investors for Opioid Accountability (IOPA), asking the company to publish annually an in-depth report disclosing its direct and indirect lobbying activities and expenditures, as well as its policies and procedures governing such activities (a 'Political Contributions and Activities Report').

Following engagements with the company, the board agreed to expand its Political Contributions and Activities Report to include all disclosures relating to state lobbying expenses exceeding US$25,000; payments to trade associations and other organisations (including to those that draft and support model legislation); and the approach the company will take when a trade association of which it is a member takes a position which differs from the company's corporate position.

Following the engagement we, together with the other co-filing investors, withdrew the shareholder proposal. This is a concrete example of using a shareholder proposal as an engagement tool and demonstrates the positive impact of engagement.

Significant votes: evolving our reporting

LGIM takes our responsibility to exercise the voting rights of our clients' assets very seriously. We exercise the shareholder rights of a significant number of our clients with one consistent voice across all our active and index funds. This improves the effectiveness of voting as a means of supporting our engagement activities and bringing about change in the market.

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to continue to help clients fulfil their reporting obligations.

For many years, LGIM has regularly produced case studies and/or summaries of vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information. In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA).

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

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Every year, LGIM's stewardship team responds to over 100 remuneration consultations.

We publicly disclose our votes for the major markets on our website; these reports are published in a timely manner at the end of each month and can be used by clients for their external reporting requirements.

Executive pay

LGIM publishes our principles on executive pay to help our investee companies understand our views on what we consider best practice in terms of executive pay policy. We also meet annually with remuneration consultants to make them aware of our evolving views.

LGIM has written to all FTSE All-Share listed companies (excluding investment trusts) to send them a copy of our revised Executive Pay Principles and to explain that, from 2022, we will be responding to fewer consultations on executive pay.

To be more effective and efficient, we are limiting the types of consultations to which we will respond: responses will be on a case-by-case basis and cover only those issues where the company wishes to apply discretion, or to introduce something that is not already covered in our Principles. This will mean companies receive LGIM's feedback on issues that are critical for them.

Simplification of governance structures

Following a recent trend at dual-listed companies to simplify their equity structure, this quarter saw two large companies moving to a single listing. At Shell*, the unification resulted in a primary listing in London while BHP* had switched to the Australian Securities Exchange. In both cases we supported the simplified governance structure. When assessing such situations, we review the business rationale for the restructuring, and ensure all shareholders benefit from a transparent and fair process.

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Significant votes

Company name: Microsoft*		
ISIN: GB00B1QH8P22	**Market cap:** US $2,311bn as at 31 January 2022 (Thomson Reuters)	**Sector:** Software & services

Issue identified:	The company recently re-combined the chair and CEO roles, after having these separate for a number of years.
Summary of the resolution:	To re-elect CEO Satya Nadella, and John Thompson (Nomination Committee Chair and Lead Independent Director).
How LGIM voted:	LGIM voted against both resolutions.
Rationale for the decision:	LGIM has set out expectations for all companies to have a separate chair and CEO. This recombination of the roles during 2021 at Microsoft was particularly disappointing as it has had a separation of the roles for many years. Given the company did not seek prior shareholder approval for the re-combination of roles, we also voted against the board Nomination Committee Chair / Lead Independent Director.
Outcome:	While engagement with the company has been fruitful over the years, we conveyed our disappointment at this governance change. Both directors were re-elected with over 90% support from shareholders.
Why is this vote significant?	This vote was significant because it related to one of LGIM's engagement themes: Board effectiveness.

