

Weatherbys Pension and Assurance Scheme Implementation Statement for the year ended December 2020

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Weatherbys Pension and Assurance Scheme ("the Scheme") have followed the policies documented in their Statement of Investment Principles ("SIP") during the year ended December 2020 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Latest review of the Statement of Investment Principles

During the reporting year, the Scheme's SIP for the Defined Benefit ("DB") and Defined Contribution ("DC") were reviewed and amended from October 2020.

In Q3 2020, the Trustees received training on Environmental, Social and Governance ("ESG") issues from its Investment Adviser, XPS Investment Limited ("XPS") and discussed its beliefs around those issues. This enabled the Trustees to consider how to update its policy in relation to ESG and voting issues to comply with regulations which took effect from 1 October 2020. These changes had an effect on both the DB and DC section of the SIP, and the Trustees' new policy was documented in the updated SIP.

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

Investment-related activity during the reporting year

ESG

As noted above, in Q3 2020 the Trustees received training on ESG issues from XPS and discussed their beliefs in this regard. The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

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

Ongoing Governance

The Trustees consider investment issues in detail at Trustees' Meetings. The Trustees receive reports from XPS on the investment performance for both sections of the Scheme. These reports are issued on a quarterly basis and analyse performance over the last quarter, 1 Year and 3 Year time periods. The progression of the DB Section's funding position is also discussed at Trustees' Meetings.

The Trustees, with the assistance of XPS, monitored the processes and operational behaviour of the investment managers throughout the reporting year, to ensure they remained appropriate and in line with the Trustees' requirements.

The Trustees have set XPS the objective of ensuring that, over time, selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

Asset Allocation

In understanding that asset allocation plays an important role in achieving investment objectives and good member outcomes, the Trustees regularly monitor the asset allocation of both sections of the Scheme to ensure that these are in line with the Trustees' current investment objectives.

The Trustees are required to review the strategy of the default investment arrangements offered by the DC Section of the Scheme at least every three years or immediately following any significant change in investment policy or in the DC Section's member profile. A review was undertaken by the Trustees during the Scheme year ending December 2020, with the outcomes summarised below. This review included an analysis of fund performance and member activity to check that the risk and return levels meet expectations. In accordance with best practice guidance from the Pensions Regulator, particular attention was placed on the default strategy to be used where members do not make their own investment choice.

- the current Scheme membership had a moderate appetite for investment risk; members were neither particularly risk averse nor risk tolerant
- the likelihood of members making investment decisions when further from retirement was low, with engagement increasing as members approach retirement
- following the introduction of pension freedoms after the 2015 Budget, there were likely to be a diverse range of retirement objectives across the membership.
- the "Default Fund" (LGIM Multi-Asset Fund) remains appropriate for the membership due to its moderate level of investment risk and objective of delivering long term growth.

As no derisking phase is used as part of the Default Fund, the Trustees identified that member communication was important, as when members approach retirement there are a range of optional self-select lifestyle strategies that target specific retirement objectives.

There were no changes to the investment strategy of the DB Scheme over the quarter.

New Policies

As a result of the ESG training undertaken and the subsequent discussions on the Trustees' views around the relevant issues, the following new policies were introduced during the reporting period:

- The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long term time horizon of the Scheme and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.
- In pooled funds, the Trustees have limited influence over the managers' investment practices, particularly in relation to those pooled funds which are designed to track an index where the choice of the index dictates the assets held by the manager.
- The Trustees will seek advice from XPS on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees, with the

assistance of XPS, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements.

- The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme’s investments to the investment managers and encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.
- The Trustees’ policy is that non-financial matters should not be taken into account in the selection, retention and realisation of investments at this time. The Trustees will review this policy if any beneficiary views are raised in future.

Trustees Training

To better enable oversight and understanding of investment activities undertaken in relation to the Scheme, the Trustees received training on the following investment topic during the December Trustees Meeting:

- The Trustees received training on whether to govern or consolidate the DC Scheme as a result of the increased reporting requirements that are expected to come into force from October 2021. As part of the regulatory changes, it’s proposed smaller schemes (i.e. those with assets less than £100m like the Weatherbys DC Scheme) must undertake additional value for members assessments. If the Trustees conclude the Scheme is not delivering good value for members then, via the Scheme Return, the Trustees must confirm whether they will proceed to wind up the Scheme, or disclose their plans to improve it.

