

Honeywell Retirement Plan

Implementation Statement

For year ending 31 March 2023

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Section 1: Introduction

This document is the Annual Implementation Statement (the “Statement”) prepared by the Trustee of the Honeywell Retirement Plan (the “Plan”) covering the “Plan Year” from 1 April 2022 to 31 March 2023 in relation to the Statement of Investment Principles (“SIP”).

The purpose of this statement is to:

- detail any reviews of the SIP the Trustee has undertaken, and any changes made to the SIP over the Plan year as a result of a review;
- set out the extent to which, in the opinion of the Trustee, the Plan’s Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 has been followed during the year;
- describe the voting behaviour on behalf of the Trustee over the year.

A copy of this implementation statement is made available on the following website:

<https://epa.towerswatson.com/doc/HWL/pdf/honeywell-retirement-plan-implementation-statement--.pdf>

We consider that all relevant SIP policies and principles were adhered to over the Plan Year.

Section 2: SIP reviews/changes over the year

There is one SIP currently in place for the Plan, and this was reviewed and updated during the Plan year, in September 2022. There is a statutory requirement to review the SIP at least once every three years. The previously agreed SIP was dated September 2020.

The Trustee with the help of its Investment Consultant reviewed the SIP in September 2022 and some minor changes were made to clarify the Trustee's policies, including updating references to the Pensions Regulator Code of Practice, updating the listed lifecycles to include legacy lifecycles, and updating the Intermec Lifecycle to including the platform name (Aegon) in the funds.

The September 2022 SIP is the version referenced in the following sections of this document, where we set out how the principles have been implemented. This version is due to be reviewed during 2023.

Section 3: How the Trustee adhered to policies detailed in the SIP

In this section we set out how policies outlined in the SIP have been adhered to during the Plan year.

Plan's Objectives

The Trustee has identified objectives for the Plan which are detailed in the "Investment objectives and policy" section of the SIP.

The Trustee undertook a review of its investment strategy during the year. Training was undertaken in September 2022. The membership profile was assessed in December, including consideration of the changes since the last review. An assessment of expected outcomes for example members invested in the Plan's lifecycle arrangements, including risk and return characteristics, was also undertaken. In March 2023, the Trustee assessed some of the funds in further detail, considering market developments and alternative investment options. The Trustee concluded that the investment strategy remains appropriate.

Over the year, the Plan's managers were viewed positively in their engagement efforts. On an ongoing basis, any changes in these ratings or the investment advisor's opinion of a manager are communicated to the Trustee.

The Trustee takes the below considerations into account when monitoring the performance of the Plan's sections.

Section within SIP	Approach as set out within SIP	Actions taken by Trustee
Sections 2.1 & 2.18	<p>The long-term objective of the Trustee is to acquire suitable assets of appropriate liquidity which will generate income and capital growth which, together with new contributions from members and the Principal Employer, will provide a fund at retirement with which members are able to provide an income at retirement.</p> <p>The Trustee's policy is to invest members' accounts in insurance policies that provide the required level of liquidity.</p>	<p>Over the year the majority of the Plan investments fell in value, however the Trustee continues to achieve its objective, as evidenced by the growth in Plan assets over 3 and 5 years.</p> <p>There was an unprecedented rise in interest rates over the year, creating disruptions in some assets. However, there were no disruptions to the liquidity of the Plan's investments during the Plan Year. The Trustee monitored these developments closely during the year.</p> <p>The investment strategy was reviewed during the year, before concluding the current investment strategy remains appropriate.</p>
Sections 2.15 & 2.16	<p>The Trustee, in consultation with its advisors, considers financially material ESG risks and opportunities, including climate change as relevant to the Plan's strategy. The Trustee's current policy is to delegate day-to-day investment decisions including integration of financially material ESG risks and opportunities (including climate change) to its investment managers. The Trustee also delegates responsibility for the exercising of ownership rights (including engagement and voting rights) to the investment manager.</p>	<p>The Trustee received a sustainable investments report from the advisor in the fourth quarter of 2022. This report provided the advisor's views on ESG integration and stewardship Plan's investment managers.</p> <p>The Trustee met with the Investment Manager in December. The management of the Diversified Fund was discussed, including the action taken and future plans for management for the management of ESG risks. Stewardship was also discussed, to ensure the manager was acting in line with the Trustee's expectations.</p>
Sections 1.10 & 1.11	<p>The Trustee is responsible for reviewing the content of the Statement of Investment Principles at least every three years, and for modifying it if deemed appropriate. The</p>	<p>The Trustee, with the participation of the investment consultant, reviewed the Statement of Investment Principles during the Plan Year. Small changes were made to the SIP,</p>