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Significant votes

Company name: The Procter & Gamble Co*		
ISIN: US7427181091	**Market cap:** US $397bn per Thomson Reuters as at 06/1/22	**Sector:** Household & personal products

Issue identified:	The re-election of Angela Braly – as she is chair of the Governance and Public Responsibility Committee. In 2020, P&G shareholders, including LGIM, supported a resolution calling on the company to report on the efforts to eliminate deforestation, filed by Green Century. The resolution was passed with 67% support. Green Century wanted shareholders to vote against the re-election of Angela Braly because the actions taken by P&G since the previous AGM had not been sufficient. In particular, Green Century was concerned by P&G's failure to make a public commitment to end sourcing from intact forests and the lack of goals around the use of recycled fibre in its products.
Summary of the resolution:	• Resolution 1b – Elect Angela F Braly • 12 October 2021
How LGIM voted:	We voted in favour of Angela Braly's re-election
Rationale for the decision:	LGIM engaged with Green Century* to find out why they were targeting Angela Braly and to shed light on their ongoing concerns with the company. We then engaged with P&G ahead of their AGM to discuss Green Century's concerns and for an update on the key actions we had asked P&G to take during our engagement in 2020 – namely, report to CDP Forests, and to accelerate their programme to source more Forest Stewardship Council (FSC) certified pulp because we felt 2025 was not an ambitious target. We also voiced our governance concerns with its structure in having a joint chair/CEO. While we continue to share some of the concerns of Green Century, we understand the issues the company is facing that prevent them from being able to fully comply with the requests. In addition, P&G had satisfied all of our requests that we made a year earlier; they have separated the chair/CEO role, they have submitted to CDP Forests and they have brought forward their commitment to ensure that 95% of their pulp from Canada and Quebec is FSC certified by the end of 2021.
Outcome:	7.96% of the votes cast were against the re-election of Angela Braly. We will continue to engage with the company on this important topic.
Why is this vote significant?	• It was a high profile vote which had such a degree of controversy that there was high client and/or public scrutiny • The vote was linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's five-year ESG priority engagement themes

*Case study shown for illustrative purposes only. The above information does not constitute a recommendation to buy or sell any security.

ACGA Japan Working Group

The Asian Corporate Governance Association's (ACGA) Japan Working Group (JWG) brings together more than 30 of ACGA's institutional investor members (combined AUM of close to US $30 trillion*) with a particular interest in Japan.

Since April 2021, Aina Fukuda, Head of Japan Investment Stewardship for LGIM, has served as deputy chair of the JWG.

In 2021, JWG embarked on a new initiative: to engage in a purposeful and structured dialogue with a select group of major Japanese listed companies over the medium to long term.

With input from members, JWG chose five companies from a range of sectors, including automobile manufacturers, specialty chemicals, industrial machinery, diversified banks, and leisure products. Each company is globally important in its sector and faces a range of strategic governance and business challenges.

Through building trust and understanding the group aims to support the development of each company's governance and sustainability practices and help to enhance their corporate value.

The first meetings mostly took place between late September and November. A second round of meetings is planned for the first half of 2022.

*Source: ACGA as December 2021

Public policy update

As a long-term investor, LGIM has a responsibility to ensure that global markets operate efficiently, to protect the integrity of the market, and to foster sustainable and resilient economic growth.

LGIM helps to identify key systemic failures and provides practical advice in the early stages of policymaking.

United Kingdom

Over the past quarter, LGIM has continued to engage with UK government on key sustainability issues. In October, the Treasury made a major announcement in regards to sustainable finance in the UK, specifically releasing the UK's Roadmap to Sustainable Investing. The roadmap sets out the government's long-term vision on how the UK will become the world leader for green and sustainable investing, aligning the financial system with the net zero commitment.

LGIM is, and will be, very engaged in the various workstreams necessary to achieve this; one key area is how to improve disclosures on sustainability across the entire system, corporate disclosures up the investment chain to asset managers. A first step has been the FCA Discussion Paper (DP21/4) on Sustainability Disclosure Requirements (SDR) and investment labels that LGIM has been, and is, engaging with and providing feedback on. The SDR is significant, and whilst it includes some key differences, it is a similar policy intervention that the EU has taken through the Sustainable Finance Disclosure Regulation (SFDR).

LGIM and other leading UK companies (coordinated by E3G), wrote to the Chancellor of the Exchequer and Secretary of State for the Department for Business, Energy, and Industrial Strategy, calling on the UK government to mandate disclosure of net zero transition plans for large companies. We were very pleased to see the government is supportive of this proposal and has gone further to commit mandate publication of transition plans for asset managers, asset owners, and listed companies.