CMA Objectives

Objectives were put in place for XPS Investment, in line with the 10 June 2019 CMA Order which required trustees to set objectives for existing and new investment consultant appointments from 10 December 2019, in order to receive investment advice after that date.

The Trustees’ investment policies

The Trustees had various investment policies for the Scheme on the topics listed in the table below; the table also provides commentary on how and the extent to which the various policies were followed during the reporting year.

DB

Policy	How the policy was followed	The extent to which the policy was followed
<p>Kinds of investments to be held</p> <p>The Trustees’ policy is to acquire assets of appropriate liquidity which will generate income and capital growth.</p>	<p>The range of investment funds held incorporate “on-risk” assets (e.g. equities and multi-asset funds), and assets that are “off-risk” (e.g. LDI and corporate bonds).</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>
<p>Balance between different investments</p> <p>The Trustees’ policy is to invest in a diversified portfolio of return seeking assets and liability matching assets.</p>	<p>The funds held by the DB Section incorporate both return seeking assets (e.g. equities and multi asset funds) and liability matching assets (e.g. LDI and Corporate Bond funds). The investment strategy remained unchanged during the year.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>

<p>Choosing investments</p> <p>The Trustees' policy is to regularly review the investments over which it retains control and to obtain written advice about them when necessary.</p>	<p>Over the reporting year, it was discussed at several Trustees Meetings that the current investment strategy meets the Scheme's objectives. A full strategy review is expected to take place in 2021.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>
<p>Risks (measurement and management)</p> <p>The Trustees have a number of policies in respect of risk management and measurement. The following policies were of relevance over the reporting year:</p> <p><i>Strategy risk:</i> The Trustees' policy is to consider how far the actual asset allocation has drifted from the strategic asset allocation.</p> <p><i>Underperformance risk:</i> The Trustees' policy is to monitor the performance of the investment managers against the individual fund benchmarks and objectives, to consider the managers' approach to risk in order to highlight any unintended risk being taken.</p> <p><i>Sponsor risk:</i> The Trustees' have taken into account the risk of the employer ceasing to exist when setting the investment strategy.</p>	<p>The Trustees receive quarterly reporting from its Investment Adviser, XPS, which includes the DB Section's asset allocation and compares this with the desired long term strategic allocation. The quarterly report also includes an update on the markets over the period and any market risks on the horizon are highlighted as part of XPS' presentation at the IC meeting when appropriate.</p> <p>The Trustees also received disinvestment advice over the year following a large Transfer value. The advice was to maintain the same percentages in each growth fund across the Scheme's growth assets, which the Trustees agreed with.</p> <p>Quarterly reporting provided by XPS furnishes the Trustees with the underlying asset class/sector exposures to monitor any unintended risk being taken.</p> <p>The coronavirus outbreak in 2020 had a negative impact on the Sponsor's business. This was considered when a disinvestment was required to cover a transfer value, and resulted in disinvestments being made from the Scheme's growth assets to fund the</p>	<p>The Trustees are satisfied that they are following this policy to a reasonable extent.</p> <p>The Trustees are satisfied that they are following this policy to a reasonable extent.</p> <p>The Trustees are satisfied that they are following this policy to a reasonable extent.</p>