	investment consultant is responsible for participating in these reviews.	outlined in the SIP Review, and this was signed in September 2022.
Section 4.3	The Trustee's policy is to obtain ongoing advice on whether funds continue to be satisfactory as required by the Pensions Act and that LGIM continues to be an appropriate investment manager for the Plan.	The Trustee regularly receives a Satisfactory Investments Letter from their Investment Advisor upon review of the funds. A letter from the Trustee's adviser confirming the investments remain satisfactory was received in September 2022.
Section 4.5	The Trustee is responsible for monitoring the investment funds and managers.	<p>The Trustee monitors the performance of all the investment funds via the quarterly monitoring reports provided by WTW. The Trustee received four such reports during the Plan Year. The Trustee receives these reports in advance of quarterly meetings and uses the meetings to discuss aspects of the report such as performance and fund structure.</p> <p>The Trustee also meets with LGIM regularly and one of the topics discussed is performance of the funds. The Trustee met with LGIM in December 2022.</p>
	The Trustee meets with the Plan's investment managers from time to time to ensure alignment between the manager and Trustee.	The Trustee met with its main Investment manager (LGIM) during the Plan year. Representatives from LGIM provided a further update on how they are delivering effective stewardship and outlined their stewardship priorities to the Trustee.
Section 4.7	The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets.	The Trustee met with the Plan's investment manager, LGIM, in December 2022 to understand how the manager was supporting the Trustee objectives. This included a discussion about stewardship and an update on LGIMs approach.
Section 4.10	The Trustee reviews the costs incurred in managing the Plan's assets on a regular basis, which includes the costs associated with portfolio turnover.	<p>The Trustee reviews costs and charges annually to ensure that they provide Plan members with value for money. The total expense ratio (TER) is applied to all funds and measures the costs associated with managing and operating the funds.</p> <p>The TER, transaction costs, and the overall value for members is reviewed and detailed within the annual Chair Statement.</p> <p>During the Plan Year, costs were reviewed in relation to the previous Plan Year (ending 31 March 2022). All costs (including transaction costs arising from portfolio turnover) for the year ending 31 March 2023 will be collated and reviewed following the end of the reporting period.</p>
Section 5.2	Managing the risks to which the Plan is involved	In addition to the review of investment strategy, the Trustee has monitored the identified risks through its quarterly reporting, which includes monitoring of the investment managers by the advisors and performance relative to benchmarks, absolute performance of the Plan's investments, peer group comparisons, inflation and the advisor's market outlook.

Section 4: Voting information

The Trustee delegates responsibility for voting and engagement in respect of the Plan's underlying investments to the investment managers. Details of the activity undertaken by the managers is set out below. The Trustee expects the investment managers employed by the Plan to exercise the voting rights attached to the Plan's investments and, where appropriate, to engage with the companies in which they invest.

Proxy voting

Some of the Plan's managers make use of a proxy voting advisor, which aids in decision-making when voting. For the range of funds managed by LGIM, details of the manager's use of proxy voting are as follows:

- **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. Their use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools.

For the Intermec funds, the Phoenix CIS UK Equities Fund is composed of two underlying funds: Baillie Gifford UK Equity Alpha and NinetyOne UK Specialist Solutions. The Aegon BlackRock 70:30 Global Equity Fund and the Aegon BLK Overseas Equity Fund are managed by BlackRock via the Aegon platform. Details of these managers' proxy voting policies are as follows:

- **Baillie Gifford** – Baillie Gifford use ISS and Glass Lewis for proxy advisory services. Whilst Baillie Gifford are cognisant of proxy advisors' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon these advisors' recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. Baillie Gifford also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.
- **NinetyOne** - NinetyOne use Institutional Shareholder Services (ISS), an external proxy research service provider to produce custom research reports. These reports include vote recommendations (not instructions) that arise from applying Ninety One's voting guidelines. The vote decision is then reached by the relevant investment teams in accordance with the investment philosophy, supported by the Engagement and Voting team. Through this rigorous voting process, NinetyOne can be certain the voting done is in the best interest of their clients.
- **BlackRock** – The team does not follow the recommendations of any single proxy advisor. While BlackRock subscribe to research from several proxy advisory firms, the research provided by these firms are one among many inputs into BlackRock's vote analysis process. BlackRock do not blindly follow proxy advisors' recommendations on how to vote. BlackRock use proxy research firms primarily to synthesize corporate governance information and analysis into a concise, easily reviewable format so that their analysts can readily identify and prioritize those companies where their own additional research and engagement would be beneficial. BlackRock performs annual in-person due diligence of the lead firm whose research and services they use. BlackRock believe that improvements can be made throughout the proxy process, including around voting processes, shareholder proposals, and proxy advisors.

