

Implementation Statement

W Lucy Pension Scheme

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers. Investment rights (including voting rights) have been exercised by the managers in line with the managers' general policies on corporate governance. The Trustees also expect the managers to have engaged with the companies in which they invest in relation to ESG matters.

The Trustees undertook an initial review of the stewardship and engagement activities of the current managers at their 24 May 2021 meeting. The Trustees acknowledged that ESG is a risk for the Scheme, but were satisfied that their policies were reasonable and no remedial action was required at that time.

Annually the Trustees receive and review voting information and engagement policies from both the asset managers and our investment advisors which we review to ensure there is no significant divergence with our own policies. This exercise was undertaken in line with the annual monitoring report, which was discussed most recently in the 24 May 2021 meeting.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

Shortly before the year under review, the Scheme appointed the Columbia Threadneedle Dynamic Real Return Fund. ESG integration was considered as part of the manager selection exercise, alongside all other material factors. The new manager is rated as acceptable by our investment advisors for stewardship and voting, and the Trustees are comfortable that the manager is suitable across all criteria considered.

The Scheme's investment managers vote on behalf of the Plan's holdings in pooled funds. We have noted below the key voting themes over the year made on behalf of the Trustees, the key votes taken and the use of proxy voting advisors by managers:

Voting Data

The voting data collated for the Scheme is given over the year to 31 March 2021.

Manager	Legal & General Investment Management							
Fund name	UK Equity Index	Europe (ex UK) Equity Index	North America Equity Index	Japan Equity Index	Asia Pacific (ex Jap) Equity Index	World Emerging Markets Equity Fund	World Equity Index (MSCI)	Global Equity 50:50 Fund
Structure	Pooled							
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.							
Number of company meetings the manager was eligible to vote at over the year	943	686	794	551	703	3,998	1,941	3,641
Number of resolutions the manager was eligible to vote on over the year	12,574	11,412	9,495	6,518	5,150	36,036	25,696	44,680
Percentage of resolutions the manager voted on	100.00%	99.89%	100.00%	100.00%	100.00%	99.89%	99.92%	99.97%
Percentage of resolutions the manager abstained from	0.01%	0.53%	0.04%	0.00%	0.02%	1.38%	0.19%	0.15%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	92.94%	84.21%	71.79%	86.08%	77.81%	85.23%	80.79%	83.56%

Legal & General Investment Management

Manager

Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7.05%	15.26%	28.17%	13.92%	22.17%	13.40%	19.02%	16.29%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	0.80%	0.40%	0.32%	0.21%	0.16%	0.02%	0.40%	0.44%
	GMO LLC	Blackrock Investment Management	Columbia Threadneedle	Ruffer LLP				
Fund name	Global Equity Allocation Investment Fund	Dynamic Diversified Growth Fund	Dynamic Real Return Fund	Absolute Return Fund				
Structure			Pooled					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.							
Number of company meetings the manager was eligible to vote at over the year	941	977	358	86				
Number of resolutions the manager was eligible to vote on over the year	10,743	12,398	4,659	1,144				
Percentage of resolutions the manager voted on	96.65%	96.63%	98.8%	97.03%				
Percentage of resolutions the manager abstained from	1.69%	0.88%	2.4%	1.62%				
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	91.29%	93.28%	91.3%	90.90%				

Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7.02%	5.87%	6.3%	9.28%
Percentage of resolutions voted <i>contrary to the recommendation of the proxy advisor</i>	0.11%	n/a	n/a	7.9%

Source: Information provided by the investment managers.

Proxy Advisors

Many of the Scheme's investment managers make use proxy advisory services when voting at shareholder meetings. Details of the proxy services used and policies applied are below, where this information has been provided.

LGIM

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. LGIM's 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 LGIM receive from ISS for UK companies when making specific voting decisions.

To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

LGIM 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 LGIM to apply a qualitative overlay to their voting judgement. LGIM 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.

GMO

GMO has engaged Institutional Shareholder Services Group, Inc. ("ISS") as its proxy voting agent to:

- research and make voting recommendations or, for matters for which GMO has so delegated, to make the voting determinations;
- ensure that proxies are voted and submitted in a timely manner;
- handle other administrative functions of proxy voting;

- maintain records of proxy statements received in connection with proxy votes and provide copies of such proxy statements promptly upon request;
- maintain records of votes cast; and
- provide recommendations with respect to proxy voting matters in general.