	transfer value thereby reducing exposure to riskier assets.	
<p>Expected return</p> <p>The Trustees' policy is to invest in a mixture of assets such that future investment returns will at least meet the rate of return underlying the recovery plan. This return, along with the Sponsor contributions, is expected to cover the cost of benefits the DB Section provides.</p>	<p>The Trustees did not change the investment strategy over the year, given the expected return was great enough to meet the rate of return underlying the recovery plan.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>
<p>Realisation of investments</p> <p>The Trustees' policy is to monitor closely the extent to which any assets not readily realisable are held by the investment managers. In addition it is the Trustees' policy to hold cash to meet impending liability outflows.</p>	<p>The DB Section holds only liquid assets to be able to meet liquidity needs. Over the reporting year, several disinvestments were made from the Scheme's growth assets to fund cash outflows. The most notable of these was c.£5m due to a large transfer value. In addition, the Trustees hold a buffer in the Trustees Bank Account to fund unexpected payments.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>
<p>ESG</p> <p>The Trustees' policy is to delegate the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers.</p>	<p>The investment managers have responsibility for the ongoing monitoring and management of ESG risks and those related to climate change.</p>	<p>The Trustees are satisfied that they followed the policy over the period.</p>
<p>Non-financial matters</p> <p>The Trustees' policy is to act in the best interests of the beneficiaries of the Scheme when selecting, retaining or realising investments. It has neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.</p>	<p>The Trustees seek professional advice in relation to the management of the assets of the Scheme to ensure any decisions it makes are in the best interests of Scheme beneficiaries.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>

<p>Voting rights</p> <p>The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers.</p>	<p>The investment managers are expected to vote in accordance with their internal voting policies.</p>	<p>The Trustees are satisfied that they are following this policy in full.</p>
<p>Stewardship/relationship with managers</p> <p>The Trustees' policy is to encourage investment managers to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.</p>	<p>The Trustees have yet to engage with the investment managers on this policy.</p>	<p>The Trustees acknowledge that the policy has not been followed during the reporting year but they intend to engage with the investment managers over the next twelve months.</p>

DC

Policy	How the policy was followed	The extent to which the policy was followed
<p>Kinds of investments to be held</p> <p>The Trustees' policy is to provide members with investment vehicles encompassing both real and monetary assets.</p>	<p>The range of investment options available incorporates both real and monetary assets.</p>	<p>The Trustees are satisfied that they followed this policy in full.</p>
<p>Balance between different investments</p> <p>The amounts allocated to any individual asset class will be influenced by the choices made by the members.</p> <p>The Trustees' policy is to offer a range of investment funds with different risk-reward characteristics.</p>	<p>The default strategy invests into several asset classes through its multi-asset approach. The allocation to each asset class is changed depending upon the market views of the investment manager. Several self-select funds are also available that provide members the opportunity to invest into several of the main asset classes, including; equity, gilts, corporate bonds and property. The popularity of each of these self select funds will also affect the amounts allocated to any individual asset class.</p> <p>A review of the DC funds available was conducted over the year. The options available to members include equities (UK and overseas), bonds, property, cash</p>	<p>The Trustees are satisfied that they followed the policy in full by offering a selection of funds that invest in several assets classes.</p> <p>The Trustees are satisfied that they followed the policy in full by offering investment funds with different risk-reward characteristics.</p>

	and multi asset funds. The default strategy for the Scheme is to invest into the LGIM Multi Asset Fund. As part of the review, it was deemed this fund was a suitable default strategy for the fund.	
<p>Choosing investments</p> <p>The Trustees' policy is to regularly review the investments over which it retains control and to obtain written advice about them when necessary.</p>	<p>The Trustees reviewed and took advice on the investment options made available to members.</p>	<p>The Trustees are satisfied that they followed the policy by conducting the review of the DC strategy. It was noted during the review that an ESG focused investment option could be added to the self-selection funds for members in the future.</p>
<p>Risks (measurement and management)</p> <p>The Trustees have a number of policies in respect of risk management and measurement. The following policies were of relevance over the reporting year:</p> <p><i>Market risk:</i> The Trustees' policy is to address the risk of exposure to volatile markets through the availability of non-equity orientated funds.</p> <p><i>Manager risk:</i> The Trustees' policy is to monitor the performance of the investment managers against the individual fund benchmarks and objectives, to consider the approach to risk in order to highlight any unintended risk being taken and offer passively managed funds where appropriate to enable members to reduce manager underperformance risk.</p>	<p>The range of investment options made available to members includes bond funds, a cash fund and a property fund.</p> <p>The Trustees receive quarterly reporting from XPS.</p> <p>The range of investment options made available includes both active and passive funds.</p>	<p>The Trustees are satisfied that they followed the policy in full.</p> <p>The Trustees have partially followed this policy as current reporting does not cover the managers' approach to risk or provide the Trustees with the underlying exposures to monitor any unintended risk being taken and so the Trustees will be looking to enhance this in the future.</p>
<p>Expected return</p> <p>The Trustees' policy is to make available a range of investment funds with different risk-reward characteristics that will allow members to maintain the real value of their fund whilst at the same time providing them with the opportunity to invest in assets which are closely aligned to the way</p>	<p>The Trustees made a range of investment options available to members, with investment into the LGIM Multi-asset fund being the default strategy. Self-select funds are also available for members.</p>	<p>The Trustees are satisfied that they followed the policy in full over the reporting period.</p>

