

Vindis Group Defined Benefit Pension Scheme

Implementation Statement

This Implementation Statement has been prepared by the Trustee of the Vindis Group Defined Benefit Pension Scheme ("the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the Scheme's accounting year.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at the year-end describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in January 2024 and has been made available online here:

<https://www.vindisgroup.com/static/pdfs/2024-Vindis-SIP-v1.pdf>

There were no changes made to the stewardship policy over the year.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How voting and engagement policies have been followed

The Trustee's policy on voting and engagement is set out in the Scheme's Statement of Investment Principles, which is available publicly online. The Scheme invests entirely in pooled funds, and as such, the Trustee delegates responsibility for carrying out voting and engagement activities to the Scheme's fund manager. Each asset manager of the Scheme is expected to undertake good stewardship and positive engagement in relation to the assets held. The manager is also expected to exercise voting privileges (where applicable) with the objective of preserving and enhancing long-term shareholder value.

The Scheme's current asset manager, Legal and General Investment Management Limited ("LGIM"), is a large investor and engages with companies (including those in the indices that the Scheme invests in) on matters including wider ESG factors and climate change on a regular basis. The Trustee takes into account whether the Scheme's investment managers are signatories to the PRI and UK Stewardship Code (or equivalent). LGIM, along with the Scheme's investment adviser, is a signatory to both of the above.

The Trustee undertook an initial review of the stewardship and engagement activities of the current manager as part of its 2019 Statement of Investment Principles update and were satisfied that their policies were reasonable, and no remedial action was required at that time. The Trustee periodically receives and reviews voting information and engagement policies from LGIM to ensure alignment with their own policies. Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager are in alignment with the Scheme's stewardship policies.

Please note that all of the data included in this document covers the year to 31 December 2024, as opposed the accounting year to 31 January 2025. This is due to the availability of information, which is generally based on calendar quarters.

Voting Data

Voting only applies to equity holdings and so this section relates only to the LGIM passive equity funds held over the Scheme year.

The table below provides a summary of the voting activity undertaken by LGIM over the year to 31 December 2024, together with information on any key voting priorities and information on the use of proxy voting advisors by the manager.

Manager	LGIM					
Fund name <i>For funds marked with an asterisk (*), the Scheme invests/invested in both GBP currency hedged and non-currency hedged share classes.</i>	Asia Pacific (ex Japan) Developed Equity Index Fund*	Europe (ex UK) Equity Index Fund*	Japan Equity Index Fund*	North America Equity Index Fund*	UK Equity Index Fund	World Emerging Markets Equity Index Fund
Structure	Pooled					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
Number of company meetings the manager was eligible to vote at over the year	448	504	492	628	722	4,437
Number of resolutions the manager was eligible to vote on over the year	3,246	8,700	5,979	8,318	10,188	35,559
Percentage of resolutions the manager voted on	100.00%	99.70%	100.00%	99.06%	100.00%	99.92%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.16%	0.47%	0.00%	0.57%	0.03%	2.00%

Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	74.89%	81.51%	89.73%	63.76%	93.96%	80.44%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	24.95%	18.02%	10.27%	35.67%	6.01%	17.56%
Use of proxy voting adviser	LGIM vote by proxy using the Institutional Shareholder Services (ISS) "Proxy Exchange" electronic voting platform. All strategic decisions are made by the internal team at LGIM.					
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	14.82%	9.12%	9.12%	30.32%	5.15%	6.38%

Please note data may not add to 100% due to rounding.

Significant votes

At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustee has asked the investment manager to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment manager over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

LGIM provided over a selection of votes which they believe to be significant, and three are summarised for each of the relevant funds held by the Scheme during the year in **Appendix 1**. To represent the most significant votes, the votes of the largest holdings in each fund are shown.

Engagement

The data below is a summary of LGIM's engagement at a fund level for the year up until 31 December 2024. Specific examples of manager engagement are provided in **Appendix 2**. Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM								
Fund name	Absolute Return Bond Fund	Asia Pacific (ex. Japan) Developed Equity Index Fund*	Europe (ex UK) Equity Index Fund*	Japan Equity Index Fund*	North America Equity Index Fund*	UK Equity Index Fund	World Emerging Markets Equity Index Fund	Maturing Buy and Maintain Credit Fund 2035-2039	Maturing Buy and Maintain Credit Fund 2040-2054
Does the manager perform engagement in relation to the holdings of the fund?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to environmental, social and governance factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	392	242	366	177	617	421	691	198	231
Number of engagements undertaken at a firm level in the year	LGIM made 4,060 engagements at a firm level over the year to 31 December 2024								