Proxies generally will be voted in accordance with the voting recommendations contained in the applicable ISS Sustainability Proxy Voting Guidelines, as in effect from time to time, subject to such modifications as may be determined by GMO.

Columbia Threadneedle

Threadneedle recognise that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating their approach, they are also mindful of best practice standards and codes that help frame good practice, including international frameworks and investment industry guidance. While they are mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company they are guided solely by the best interests of their clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, they use a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Threadneedle's final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS.

Ruffer

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS).

Ruffer have developed their own internal voting guidelines, however they take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on their clients' shares.

Each research analyst, supported by their responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

As discussed above, Ruffer do use ISS as an input into their decisions. In the 12 months to 31 March 2021, of the votes in relation to holdings in the Ruffer Absolute Return Fund, they voted against the recommendation of ISS 7.9% of the time.

Significant votes

For the first year of implementation statements we have delegated to the investment manager(s) to define what a "significant vote" is. A summary of the data they have provided is set out below.

LGIM, UK Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	International Consolidated Airlines Group	Imperial Brands plc	Pearson
Date of vote	07-Sep-20	03-Feb-21	18-Sep-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Approve Remuneration Report ¹ was proposed at the company's annual shareholder meeting.	Approve Remuneration Report and Approve Remuneration Policy.	Amend remuneration policy was proposed at the company's special shareholder meeting.
How the manager voted	LGIM voted against the resolution.	LGIM voted against both resolutions.	LGIM voted against the amendment to the remuneration policy.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	As a result of Covid-19, the company took up support under various government schemes and a 30% cut to its workforce. The company withdrew its dividend for 2020 and sought shareholder approval for a rights issue of €2.75 billion. The remuneration report for the financial year to 31 December 2019 was submitted to a shareholder vote. LGIM expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience.	The company appointed a new CEO during 2020, who was granted a significantly higher base salary than his predecessor. The company did not apply best practice in relation to post-exit shareholding guidelines as outlined by both LGIM and the Investment Association. Prior to the AGM, LGIM engaged with the company outlining what its concerns over the remuneration structure were.	Pearson issued a series of profit warnings under its previous CEO. LGIM discussed shortcomings of the company's current remuneration policy. LGIM also spoke with the chair directly before the meeting, and relayed its concerns that the performance conditions were weak and should be re-visited. LGIM also asked that the post-exit shareholding requirements were reviewed to be brought into line with LGIM's expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.
Outcome of the vote	28.4% of shareholders opposed the remuneration report.	Approve Remuneration Report received 40.26% votes against, and 59.73% votes of support. Approve Remuneration Policy	33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.

	Vote 1	Vote 2	Vote 3
		received 4.71% of votes against, and 95.28% support.	
Implications of the outcome	LGIM will continue to engage closely with the renewed board.	LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.	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.
Criteria on which the vote is considered "significant"	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis.	LGIM are concerned over the ratcheting up of executive pay; and they believe executive directors must take a long-term view of the company in their decision-making process, hence the request for executives' post-exit shareholding guidelines to be set.	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and their outstanding concerns, LGIM deem this vote to be significant.

LGIM, Europe (ex UK) Equity Index Fund

	Vote 1
Company name	Lagardère
Date of vote	05-May-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a
Summary of the resolution	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).
How the manager voted	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardère SB directors (resolutions B,C,E,F,G).
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. LGIM engaged with both Amber Capital, where they were able to speak to the proposed new SB Chair, and also Lagardère, where they spoke to the

	incumbent SB Chair. This allowed LGIM to gain direct perspectives from the individual charged with ensuring their board includes the right individuals to challenge management.
Outcome of the vote	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)
Implications of the outcome	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.
Criteria on which the vote is considered "significant"	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.