<p>in which they expect to convert their fund at retirement.</p>		
<p>Realisation of investments</p> <p>The Trustees' policy is to monitor closely the extent to which any assets not readily realisable are held by the investment managers.</p>	<p>The temporary closure of the Property Fund as a result of Covid-19 has led to some assets held by members temporarily not being readily realisable. The Fund has reopened since the end of the reporting period, but in the meantime assets were directed to the Cash Fund as a short term solution.</p>	<p>The Trustees are satisfied that it has followed the policy to a reasonable extent over the reporting period but acknowledges it has little control over black swan events that can impact Funds' liquidity.</p>
<p>ESG</p> <p>The Trustees' policy is to delegate the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers.</p>	<p>The investment managers have responsibility for the ongoing monitoring and management of ESG risks and those related to climate change.</p>	<p>The Trustees are satisfied that they followed the policy in full over the period.</p>
<p>Non-financial matters</p> <p>The Trustees' policy is to act in the best interests of the beneficiaries of the Scheme when selecting, retaining or realising investments. It has neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.</p>	<p>The Trustees seek professional advice in relation to the management of the assets of the Scheme to ensure any decisions it makes are in the best interests of Scheme beneficiaries.</p>	<p>The Trustees are satisfied that they followed the policy in full in relation to the investment decisions it took over the period.</p>
<p>Voting rights</p> <p>The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers.</p>	<p>The underlying investment managers are expected to vote in accordance with their internal voting policies.</p>	<p>The Trustees are satisfied that they followed the policy in full over the period.</p>
<p>Stewardship/relationship with managers</p> <p>The Trustees' policy is to encourage investment managers to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.</p>	<p>The Trustees have yet to engage with the investment managers.</p>	<p>The Trustees acknowledge that the policy has not been followed during the reporting year but it is looking to engage with the investment managers over the next twelve months.</p>

Voting

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

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to public equities, in UK and overseas markets. Investments in equities will also form part of the strategy for the diversified growth funds in which the DB and DC Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the investment manager organisations for the relevant funds is shown below. DC section votes include default LGIM Multi Asset Fund's votes and significant votes from other self-select funds with over 5% allocation of the total DC section's assets.

DB Section

Voting Information
Baillie Gifford Multi Asset Growth Fund
The manager voted on 95.98% of resolutions of which they were eligible out of 696 eligible votes.
Investment Manager Client Consultation Policy on Voting
All voting decisions are made by their Governance & Sustainability team in conjunction with investment managers. They do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then they will engage with them on this. If a vote is particularly contentious, they may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.
Investment Manager Process to determine how to Vote
Thoughtful voting of their clients' holdings is an integral part of their commitment to stewardship. They believe that voting should be investment led, because how they vote is an important part of the long-term investment process, which is why their strong preference is to be given this responsibility by their clients. The ability to vote their clients' shares also strengthens their position when engaging with investee companies. Their Governance and Sustainability team oversees the voting analysis and execution in conjunction with their investment managers. Unlike many of their peers, they do not outsource any part of the responsibility for voting to third-party suppliers.
They utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with their Governance & Sustainability Principles and Guidelines and endeavour to vote every one of their clients' holdings in all markets.
How does this manager determine what constitutes a 'Significant' Vote?
The list below is not exhaustive, but exemplifies potentially significant voting situations: <ul style="list-style-type: none"> — Baillie Gifford's holding had a material impact on the outcome of the meeting — The resolution received 20% or more opposition and Baillie Gifford opposed — Egregious remuneration — Controversial equity issuance — Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders — Where there has been a significant audit failing — Where they have opposed mergers and acquisitions — Where they have opposed the financial statements/annual report — Where they have opposed the election of directors and executives.