As a long-standing advocate for improving 'diversity and Inclusion' across global markets, and highlighting its strong link with value creation, there has been a welcome focus by regulators on this topic over the past quarter. LGIM has provided formal feedback and recommendations through two recent policy papers: 1) the FCA's consultation Paper (CP21/24) on Diversity and inclusion on company boards and executive committees; and 2) the joint Prudential Regulatory Authority (PRA) and FCA Discussion Paper (DP21/2) on Diversity and inclusion in the financial sector – working together to drive change. There are areas to consider more closely but we are supportive of this focus, and of the recommendations of the Parker and the Hampton Alexander reviews.

LGIM has also engaged on other topics, including: i) an initiative urging the UK government to support the mandatory reporting of healthy and sustainable food sales (as part of the government's white paper response to the National Food Strategy); and ii) the follow-up to the Lord Hill review through the FCA's consultation Paper (CP21/21) on Primary Markets Effectiveness Review. LGIM is also advocating that policymakers do not overlook 'social' topics in sustainable finance policy.

European Union

LGIM has continued to closely follow the EU's Sustainable Finance Strategy and Green Deal. Over recent months, there has been considerable focus on ensuring the 'Green Taxonomy' is robust, scientific and evidence based. The European Commission has received considerable pressure from members states on what should and shouldn't be considered eligible in the three sectors that were omitted from the delegated act for climate change mitigation and adaptation published in April 2021, i.e. nuclear, gas, and agriculture. What drew less attention were proposals tabled for agriculture. A tabled paper suggests the Commission use similar criteria for agriculture as proposed in March 2021, and also includes other important concessions.

A glaring issue with these proposals is that they intend to adopt Common Agricultural Policy ('CAP') eco-schemes and organic agriculture without considering the principle of 'do no significant harm'. The proposals also allow for a qualification loophole, risking weaker criteria being agreed in a CAP reform or on organic farming. Given that organic farming can result in environmental trade-offs, and that CAP reforms have not been hailed for their ambition on tackling climate issues, this is a real risk.

Continuing from a letter LGIM and peers sent to the Commission that included recommendations for reforming the EU Common Agricultural Policy, the group again wrote to the Commission to voice concerns on the tabled proposals for agriculture. If approved, we would see a considerable weakening of the robustness of the taxonomy.

Japan

In early December, the Japan Financial Services Agency's (JFSA) Sustainable Finance Office invited LGIM to present our views on third-party ESG rating and data providers. This request was on the back of the JFSA's Building a Financial System that Supports a Sustainable Society report as well as its annual Strategic Priorities, originally released in Japanese in June and August, respectively. Both documents reference ESG rating and data providers as important stakeholders in promoting sustainable finance in the market.

In this regulatory engagement, we highlighted that enhancing data availability and quality involves not just ESG rating and data providers, but also companies and institutional investors (data users). We explained, for example, how LGIM's engagements and 'radical transparency' regarding company scores and the underlying external data we use aims to help facilitate dialogue between companies and data providers, resulting in better data quality. We additionally noted the importance of rigorous conflict of interest management by data providers.

United States

LGIM America submitted a comment letter expressing support for the Department of Labor's proposed rules which would allow fiduciaries to consider ESG factors when selecting retirement plan investments. This rule clears the path for ESG funds to be considered a qualified default investment alternative (often shortened to QDIA) – i.e., funds that can be considered the default option within employee retirement accounts. Other notable features include restoration of fiduciary ability to consider any factor material to the risk-return analysis, including ESG factors, and the clarification of the 'tie-breaker' rule, which would allow for fiduciaries to choose between multiple investments based on collateral benefits – i.e., non-financial – assuming the risk-return profiles are the same.

These are particularly noteworthy because they reverse previously proposed rules that would have effectively limited ESG considerations. A recent survey we conducted showed that 77% of US institutional investors cited fiduciary risk as the most significant barrier to incorporating ESG into their plans*. As such, we believe these rules are needed and will enhance the US retirement landscape.