LGIM, North America Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Medtronic plc	Amazon	AmerisourceBergen Corporation
Date of vote	11-Dec-20	27-May-20	11-Mar-21
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation.	Shareholder resolutions 5 to 16	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	LGIM voted against the resolution.	Of 12 shareholder proposals, LGIM voted to support 10. There are two main areas which drove LGIM's decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIMs policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Following the end of the financial year, executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment.	LGIM's team has had multiple engagements with Amazon over the past 12 months. The topics of LGIM's engagements touched most aspects of ESG, with an emphasis on social topics. LGIM discussed with Amazon the lengths the	LGIM has in previous years voted against executives' pay packages due to concerns over the remuneration structure. LGIM voted against the resolution to signal its concern over the overall increased compensation package during

	Prior to the AGM LGIM engaged with the company and clearly communicated their concerns over one-off payments.	company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies.	a year that the company recorded a \$6.6bn charge related to opioid lawsuits and a total operating loss of \$5.1 billion.
Outcome of the vote	The voting outcome was as follows: For: 91.73%; against: 8.23%.	Resolution 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support. (Source: ISS data)	The resolution encountered a significant amount of oppose votes from shareholders, with 48.36% voting against the resolution and 51.63% supporting the proposal.
Implications of the outcome	LGIM will continue to monitor this company.	LGIM's engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.	LGIM continues to engage with US companies on their pay structures and has published specific pay principles for US companies.
Criteria on which the vote is considered "significant"	LGIM believe it is contrary to best practice in general and their pay principles in particular to award one-off awards, especially if they are to compensate for a forgone payment.	The market attention was significant leading up to the AGM and the Stewardship team received more inquires related to Amazon than any other company this season.	LGIM considers it imperative that pay structures are aligned with company performance and that certain expenses over which directors have control and influence should not be allowed to be excluded in the calculation of their pay, in particular if these would be detrimental to the executive director(s) in question.

LGIM, Japan Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Olympus Corporation	Fast Retailing Co. Limited.	Toshiba Corp.
Date of vote	30-Jul-20	26-Nov-20	18-Mar-21
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Elect Director Takeuchi, Yasuo at the company's annual shareholder meeting.	Elect Director Yanai Tadashi.	Resolution 1: Appoint Three Individuals to Investigate Status of Operations and Property of the Company Resolution 2: Amend Articles to Mandate Shareholder Approval for Strategic Investment Policies including Capital Strategies

How the manager voted	LGIM voted against the resolution.	LGIM voted against the resolution.	LGIM voted for the resolutions.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries in ensuring more women are appointed to their boards. In the beginning of 2020, LGIM announced that it would vote against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for companies included in the TOPIX100 where these standards were not upheld. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to act on this issue.		LGIM supported the resolution calling for the appointment of investigators to address doubts over the company's 2020 AGM conduct and vote tallying. LGIM also supported the shareholder resolution mandating the company to present its strategic investment policy to a shareholder vote in order to send a clear message to the Toshiba Board and executive team: shareholders expect increased transparency and accountability.
Outcome of the vote	94.90% of shareholders supported the election of the director	Shareholders supported the election of the director.	Resolution 1 was passed with 57.9% of participating shareholders in support. Resolution 2, in respect to the company's capital allocation and strategic investment policy received 39.3% support and did not pass.
Implications of the outcome	LGIM will continue to engage with and require increased diversity on all Japanese company boards.		LGIM will continue to monitor the company.
Criteria on which the vote is considered "significant"	This vote is deemed significant as LGIM considers it imperative that the boards of Japanese companies increase their diversity.	LGIM considers it imperative that the boards of Japanese companies increase their diversity.	The vote was high profile and controversial.

LGIM, Asia Pacific (ex Jap) Equity Index

	Vote 1	Vote 2
Company name	Qantas Airways Limited	Whitehaven Coal
Date of vote	23-Oct-20	22-Nov-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan	Approve capital protection. Shareholders are asking the company for a report on the potential

	Resolution 4: Approve Remuneration Report.	wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	LGIM supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, LGIM's concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. LGIM voted against resolution 3 to signal their concerns.	In Q4 2020, three of Australia's main export markets for coal – Japan, South Korea and China – announced targets for carbon neutrality around 2050. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.
Outcome of the vote	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.	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. Many of their ESG-focused funds – and select exchange-traded funds – are not invested in the company.
Implications of the outcome	LGIM will continue their engagement with the company.	LGIM will continue to monitor this company.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The vote received media scrutiny and is emblematic of a growing wave of 'green' shareholder activism.