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

Whilst they are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. They vote in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Covivio REIT	Remuneration - Policy	Against	Pass
Covivio REIT	Remuneration - Policy	Against	Pass
For both votes: Following the AGM in 2020, they informed the company of their voting decision and advised that they expect more stretching performance criteria to apply to long term incentives going forward. They have yet to see improvements in the targets so will continue dialogue with the company and to take appropriate voting action.			
EDP Renovaveis	Elect Director(s)	Against	Pass
They have taken action on the election of directors at the company since the 2018 AGM. Their concerns are regarding the attendance record of some directors, a lack of board independence and diversity. They have spoken to the company a number of times regarding these concerns and continue raise the issue and take action where possible. As the company has an 82% controlling shareholder, their ability to influence is limited, however they believe it important to hold the board accountable for their concerns.			
Gecina	Incentive Plan	Against	Pass
They have been opposing remuneration at the company since 2017 due to concerns with the targets applied to the restricted stock plan. They are yet to see improvements in the remuneration plan however continue to engage with the company to advise of areas for improvement.			
Merlin Properties	Remuneration - Report	Against	Pass
They have been opposing remuneration at the company since 2017 and engaging with the company on the issue. In 2020, they saw significant improvements in the company's remuneration policy which is a positive outcome.			

Voting Information

Legal and General Investment Management Dynamic Diversified Fund

The manager voted on 99.86% of resolutions of which they were eligible out of 81093 eligible votes.

Investment Manager Client Consultation Policy on Voting

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all their 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 they continue to develop their voting and engagement policies and define strategic priorities in the years ahead. They also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with their 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 their stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

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

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

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what they deemed were 'material votes'. They are evolving their approach in line with the new regulation and are committed to provide their 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). 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 they 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.

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

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

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and 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, they 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.

Top 5 Significant Votes during the Period

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

Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data). LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.

Pearson	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.	They voted against the amendment to the remuneration policy.	Did not pass
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At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO. 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.

Voting Information

Newton Multi-Asset Global Balanced Fund

The manager voted on 98.7% of resolutions of which they were eligible out of 1032 eligible votes.

Investment Manager Client Consultation Policy on Voting

Where they plan to vote against management on an issue, they often engage with the company in order to provide an opportunity for their concerns to be allayed. In such situations, it would not be a surprise should they vote against. They only communicate their voting intentions ahead of the meeting direct to the company and not to third parties. They do alert a company regarding an action they have taken at their annual general meeting (AGM) through an email, to explain their thought process. They then often hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the sponsoring global industry analyst.

Overall, they prefer to retain discretion in relation to exercising their clients' voting rights and have established policies and procedures to ensure the exercise of global voting rights. They believe the value of their clients' portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. Their understanding of a company's fundamental business enables them to assess the appropriate balance between the strict application of corporate governance policies and taking into account a company's unique situation.

Investment Manager Process to determine how to Vote

Their head of responsible investment (RI) is responsible for the decision-making process of the RI team when reviewing meeting resolutions for contentious issues. They do not maintain a strict proxy voting policy. Instead, they prefer to take into account a company's individual circumstances, their investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices.

Contentious issues may be referred to the appropriate industry analyst for comment and, where relevant, they may confer with the company or other interested parties for further clarification or to reach a compromise or to achieve a commitment from the company.

Voting decisions are approved by either the deputy chief investment officer or a senior investment team member (such as the head of global research). For the avoidance of doubt, all voting decisions are made by Newton.

It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence. It is also only in these circumstances when they may register an abstention given their stance of either voting in favour or

against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures they do not provide confusing messages to companies.

Research ahead of voting decisions; regional distinction. They employ a variety of research providers that aid them in the vote decision-making process, including proxy advisors such as ISS. They utilise ISS for the purpose of administering proxy voting, as well as its research reports on individual company meetings.