Voting

The below table sets out the voting activity of the Plan's equity managers, on behalf of the Trustees, over the year. The Intermec section's Phoenix CIS UK Equities Fund has two component funds, and these are detailed separately within the table.

Manager/Fund	No. of resolutions eligible to vote on	Proportion eligible votes voted	Of resolutions voted:			
			For management	Against management	Abstained from voting	Against proxy advice
LGIM All World Global Equity Index Fund	68,320	99.9%	79.1%	19.7%	1.2%	10.4%
LGIM Diversified Fund	99,252	99.8%	77.4%	21.9%	0.7%	12.5%
LGIM Global Equity 30:70 Index Fund	76,499	99.9%	80.7%	18.2	1.1%	9.7%
LGIM UK Equity Index Fund	10,870	99.9%	94.5%	5.5%	0.0%	4.2%
LGIM World ex UK Equity Index Fund	36,202	99.8%	77.6%	21.7%	0.8%	15.1%
LGIM Hybrid Property (70:30) Fund	4,349	99.5%	79.9%	20.1%	0.1%	15.2%
LGIM World Emerging Markets Equity Index Fund	36,506	99.9%	79.5%	18.4%	2.1%	6.8%
LGIM Ethical Global Equity Index Fund	16,602	99.8%	82.0%	17.8%	0.2%	13.0%
Baillie Gifford UK Equity Alpha Fund (component of Phoenix CIS UK Equities Fund)	809	98.8%	98.4%	1.6%	0.0%	0.5%
NinetyOne UK Special Solutions (component of Phoenix CIS UK Equities Fund)	893	100%	98.9%	1.1%	12.5%	N/A
Aegon BlackRock 70/30 Global Equity Index Fund**	60,970	95.8%	91.8%	8.2%	1.8%	0.5%
Aegon BlackRock Ascent Life Overseas Equity Fund	6,784	90.0%	94.0%	5.0%	0.0%	0.0%

*The sum of "For" and "Against" percentages may not sum to 100 where the manager abstained from voting or where numbers have been rounded.

**The Aegon BlackRock 70/30 Global Equity Index Fund comprises two component funds: the Aegon BlackRock ACS UK Equity Tracker Fund, and the Aegon BlackRock Aquila Connect Overseas Consensus Equity Fund – these funds' voting statistics have been combined to produce the statistics displayed in this table for the overall Aegon BlackRock 70/30 Global Equity Index Fund.

Voting statistics are out of total eligible votes and are sourced from the investment manager(s).

During the year the Trustee's expectation was for managers to engage in relevant matters such as performance, strategy, capital structure of investee companies, the management of actual and potential conflicts of interest, risks, ESG and corporate governance. In June 2023, the Trustee agreed its stewardship priorities were:

- Climate
- Biodiversity
- Human and labour rights

The following table outlines a number of significant votes cast by the Plan's investment managers on the Trustee's behalf. In selecting the significant votes, the Trustees have had regards to their voting priorities, potential impact, the size of the holding and whether it was controversial. The commentary set out below is based on detail in the relevant manager's reports on the votes cast. The managers across the board defined a significant vote as being one that was against management and was in relation to a material holding within the fund.

Significant votes cast	Coverage in portfolio
<p>Company: Amazon.com, Inc.</p> <p>Meeting Date: 25 May 2022</p> <p>Resolutions: Resolution 1f - Elect Director Daniel P. Huttenlocher</p> <p>How the manager voted: Against (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 investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics).</p> <p>Significance: LGIM pre-declared its vote intention for this resolution, demonstrating its significance.</p> <p>Approximate size of holding: 1.7% as % of portfolio.</p> <p>Stewardship priority: Human and labour rights</p> <p>Rationale: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.</p> <p>Outcome: 93.3% of shareholders supported the resolution.</p> <p>Next steps: LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM All World Global Equity Index Fund</p>
<p>Company: Alphabet Inc.</p> <p>Meeting Date: 1 June 2022</p> <p>Resolution: Resolution 7 - Report on Physical Risks of Climate Change</p> <p>How the manager voted: For (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 investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics).</p> <p>Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Approximate size of holding: 1.1% as % of portfolio.</p> <p>Stewardship priority: Climate</p> <p>Rationale: Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.</p> <p>Outcome: 17.7% of shareholders supported the resolution.</p> <p>Next steps: LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM All World Global Equity Index Fund</p>

Company: BP Plc

LGIM Diversified Fund

Meeting Date: 12 May 2022

Resolutions: Resolution 3 - Approve Net Zero - From Ambition to Action Report

How the manager voted: For (Voted in line with management).

Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.

Approximate size of holding: 0.1% as % of portfolio.

Stewardship priority: Climate

Rationale: Climate change: A vote FOR is applied, though not without reservations. While LGIM note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, it expects companies to set a credible transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is their view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, LGIM remains committed to continuing its constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.

Outcome: 88.5% of shareholders supported the resolution.

Next steps: LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: TotalEnergies SE

LGIM Diversified Fund

Meeting Date: 25 May 2022

Resolution: Resolution 16 - Approve Company's Sustainability and Climate Transition Plan

How the manager voted: Against (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 investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics).

Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.

Approximate size of holding: 0.1% as % of portfolio.

Stewardship priority: Climate

Rationale: Climate change: A vote against is applied. LGIM recognize the progress the company has made with respect to its net zero commitment, specifically around the level of investments in low carbon solutions and by strengthening its disclosure. However, LGIM remain concerned of the company's planned upstream production growth in the short term, and the absence of further details on how such plans are consistent with the 1.5C trajectory.

Outcome: 88.9% of shareholder supported the resolution.

Next steps: LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

<p>Company: Rio Tinto Plc</p> <p>Meeting Date: 08 April 2022</p> <p>Resolution: Resolution 3 - Advisory Vote to Ratify Named Executive Officers' Compensation</p> <p>How the manager voted: Against (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 investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics).</p> <p>Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Approximate size of holding: 0.8% as % of portfolio.</p> <p>Stewardship priority: Climate</p> <p>Rationale: Climate change: LGIM recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while LGIM acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, they remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.</p> <p>Outcome: 76.3% of shareholders opposed the resolution.</p> <p>Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM Global Equity 30:70 Index Fund</p>
<p>Company: Barclays Plc</p> <p>Meeting Date: 04 May 2022</p> <p>Resolution: Resolution 26 - Approve Barclays' Climate Strategy, Targets and Progress 2022</p> <p>How the manager voted: Against</p> <p>Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Approximate size of holding: 0.3% as % of portfolio.</p> <p>Stewardship priority: Climate</p> <p>Rationale: Climate change: While LGIM positively note the Company's use of absolute emissions targets for its exposure in the Energy sector, as well as the inclusion of capital markets financed emissions within its methodology, LGIM have concerns that the ranges used for interim emissions reduction targets and the exclusion of US clients from the 2030 thermal coal exit falls short of the actions needed for long-term 1.5C temperature alignment. A vote Against is therefore 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.</p> <p>Outcome: 80.8% of shareholders supported the director's election</p> <p>Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM Global Equity 30:70 Index Fund</p>
<p>Company: Royal Dutch Shell Plc</p> <p>Meeting Date: 24 May 2022</p> <p>Resolutions: Resolution 20 - Approve the Shell Energy Transition Progress Update</p> <p>How the manager voted: Against (Voted in line with management)</p> <p>Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Approximate size of holding: 6.7% as % of portfolio.</p> <p>Stewardship priority: Climate</p> <p>Rationale: Climate change: A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, LGIM remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.</p> <p>Outcome: 79.9% of shareholders voted in favour of the resolution.</p>	<p>LGIM UK Equity Index Fund</p>

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: Spirax-Sarco Engineering Plc

LGIM UK Equity Index Fund

Meeting Date: 11 May 2022

Resolution: Resolution 6 - Re-elect Jamie Pike as Director

How the manager voted: Against

Significance: The Trustee views diversity as a financially material issue.

Approximate size of holding: 0.4% as % of portfolio.

Stewardship priority: N/A

Rationale: Diversity: A vote against is applied as the company has an all-male Executive Committee

Outcome: 87.3% of shareholders supported the resolution.

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: Exxon Mobil Corporation

LGIM World (ex UK) Equity Index Fund

Meeting Date: 25 May 2022

Resolutions: Resolution 6 - Set GHG Emissions Reduction targets Consistent With Paris Agreement Goal

How the manager voted: For.

Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.

Approximate size of holding: 0.6% as % of portfolio.

Stewardship priority: Climate

Rationale: A vote FOR is applied in the absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. 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 the 1.5 C goal.

Outcome: 27.1% For

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: NVIDIA Corporation

LGIM World (ex UK) Equity Index Fund

Meeting Date: 02 June 2022

Resolution: Resolution 1g - Elect Director Harvey C. Jones (Diversity)

How the manager voted: Against

Significance: The Trustee views diversity as a financially material issue.

Approximate size of holding: 0.8% as % of portfolio.