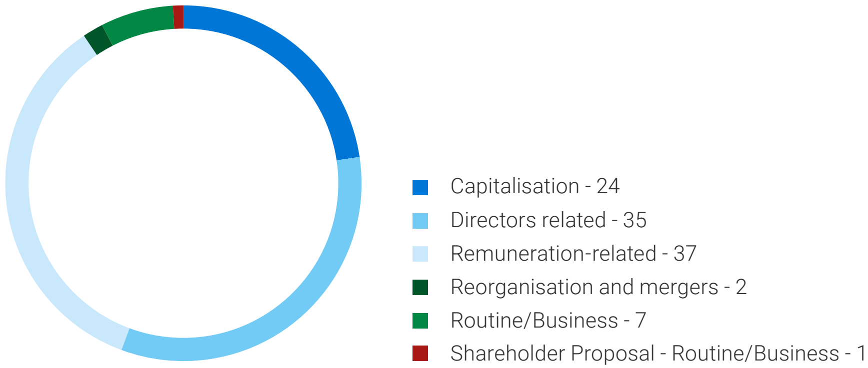
*Source: LGIM America July 2021

Regional updates

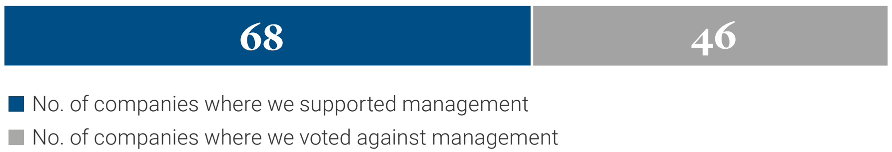
UK - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	51	0	0
Capitalisation	270	24	0
Directors related	480	35	0
Remuneration related	95	37	0
Reorganisation and Mergers	23	2	0
Routine/Business	364	7	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate Governance	0	0	0
Shareholder Proposal - Directors Related	0	0	0
Shareholder Proposal - General Economic Issues	0	0	0
Shareholder Proposal - Health/Environment	2	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	0	1	0
Shareholder Proposal - Social/Human Rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	1285	106	0
Total resolutions	1391		
No. AGMs	83		
No. EGMs	41		
No. of companies voted	114		
No. of companies where voted against management /abstained at least one resolution	46		
% no. of companies where at least one vote against management (includes abstentions)	40%		

Votes against management



Number of companies voted for/against management



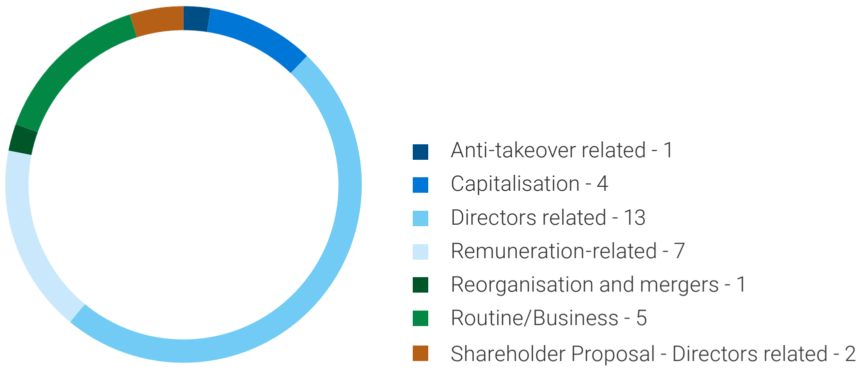
LGIM voted against at least one resolution at 40% of UK companies over the quarter.

Source for all data: LGIM as at 31 December 2021. The votes on this page and in the pages that follow represent voting instructions for our main FTSE pooled index funds.