Voting decisions take into account local market best practice, rules and regulations while also supporting their investment rationale. For example, when voting on the election of directors in Japan, they are unlikely to vote against a board chair should the board not be majority independent given that only recently the corporate governance code has recommended boards appoint independent directors. However, in the UK, where majority independent boards are well established and expected by investors, they are likely to vote against the chair and non-independent directors. This being said, they frequently vote against executive pay at US companies despite it being accepted US market practice of granting significant awards of free shares as they believe executive pay should be aligned with performance.

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

They regard as material issues all votes against management, including where they support shareholder resolutions that the company's management are recommending voting against. As active managers, they invest in companies that they believe will support the long term performance objectives of their clients. By doing so, they are making a positive statement about the business, the management of risks and the quality of management. Voting against management, therefore, is a strong statement that they think there are areas for improvement. As such, by not supporting management, they think that this is material, which is different to a passive investor where there is no automatic assumption of a positive intent in ownership. As such, they report publicly their rationale for each instance where they have voted against the recommendation of the underlying company's management. At the fund level, they consider each instance of voting against management to be significant but if required to prioritise these instances, they take an objective approach that includes the fund's weighting in each security. This reflects their investment process and ensures the prioritised list includes those instances that could be most impactful to the long term value to the fund as well as those that may have an immediate impact to the fund.

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

They utilise ISS for the purpose of administering proxy voting (notification and lodgement of votes), as well as its research reports on individual company meetings. Only in the event where they recognise a potential material conflict of interest do they follow the voting recommendations of ISS.

They do not maintain a rigid voting policy with any proxy voting service provider.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Microsoft Corporation	Elect Director, Advisory Vote to Ratify Named Executive Officers' Compensation and Ratify Deloitte & Touche LLP as Auditors	AGAINST	Pass
1.1%, 0.9%, 0.3%, AGAINST respective compensation committee members, 3.9% AGAINST reappointment of the auditor, 5.3% AGAINST executive officers' compensation. The vote outcome demonstrates shareholders are not overly concerned with the company's executive pay arrangements. However, their engagement with the company over multiple years shows that pay arrangements have been improving and are expected to continue to improve. They look forward to supporting the company's executive pay proposals as these improvements are implemented.			
Abbott Laboratories	Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Directors, Increase Disclosure of Executive Compensation	AGAINST management proposals and FOR the shareholder proposal	Pass

7.4% AGAINST advisory vote to ratify named Executive Officers' Compensation. 79.7% AGAINST report on lobbying payments and policy. 97% AGAINST require shareholder approval of byelaw amendments adopted by the Board of Directors. 15% AGAINST adopt simple majority vote. The vote outcome surrounding pay is unlikely to generate discussion either internally or externally, as their concerns were not reflected in others' voting actions. However, they will continue to press this matter. Support for the appointment of an independent chair was encouraging and is likely to increase over the next few years should the company fail to address this matter.

Apple Inc.	Ratification of executive compensation arrangements and members of the compensation committee, removal of limits on number of director nominees that shareholders can propose for election to the board and shareholder request, for the company to report on feasibility of integrating sustainability measures into the company's compensation arrangements and for details on company's policies on freedom of expression and access to information.	AGAINST management proposals and FOR the shareholder proposals	Pass
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5.8% AGAINST - Ratification of executive compensation. 5.1%, 6.1% and 4.9% AGAINST - three board director members of the compensation committee. 31.1% FOR - Removal of limits on number of director nominees that shareholders can propose for election to the board and shareholder request. 12.1% FOR - Report on the feasibility of integrating sustainability measures into the company's compensation arrangements.

40.6% FOR - Details on the company's policies on freedom of expression and access to information. The lack of shareholder dissent suggests that shareholders are comfortable with the executive pay arrangements. However, the significant support for two of the shareholder proposals should not be ignored by the company will likely lead to further investor engagement.

Novartis AG	Transact other business proposal	AGAINST	Not published
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This is a routine resolution item proposed by Swiss companies. Without comfort provided as to the nature of matters that may be raised and approved under this item, they will continue to vote against its approval.