LGIM, Global Equity Fixed Weights (50:50) Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Barclays	Mitchells & Butlers	ExxonMobil
Date of vote	7-May-20	11-Mar-21	27-May-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	Resolution 29 Approve Barclays' Commitment in Tackling Climate Change Resolution 30 Approve ShareAction Requisitioned Resolution	Resolution 1: Authorise Issue of Equity in Connection with the Open Offer Resolution 2: Authorise Issue of Shares Pursuant to the Open Offer at a	Resolution 1.10 Elect Director Darren W. Woods

	Vote 1	Vote 2	Vote 3
		Discount to Middle Market Price Resolution 3: Authorise Implementation of Open Offer	
How the manager voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	LGIM voted against all three resolutions.	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. LGIM are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.</p>	<p>Given the current COVID restrictions and their impact on this pub & restaurant company's financials, the company sought shareholder approval for an equity raise through an underwritten Open Offer in March 2021. Three of the company's major shareholders came together and consolidated their holdings under a new holding company, Odyzean Limited. They together hold approximately 55% of the issued share capital of Mitchells & Butlers and therefore the majority of votes. As well as taking up their own share of the Open Offer, the concert party committed to underwrite any remaining offer shares not taken up by existing shareholders. LGIM opposed Open Offer given LGIM's concerns about the influence of the newly incorporated holding company, Odyzean Limited, over LGIM's investee company's governance and the interests of minority investors. This concern was heightened by the announcement of expected changes to the structure and independence of the board as stated in the prospectus. LGIM would have expected a fair traditional rights issue to protect minority investors. LGIM also noted that the concert party was able to buy deeply discounted shares without paying a control premium</p>	<p>In June 2019, under LGIM's annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, LGIM announced that they will be removing ExxonMobil from their Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, LGIM also announced that they will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, LGIM's voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.</p>

	Vote 1	Vote 2	Vote 3
		through their underwriting of the open offer.	
Outcome of the vote	Resolution 29 - supported by 99.9% of shareholders Resolution 30 - supported by 23.9% of shareholders (source: Company website)	Only 6.8% of shareholders opposed these resolutions.	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)
Implications of the outcome	The hard work is just beginning. LGIM's 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. LGIM 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.	LGIM will continue to monitor the company closely.	LGIM believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. LGIM's voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.
Criteria on which the vote is considered "significant"	Since the beginning of the year there has been significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM. LGIM thank their clients for their patience and understanding while they undertook sensitive discussions and negotiations in private. LGIM consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as their clients.	LGIM have taken the rare step of opposing a capital raise given their serious concerns for minority shareholders' rights.	LGIM voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.

LGIM, World Equity Index (MSCI) Fund

	Vote 1	Vote 2
Company name	Walgreens Boots Alliance, Inc.	Cardinal Health
Date of vote	28-Jan-21	04-Nov-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a
Summary of the resolution	Resolution 3: Advisory vote to ratify named executive officer's compensation.	Resolution 3, Advisory Vote to Ratify Named Executive Officers' Compensation.
How the manager voted	LGIM voted against the resolution.	LGIM voted against the resolution.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	<p>LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.</p>	
Rationale for the voting decision	<p>The company's compensation committee applied discretion to allow a long-term incentive plan award to vest when the company had not even achieved a threshold level of performance. This is an issue because investors expect pay and performance to be aligned. Exercising discretion in such a way during a year in which the company's earnings per share (EPS) declined by 88% caused a significant misalignment between pay and performance.</p> <p>LGIM had a constructive engagement with the company in November 2020; however, it failed to mention the application of discretion during that call. LGIM found this surprising given the significant impact it had on compensation, which was discussed, giving the company an opportunity to raise this. LGIM does not generally support the application of retrospective changes to performance conditions. Although the company was impacted by COVID, many of its shops remained open as they were considered an essential retailer. The company did not provide sufficient justification for the level of discretion applied which resulted in the payment of 94,539 shares or approximately \$3.5m to the CEO in respect of the 2018-2020 award, which would otherwise have resulted in zero shares vesting.</p>	<p>The company paid out an above target bonus to the CEO, the same year it recorded a total pre-tax charge of \$5.63 billion (\$5.14 billion after tax) for expected opioid settlement costs during the fiscal year ended 30 June, 2020. The Compensation Committee excluded the settlement costs from the earnings calculations which resulted in executive pay being boosted. Further, the current CEO was head of pharma globally during the worst years of the opioid crisis. Accountability would therefore have been expected. LGIM has in previous years voted against executives' pay packages due to concerns over the remuneration structure not comprising a sufficient proportion of awards assessed against the company's performance. LGIM voted against the resolution to signal their concern over the bonus payment to the CEO in the same year the company recorded the charge for expected opioid settlement.</p>
Outcome of the vote	The resolution failed to get a majority support as 52% of shareholders voted against.	The resolution encountered a significant amount of oppose votes from shareholders, with 38.6% voting against the resolution and 61.4% supporting the proposal.
Implications of the outcome	LGIM will continue to monitor the company.	LGIM continues to engage with US companies on their pay structures and has published specific pay principles for US companies.