Europe - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	0	1	0
Capitalisation	34	4	0
Directors related	54	13	1
Remuneration related	32	7	0
Reorganisation and Mergers	5	1	0
Routine/Business	115	5	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate Governance	0	0	0
Shareholder Proposal - Directors Related	3	2	0
Shareholder Proposal - General Economic Issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	1	0	0
Shareholder Proposal - Social/Human Rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	244	31	1
Total resolutions	285		
No. AGMs	10		
No. EGMs	29		
No. of companies voted	39		
No. of companies where voted against management /abstained at least one resolution	14		
% no. of companies where at least one vote against management (includes abstentions)	36%		

Votes against management



Number of companies voted for/against management

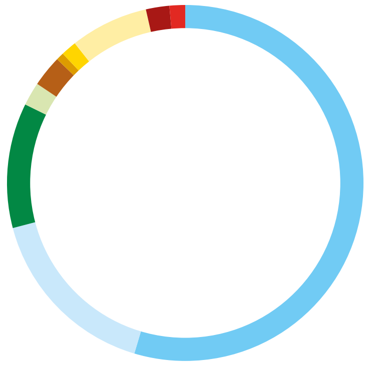
No. of companies where we supported management
No. of companies where we voted against management

LGIM voted against at least one resolution at 66% of European companies over the quarter.

North America - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	6	0	0
Capitalisation	6	0	0
Directors related	232	77	0
Remuneration related	22	23	0
Reorganisation and Mergers	5	0	0
Routine/Business	28	16	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate Governance	1	3	0
Shareholder Proposal - Directors Related	3	4	0
Shareholder Proposal - General Economic Issues	1	1	0
Shareholder Proposal - Health/Environment	0	2	0
Shareholder Proposal - Other/Miscellaneous	1	10	0
Shareholder Proposal - Routine/Business	0	3	0
Shareholder Proposal - Social/Human Rights	0	2	0
Shareholder Proposal - Social	1	0	0
Total	306	141	0
Total resolutions		447	
No. AGMs		38	
No. EGMs		6	
No. of companies voted		44	
No. of companies where voted against management /abstained at least one resolution		38	
% no. of companies where at least one vote against management (includes abstentions)		86%	

Votes against management



- Directors related - 77
- Remuneration-related - 23
- Routine/Business - 16
- Shareholder Proposal - Corporate governance - 3
- Shareholder Proposal - Directors related - 4
- Shareholder Proposal - General economic issues - 1
- Shareholder Proposal - Health/Environment - 2
- Shareholder Proposal - Other/Miscellaneous - 10
- Shareholder Proposal - Routine/Business - 3
- Shareholder Proposal - Social/Human Rights - 2

Number of companies voted for/against management

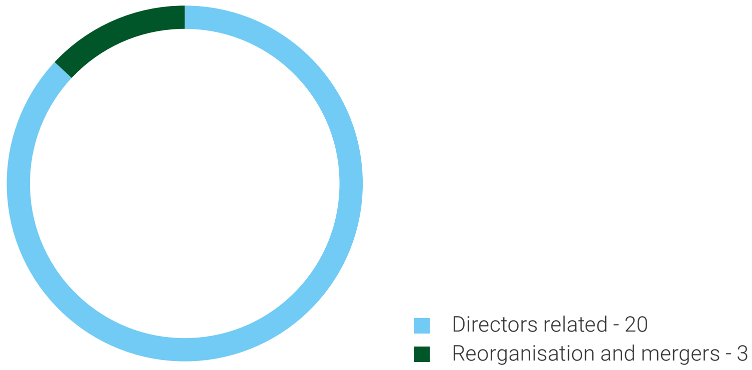
- No. of companies where we supported management
- No. of companies where we voted against management

LGIM voted against at least one resolution at 86% of North American companies over the quarter.