Appendix 1 – Examples of manager’s illustrations of significant votes

LGIM, Asia Pacific (ex Japan) Developed Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	BHP Group Limited	Westpac Banking Corporation	Woodside Energy Group Ltd.
Date of vote	30 October 2024	13 December 2024	24 April 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.09%	2.59%	1.27%
Summary of the resolution	Resolution 13: Approve Climate Transition Action Plan	Resolution 5b: Elect Margaret Seale as Director	Resolution 2a: Elect Richard Goyder as Director
How the manager voted	For	For	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 on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>Climate Change: The critical minerals that mining companies provide are essential to the energy transition. It is clear that BHP has made significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through the substantial alignment of its Climate Transition Action Plan (CTAP) with LGIM’s framework for assessing mining company transition plans. Therefore, LGIM will be supporting BHPs CTAP. Going forwards, they will assess the disclosure of progress on BHPs plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is executing to support the decarbonisation of steelmaking. LGIM will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.</p> <p>Diversity: A vote in favour is applied despite the proportion of women on the Board having fallen below one-third of board members as at the 2024 AGM. However, support is warranted given the Company exceeded its goal of 40% female directors by the 2024 year-end, with some recent board changes at the AGM throwing it out of kilter. LGIM expect companies to increase female participation both on the board and in leadership positions over time and will monitor Westpac's performance in this regard.</p> <p>Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Additionally, despite the significant proportion of shareholder votes against the company's climate report at the 2022 AGM, LGIM note that no material changes have been incorporated in the most recent climate transition plan, which they view as insufficiently robust, both in terms of disclosure and climate-related targets.</p>		
Outcome of the vote	Data not provided	Pass	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		

Criteria on which the vote is considered “significant”

Pre-declaration: This shareholder resolution is considered significant due to the relatively high level of support received.

Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on the company's behalf.

Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant due to LGIM's vote against the re-election of Richard Goyder (Resolution 2a) being in line with their Climate Impact Pledge engagement escalation, whereby they vote against the (re-)election of the Chair of the Board at companies lagging their minimum expectations on climate change; for the oil and gas sector, these are set out in LGIM's net-zero sector guide.

Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.

LGIM, Europe (ex UK) Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Novartis AG	Nestle SA	TotalEnergies SE
Date of vote	5 March 2024	18 April 2024	24 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.20%	3.10%	1.78%
Summary of the resolution	Reelect Joerg Reinhardt as Director and Board Chair	Resolution 7: Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods	Resolution 6: Reelect Patrick Pouyanne as Director
How the manager voted	For	For	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 on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>Diversity: A vote for is applied following engagement with the company.</p> <p>Shareholder proposal - Health & Nutrition: A vote is applied in favour. LGIM is one of the co-filers of this resolution. They call for more effective targets to increase the availability of healthier food choices for consumers. There is a clear link between poor diets and chronic health conditions such as obesity, heart disease and diabetes. These in turn may lead to increased healthcare costs and decreased productivity, both of which LGIM believe will have negative impacts on the economy. As the largest food company in the world they believe Nestle SA sets an example for the rest of the industry in terms of driving positive change and raising market standards.</p> <p>Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate and not to be recombined once separated. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.</p>		

	Vote 1	Vote 2	Vote 3
Outcome of the vote	Data not provided	Data not provided	Data not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on the issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant due to nutrition being an important topic for investors because it has a significant impact on the health and well-being of individuals, communities and societies. The interconnected challenges of obesity, undernutrition and micronutrient deficiencies is estimated to be 5% of global income, or \$3.5 trillion, per annum. Nutrition is therefore one of LGIM's global stewardship sub-themes, under the umbrella of Health.	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.

LGIM, Japan Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	KEYENCE Corp.	Shin-Etsu Chemical Co., Ltd.
Date of vote	18 June 2024	14 June 2024	27 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.75%	1.95%	1.58%
Summary of the resolution	Resolution 1.1: Elect Director Toyoda, Akio	Resolution 2.2: Elect Director Nakata, Yu	Resolution 2.2: Elect Director Saito, Yasuhiko
How the manager voted	Against	Against	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 on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Independence: A vote against is applied due to the lack of independent directors on the board. Independent directors bring an external perspective to the board. Bringing relevant and suitably diverse mix of skills and perspectives is critical to the quality of the board and the strategic direction of the company. LGIM would like to see all companies have a third of the board comprising truly independent outside directors.	Diversity: A vote against is applied due to the lack of meaningful diversity on the board. Accountability: A vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board.	Diversity: A vote against is applied due to the lack of meaningful diversity on the board.

	Vote 1	Vote 2	Vote 3
	<p>Diversity: A vote against is applied due to the lack of meaningful diversity on the board.</p> <p>Climate Impact Pledge: A vote against is warranted as LGIM believe there is still a disconnect in Toyota's stated climate ambitions and its current multi-pathway strategy. They encourage Toyota to further develop disclosures that more clearly articulate how it intends to support a global transition to zero emission vehicles and net zero emissions.</p> <p>Accountability: A vote against has been applied as the Company has not provided disclosure surrounding the use of former CEO as Advisor to the Board. Additionally, a vote against Mr Toyoda is warranted because, as a long-time top executive, Mr Toyoda should be considered ultimately accountable for a spate of certification irregularities within the Toyota Motor group. LGIM are concerned that previous and current issues concerning legal certifications processes and safety requirements are indicative of a corporate culture that is not being amended to meet stakeholder expectations and legal requirements. For this reason, Mr Toyoda must be held accountable until appropriate remediation measures are taken.</p>		
Outcome of the vote	Data not provided	Data not provided	Data not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on the issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	<p>Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on the company's behalf.</p> <p>Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting companies in climate-critical sectors.</p>	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on the company's behalf.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on the company's behalf.