Criteria on which the vote is considered "significant"

It was high-profile and controversial.

LGIM continues to engage with US companies on their pay structures and has published specific pay principles for US companies.

Blackrock, Dynamic Diversified Growth Fund

	Vote 1	Vote 2
Company name	Barclays Plc	Chevron Corporation
Date of vote	7 May 2020	27 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a
Summary of the resolution	<p>Key resolutions:</p> <p>Resolution 29: Approve Barclays Commitment to Tackling Climate Change</p> <p>Resolution 30: Approve ShareAction Requisition Resolution</p>	<p>Item 6: Report on Climate Lobbying Aligned with Paris Agreement Goals</p> <p>Shareholders filed a non-binding proposal requesting that Chevron report on how the company's direct and indirect lobbying align with the Paris Climate Agreement goals.</p>
How the manager voted	BlackRock, through an independent fiduciary, voted with voted FOR all management resolutions (1-29) and AGAINST shareholder Resolution 30.	BIS voted FOR this proposal (against management)
Rationale for the voting decision	The independent fiduciary reported that it took into consideration several factors when voting to support the company's own climate change resolution (Resolution 29) and against the shareholder resolution (Resolution 30). Support for both resolutions would have been problematic as they are both binding. The independent fiduciary determined that, as outlined in Resolution 29, the company sets a clear ambition to become net-zero and align to the goals of the Paris Agreement, addressing shareholders' concerns for the time being.	Greater transparency into the company's approach to political spending and lobbying as aligned with their stated support for the Paris Agreement will help articulate consistency between private and public messaging in the context of managing climate risk and the transition to a lower-carbon economy.

Columbia Threadneedle Investments, Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Facebook, Inc.
Date of vote	27-May-20	03-Jun-20	27-May-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.61%	1.87%	0.83%

Summary of the resolution	Elect Director Thomas O. Ryder	Elect Director L. John Doerr	Report on Median Gender/Racial Pay Gap
How the manager voted	Against	Withhold	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?		No	
Rationale for the voting decision	Director is an affiliate serving on a key committee.	Compensation committee chair; concerns around compensation.	Material social risk for business; in shareholders' interests.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of their research and investment process.		
Criteria on which the vote is considered "significant"	Vote against management		

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Exxon Mobil	Lloyds Bank	Aena S.M.E
Date of vote	27-May-20	21/05/2020	29/10/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.41%	2.09%	0.70%
Summary of the resolution	Votes for re-election of non-executive directors	Vote on remuneration policy	Vote on shareholder resolution relating to the company's climate transition plan
How the manager voted	Against all non-executive re-elections	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes, this was part of an ongoing engagement with the company	Yes, Ruffer spoke to the company prior to the AGM to understand better the changes implemented in the revised voting policy and to communicate their concerns.	No, Ruffer did not speak with the company regarding the initiative. The proposal came from TCI and eventually had company support, so did not end up being controversial enough to warrant engagement.
Rationale for the voting decision	Ruffer stressed that they would like ExxonMobil to further align its strategy with the goals of the Paris Agreement and accept responsibility for its scope 3 emissions. Ruffer discussed the progress the European oil and	Ruffer decided to vote against the proposed remuneration policy at the company as although it reduces the maximum pay-out at the time of the grant, it significantly relaxes the vesting criteria.	Ruffer voted for three shareholder resolutions requesting that the company submits its climate transition plan to a shareholder advisory vote at its 2021 AGM and provides updates to its plan on