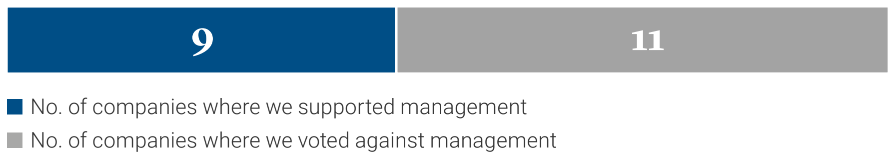
Japan - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	1	0	0
Capitalisation	0	0	0
Directors related	114	20	0
Remuneration related	11	0	0
Reorganisation and Mergers	9	3	0
Routine/Business	10	0	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate Governance	0	0	0
Shareholder Proposal - Directors Related	0	0	0
Shareholder Proposal - General Economic Issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	0	0	0
Shareholder Proposal - Social/Human Rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	145	23	0
Total resolutions	168		
No. AGMs	11		
No. EGMs	9		
No. of companies voted	20		
No. of companies where voted against management /abstained at least one resolution	11		
% no. of companies where at least one vote against management (includes abstentions)	55%		

Votes against management



Number of companies voted for/against management

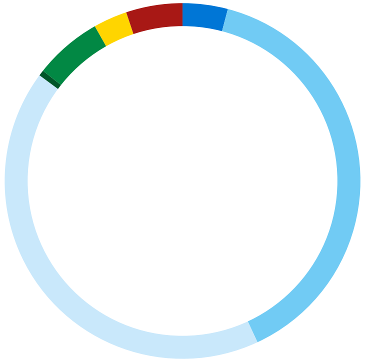


LGIM voted against at least one resolution at 55% of Japanese companies over the quarter.

Asia Pacific - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	8	0	0
Capitalisation	17	8	0
Directors related	247	76	0
Remuneration related	147	82	0
Reorganisation and Mergers	15	1	0
Routine/Business	70	12	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate Governance	0	0	0
Shareholder Proposal - Directors Related	0	0	0
Shareholder Proposal - General Economic Issues	0	0	0
Shareholder Proposal - Health/Environment	9	6	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	0	10	0
Shareholder Proposal - Social/Human Rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	513	195	0
Total resolutions	708		
No. AGMs	99		
No. EGMs	22		
No. of companies voted	120		
No. of companies where voted against management /abstained at least one resolution	78		
% no. of companies where at least one vote against management (includes abstentions)	65%		

Votes against management



- Capitalisation - 8
- Directors related - 76
- Remuneration-related - 82
- Reorganisation and mergers - 1
- Routine/Business - 12
- Shareholder Proposal - Health/Environment - 6
- Shareholder Proposal - Routine/Business - 10

Number of companies voted for/against management

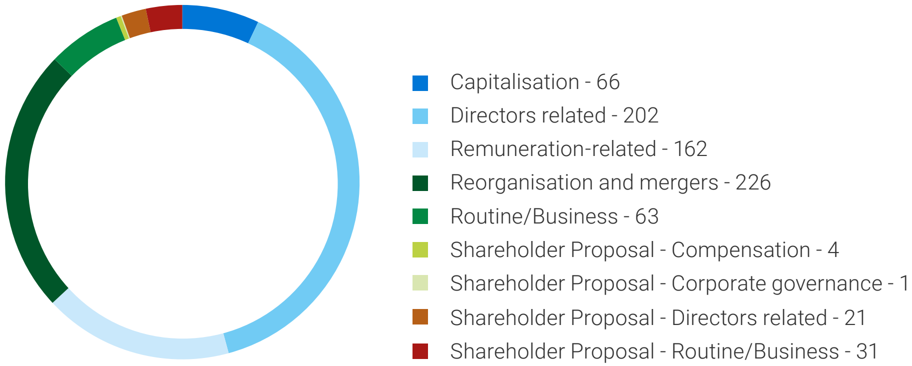
- No. of companies where we supported management
- No. of companies where we voted against management

LGIM voted against at least one resolution at 65% of Asia Pacific companies over the quarter.