LGIM, North America Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Date of vote	28 February 2024	10 December 2024	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.75%	5.56%	3.25%
Summary of the resolution	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 9: Report on AI Data Sourcing Accountability	Resolution 6: Report on Customer Due Diligence
How the manager voted	Against	For	For
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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	Shareholder Resolution - Environmental and Social: A vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts as well as non-discrimination policies, including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	Shareholder Resolution - Governance: A vote for this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.	Shareholder Resolution - Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
Outcome of the vote	Fail	Fail	Data not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on the issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic – Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, LGIM believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that

	Vote 1	Vote 2	Vote 3
			they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of LGIM's baseline expectations surrounding AI. In particular, they would welcome additional information on the internal education of AI and AI-related risks.

LGIM, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Unilever Plc	Glencore Plc
Date of vote	21 May 2024	1 May 2024	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.66%	4.23%	2.33%
Summary of the resolution	Resolution 22: Approve the Shell Energy Transition Progress	Resolution 4: Approve Climate Transition Action Plan	Resolution 12: Approve 2024-2026 Climate Action Transition Plan
How the manager voted	Against	For	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 on its website the day after the company meeting, with a rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

Rationale for the voting decision	Climate change: A vote against is applied. LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and they view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, LGIM seek more clarity regarding the expected	Climate change: A vote for the Climate Transition Action Plan is applied as LGIM understand it to meet LGIM's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, LGIM note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remain supportive of the net zero trajectory of the company at this stage.	Climate Change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM note the progress the company has made in terms of disclosure, LGIM remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
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	Vote 1	Vote 2	Vote 3
	<p>lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, LGIM would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonisation strategy.</p>		
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

LGIM, World Emerging Markets Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Tencent Holdings Limited	Alibaba Group Holding Limited	Meituan
Date of vote	14 May 2024	22 August 2024	14 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.88%	2.28%	1.02%
Summary of the resolution	Resolution 3a: Elect Jacobus Petrus (Koos) Bekker as Director	Resolution 5.4: Elect Director Irene Yun-Lien Lee	Resolution 2: Elect Wang Xing as Director
How the manager voted	Against	Against	Against

	Vote 1	Vote 2	Vote 3
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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	<p>Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors.</p> <p>Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.</p>	<p>Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.</p> <p>Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board.</p> <p>Board mandates: A vote against is applied because LGIM have concerns regarding the time commitment required to manage all board positions and how this may impact their ability to remain informed and effectively contribute to board discussions.</p>	<p>Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Board Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.</p> <p>Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. A vote against the election of Wang Xing and Mu Rongjun is warranted given that their failure to ensure the company's compliance with relevant laws and regulations raise serious concerns on their ability to fulfil their fiduciary duties in the company.</p>
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting companies in climate-critical sectors.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on the company's behalf.	<p>Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIM's flagship engagement programme targeting companies in climate-critical sectors.</p> <p>Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of LGIM's vote policy on the topic of the combination of the board chair and CEO.</p>

Appendix 2 – Example of engagement undertaken during the year to 31 December 2024

LGIM: Anglo American

What was the issue?	<p>The engagement was focused on restructuring the company's portfolio to focus on copper and high-grade iron ore, specifically: to clarify the value proposition from Anglo's portfolio of world-class assets by simplifying and focusing on commodities which will most benefit from the energy transition while reducing exposure to commodities with uncertain long-term demand; and to support the growth of the copper business by strengthening the balance sheet through asset disposals.</p>
What did LGIM do?	<p>LGIM first presented ideas around portfolio restructuring to Anglo American in April 2024. However, days later, and before the proposal could be circulated to the management team more broadly, BHP made an offer to buy Anglo American. LGIM determined that the offer did not constitute good value for money for shareholders and threatened to slow down the pace of copper growth globally. This view was communicated publicly through several newspaper articles, as well as senior executives from BHP and Anglo American.</p> <p>LGIM was subsequently consulted by Anglo American on its defence strategy multiple times, with five meetings with senior management and board members during what is known as the "put up or shut up" period.</p> <p>On 14 May 2024, Anglo American announced its intention to significantly restructure its portfolio by exiting its platinum, diamond, metallurgical coal and nickel businesses and pausing investment in its Woodsmith mine. Later that month, the board announced it had refused BHP's offer. The portfolio restructuring is expected to take between 18 and 24 months to complete.</p>
What was the outcome?	<p>The outcome of this engagement so far has been a powerful, collaborative relationship with management and the board, with a willingness to continue conversations on further, more granular topics related to the energy transition.</p> <p>LGIM will continue to monitor progress on the portfolio re-structuring decisions while continuing to engage on operational excellence, the company's decarbonisation of its own emissions and its low-carbon ventures business.</p>