	<p>gas companies have made in recent months and suggested that the company join the Energy Transition Commission. As one of the largest oil and gas companies in the world, Ruffer emphasised that they would like to see ExxonMobil helping to address the issues facing the sector. Due to the limited progress since the 2019 AGM, Ruffer decided again to vote against the re-election of all non-executive directors because they do not think they have been representing the best interests of shareholders owing to the slow progress of the engagement with the Climate Action 100+ initiative.</p>	<p>Therefore, Ruffer did not think it sufficiently incentivises management to deliver shareholder value.</p>	<p>an annual basis from 2022. Ruffer believe that climate change-related risks may be significant for the long-term performance of Aena, and therefore they supported these resolutions.</p>
Outcome of the vote	<p>Re-election proposals passed with a range of 83-98% shareholder approval for votes</p>	<p>Remuneration policy passed with 63.8% approval. Long term share plan passed with 63.7% approval.</p>	<p>The 3 resolutions passed with 99.2%, 98.1% and 96.5% shareholder support.</p>
Implications of the outcome	<p>Ruffer voted against the non-executive directors due to the inflexibility the company has shown in relation to shareholder engagement on the topic of climate change. Ruffer have since sold down the equity considerably.</p>	<p>We spoke with the Chairman of Lloyds on this issue after we voted and since then the company has made some changes to the remuneration of the new CEO. Even though these do not address all of their concerns, it does make the remuneration criteria more aligned to shareholder interests.</p>	<p>Management have committed to giving shareholders an annual vote on its climate transition plan, a significant step and Aena is the first company to do so. Ruffer are likely to see more 'Say on Climate' votes filed in 2021 and would expect to support them, particularly in cases where they believe there are long term performance implications from the business proactively addressing climate change related risks</p>
Criteria on which the vote is considered "significant"	<p>Votes against the election of directors for material holdings are significant. Ruffer believe this vote will be of particular interest to their clients. The votes against management were in the context of an ongoing engagement with the company and the result of extensive internal discussions.</p>	<p>Votes against remuneration policies for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.</p>	<p>Ruffer believe this vote will be of particular interest to their clients. The shareholder resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.</p>

GMO, Global Equity Allocation Investment Fund

GMO have not provided details regarding significant votes over the period. They have provided the following explanation for this:

"The Global Equity Allocation Investment Fund is managed by our Asset Allocation team and they take investment exposures from a number of underlying GMO investment teams, some of which are fundamental and some are quantitative or combined in style, as such "Significant" votes at the portfolio level are very difficult to determine."

LGIM, World Emerging Markets Equity Fund

LGIM note that there were no significant votes made in relation to the securities held by the World Emerging Markets Equity Index Fund over the period.

Insight, Broad Opportunities Fund

Insight have stated that significant votes are not applicable to the exposure of this strategy, and provided the following explanation:

"The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework that is with an independent board acting on behalf of shareholders generally limits contentious issues that can arise with other listed entities. As a result, examples of significant votes cast that may be comparable to other listed entities are not applicable to the strategy's exposures."

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each of the managers during the year to 31 March 2021.

Manager	Legal & General Investment Management	GMO LLC	Blackrock Investment Management	Columbia Threadneedle Investments	Ruffer LLP	Insight Investments	
Fund name	Range of passive equity funds	Global Equity Allocation Investment Fund	Dynamic Diversified Growth Fund	Dynamic Real Return Fund	Absolute Return Fund	UK Broad Market Bond Fund	UK Corporate All Maturities Bond Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of companies engaged with on behalf of the holdings in this fund in the year	<i>Data not provided</i>	<i>Data not provided</i>	502 (938 total engagements)	<i>Data not provided</i>	25	69	97
Number of companies engaged with at a firm level in the year	874 (974 total engagements)	<i>Data not provided</i>	Data not provided	<i>Data not provided</i>	33	1,218	

Source: Information provided by the investment managers.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's stewardship policies.

The Trustees and the investment consultant are working with the investment managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the investment managers' actions.