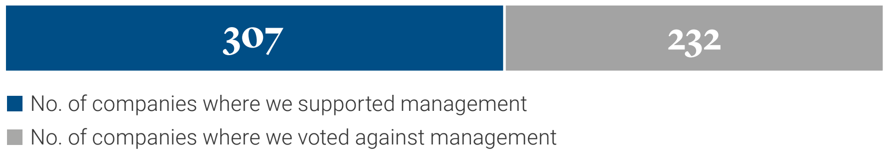
Emerging markets - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	0	0	0
Capitalisation	769	66	0
Directors related	811	202	161
Remuneration related	45	162	0
Reorganisation and Mergers	575	226	0
Routine/Business	480	63	0
Shareholder Proposal - Compensation	1	4	0
Shareholder Proposal - Corporate Governance	3	1	0
Shareholder Proposal - Directors Related	158	21	0
Shareholder Proposal - General Economic Issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	19	31	0
Shareholder Proposal - Social/Human Rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	2861	776	161
Total resolutions		3798	
No. AGMs		46	
No. EGMs		509	
No. of companies voted		539	
No. of companies where voted against management /abstained at least one resolution		232	
% no. of companies where at least one vote against management (includes abstentions)		43%	

Votes against management



Number of companies voted for/against management

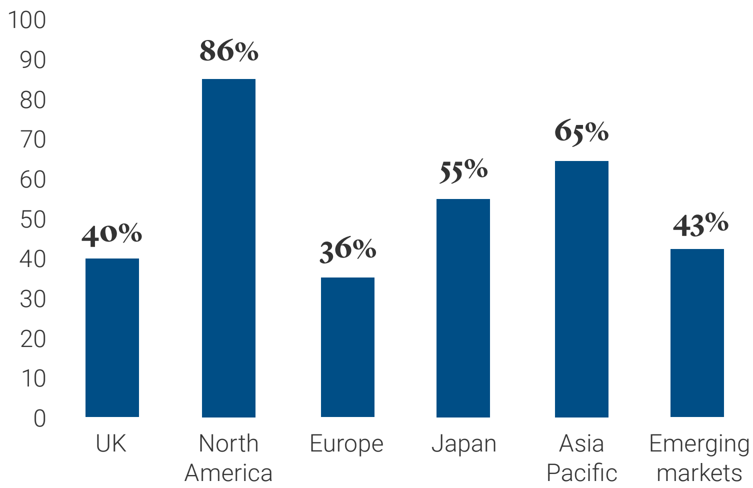


LGIM voted against at least one resolution at 43% of emerging market companies over the quarter.

Global - Q4 2021 voting summary

Proposal category	Total for	Total against	Total abstentions	Total
Anti-takeover related	66	1	0	67
Capitalisation	1096	102	0	1198
Directors related	1938	423	168	2529
Remuneration related	352	311	0	663
Reorganisation and Mergers	632	233	0	865
Routine/Business	1067	103	1	1171
Shareholder Proposal - Compensation	1	4	0	5
Shareholder Proposal - Corporate Governance	4	4	0	8
Shareholder Proposal - Directors Related	164	27	0	191
Shareholder Proposal - General Economic Issues	1	1	0	2
Shareholder Proposal - Health/Environment	11	8	0	19
Shareholder Proposal - Other/Miscellaneous	1	10	0	11
Shareholder Proposal - Routine/Business	20	45	0	65
Shareholder Proposal - Social/Human Rights	0	2	0	2
Shareholder Proposal - Social	1	0	0	1
Total	5354	1274	169	6797
Total resolutions				6797
No. AGMs				287
No. EGMs				616
No. of companies voted				876
No. of companies where voted against management /abstained at least one resolution				419
% no. of companies where at least one vote against management (includes abstentions)				48%

% of companies with at least one vote against (includes abstentions)



Number of companies voted for/against management

Global engagement summary

In Q4 2021, the Investment Stewardship team held

273 engagements with **233 companies**

(vs. 153 engagements with 143 companies last quarter)