Medtronic plc	Elect Director, Approve PricewaterhouseCoopers LLP as Auditors and Authorize Board to Fix Their Remuneration and Advisory Vote to Ratify Named Executive Officers' Compensation	AGAINST	Pass
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6.4%, 1.5%, 3.4%, 2.6%, 14.3% AGAINST compensation committee members, 5.5% AGAINST reappointment of the auditor, 8.3% AGAINST executive officers' compensation. The outcome of the pay-related votes is likely to generate discussion within the company, particularly given the level of dissent in relation to the re-election of one board director. They will continue to recognise formally their concern in relation to the pay structure through the exercise of voting rights. While the level of opposition to the long-tenured auditor was minor, they expect this to increase as audit quality rises up the agenda for investors.

DC Section

Voting Information

Legal and General Investment Management Multi-Asset (formerly Consensus) Fund

The manager voted on 99.29% of resolutions of which they were eligible out of 120584 eligible votes.

There were no significant votes made in relation to the securities held by this fund during the reporting period.

Voting Information

Legal and General Investment Management Global Equity 60:40 Index

The manager voted on 99.97% of resolutions of which they were eligible out of 43630 eligible votes.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Qantas Airways Limited	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.	LGIM voted against resolution 3 and supported resolution 4.	Pass
About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in their view. They will continue their engagement with the company.			
Whitehaven Coal	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	LGIM voted for the resolution.	Did not pass
The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in significant environmental harm. As the company is on LGIM's Future World Protection List of exclusions, many of their ESG-focused funds and select exchange-traded funds were not invested in the company. LGIM will continue to monitor this company.			
International Consolidated Airlines Group	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.	They voted against the resolution.	Pass
28.4% of shareholders opposed the remuneration report. LGIM will continue to engage closely with the renewed board.			

Lagardere	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardere, as well as to remove all the incumbent directors (apart from two 2019 appointments).	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardere SB directors (resolutions B,C,E,F,G).	Did not pass
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Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data). LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.

Pearson	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.	They voted against the amendment to the remuneration policy.	Did not pass
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At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO. 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.

Voting Information

Legal and General Investment Management UK Equity Index Fund

The manager voted on 100% of resolutions of which they were eligible out of 12468 eligible votes.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
International Consolidated Airlines Group	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.	They voted against the resolution.	Did not pass

28.4% of shareholders opposed the remuneration report. LGIM will continue to engage closely with the renewed board.

Pearson	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.	They voted against the amendment to the remuneration policy.	Did not pass
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At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO. Such significant dissent clearly demonstrates the scale of investor concern with the company's

<p>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.</p>			
SIG plc.	<p>'Resolution 5: Approve one-off payment to Steve Francis' proposed at the company's special shareholder meeting held on 9 July 2020.</p>	<p>They voted against the resolution.</p>	<p>Pass</p>
<p>The resolution passed. However, 44% of shareholders did not support it. They believe that with this level of dissent the company should not go ahead with the payment. They intend to engage with the company over the coming year to find out why this payment was deemed appropriate and whether they made the payment despite the significant opposition.</p>			
Barclays	<p>Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution</p>	<p>LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.</p>	<p>Resolution 29: Pass Resolution 30: Did not pass</p>
<p>Resolution 29 - supported by 99.9% of shareholders Resolution30 - supported by 23.9% of shareholders (source: Company website). The hard work is just beginning. Their 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. They 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.</p>			
Rank Group	<p>Resolution 2 Approve the remuneration report; and resolution 3 Approve remuneration policy.</p>	<p>LGIM supported both resolutions.</p>	<p>Pass</p>
<p>90.79% of shareholders supported resolution 2 and 96.4% supported resolution 3. However, it should be noted that a majority shareholder owned 56.15% of the voting rights shortly before the time of the vote. This remains an interesting outcome given the recommendation of a vote against both resolutions by influential proxy voting agency ISS. Their engagement with the company on the topic of remuneration led to an informed vote decision by LGIM.</p>			

Signed: _____, Chair of Trustees

Date: _____