Breaking down the engagement numbers - Q4 2021

Breakdown of engagement by themes

140 Environmental

Social 89

117 Governance

30 Other

Engagement type

116 Company meetings

157 Emails / letters

Top five engagement topics*

95 Climate change

64 Remuneration

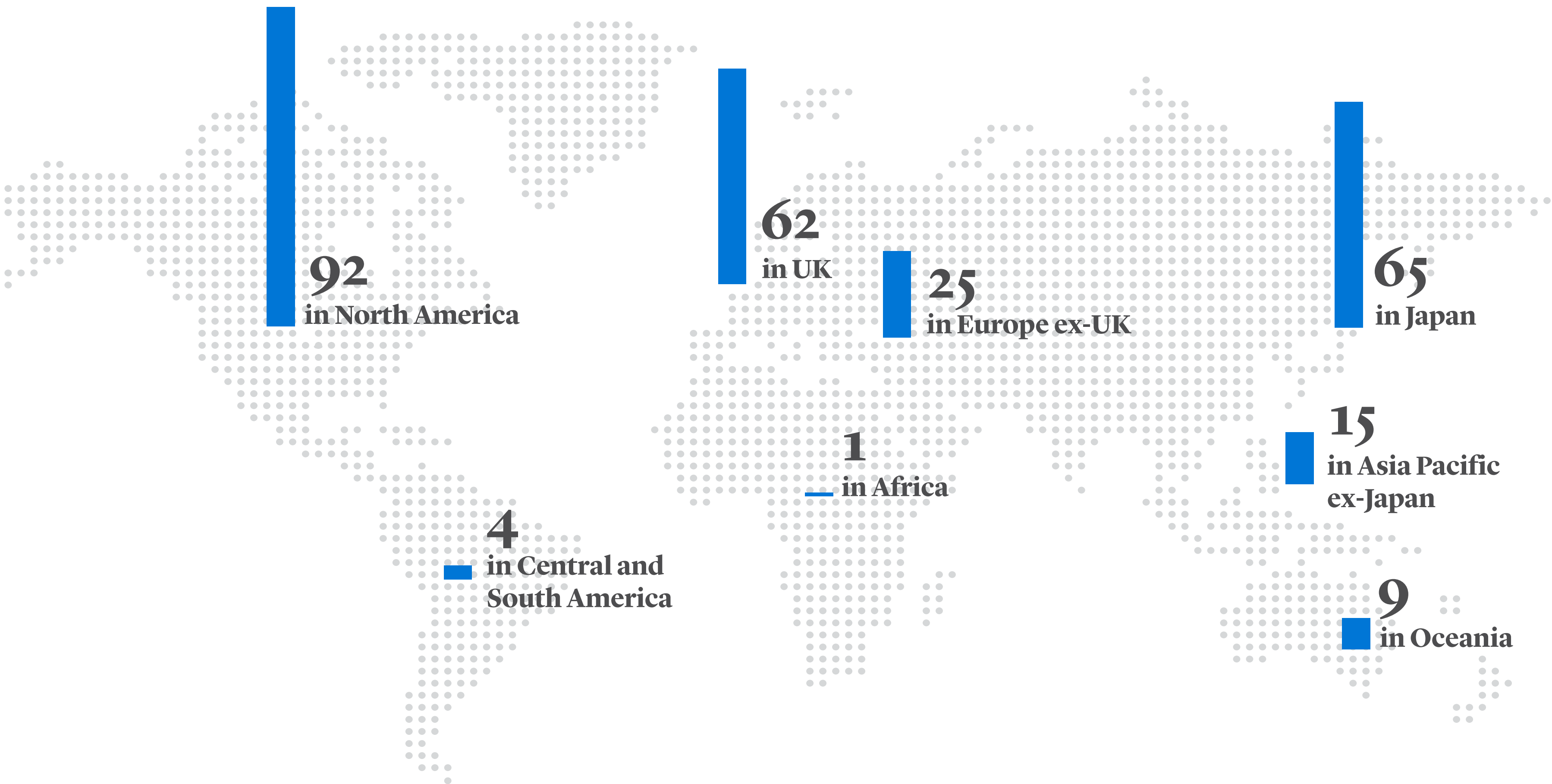
40 Climate impact pledge

29 Ethnic diversity

31 Board composition

*Note: an engagement can cover more than a single topic

Regional breakdown of engagements



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