Stewardship priority: N/A

Rationale: Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. LGIM are targeting the largest companies as they believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Outcome: 83.8% of shareholders supported the resolution

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

<p>Company: Alphabet Inc.</p> <p>Meeting Date: 1 June 2022</p> <p>Resolutions: Resolution 7 - Report on Physical Risks of Climate Change</p> <p>How the manager voted: For</p> <p>Significance: The Trustee considers this vote significant as it is an escalation of LGIMs climate-related engagement activity and its public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Approximate size of holding: 2.0% as % of portfolio.</p> <p>Stewardship priority: Climate</p> <p>Rationale: Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.</p> <p>Outcome: 17.7% of shareholders supported the election of the director.</p> <p>Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM Ethical Global Equity Index Fund</p>
<p>Company: Bank of America Corporation</p> <p>Meeting Date: 26 June 2022</p> <p>Resolutions: Resolution 1g - Elect Director Brian T. Moynihan</p> <p>How the manager voted: Against</p> <p>Significance: The Trustee 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 (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.</p> <p>Approximate size of holding: 0.8% as % of portfolio.</p> <p>Stewardship priority: N/A</p> <p>Rationale: Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.</p> <p>Outcome: 95.1% of shareholders supported the election of the director.</p> <p>Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM Ethical Global Equity Index Fund</p>
<p>Company: Mid-America Apartment Communities, Inc.</p> <p>Meeting Date: 17 May 2022</p> <p>Resolutions: Resolution 1h - Elect Director Claude B. Nielsen</p> <p>How the manager voted: Against</p> <p>Significance: The Trustee views diversity as a financially material issue</p> <p>Approximate size of holding: 0.4% as % of portfolio.</p> <p>Stewardship priority: N/A</p> <p>Rationale: Diversity: A vote against is applied as the company has an all-male Executive Committee.</p> <p>Outcome: 90.1% of shareholders supported the resolution.</p> <p>Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.</p>	<p>LGIM Hybrid Property (70:30) Fund</p>

Company: Sun Communities, Inc.

**LGIM Hybrid Property
(70:30) Fund**

Meeting Date: 17 May 2022

Resolutions: Resolution 1a - Elect Director Gary A. Shiffman

How the manager voted: Against

Significance: The Trustee considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIMs flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change. It is in application of an escalation of LGIMs vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.

Approximate size of holding: 0.3% as % of portfolio.

Stewardship priority: Climate

Rationale: Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.

Outcome: 95.5% of shareholders supported the resolution.

Next steps: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

Company: Meituan

**LGIM Emerging Markets
Equity Index Fund**

Meeting Date: 18 May 2022

Resolutions: Resolution 2 - Elect Wang Xing as Director (Diversity)

How the manager voted: Against

Significance: The Trustee views diversity as a financially material issue. This vote is in application of an escalation of LGIMs vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.

Approximate size of holding: 1.3% as % of portfolio.

Stewardship priority: N/A

Rationale: Diversity: A vote against is applied as LGIM expects a company to have at least one female on the board. Joint Chair/CEO: A vote against is applied as LGIM expects the roles of 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. A vote AGAINST the election of Xing Wang and Rongjun Mu is warranted given that their failure to ensure the company's compliance with relevant rules and regulations raise serious concerns on their ability to fulfil fiduciary duties in the company.

Outcome: 91.8% of shareholders supported the resolution.

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: Bajaj Finserv Limited

**LGIM Emerging Markets
Equity Index Fund**

Meeting Date: 22 June 2022

Resolutions: Resolution 1 - Approve Reappointment and Remuneration of Sanjivnayan Rahul Kumar Bajaj as Managing Director

How the manager voted: Against

Significance: The Trustees consider this vote to be significant as it is in application of an escalation of LGIMs vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM have voted against all combined board chair/CEO roles.

Approximate size of holding: 0.1% as % of portfolio.

Stewardship priority: N/A

Rationale: 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. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. A vote AGAINST this resolution is warranted because: - The total pay quantum, considering the remuneration from both the holding company (Bajaj Holdings & Investment Ltd) and its associate (Bajaj Finserv Ltd) is deemed aggressively positioned against industry peers, given the company's size, scale and operation. - The proposed pay structure is open-ended, as the company has stated that he may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide, which could lead to discretionary payouts.

Outcome: N/A

Next steps: LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company: OCADO GROUP PLC

Meeting Date: 04 May 2022

Resolutions: Remuneration

How the manager voted: Against

Where you voted against management, did you communicate your intent to the company ahead of the vote?
Yes

Significance: This resolution is significant because Baillie Gifford opposed remuneration.

Approximate size of holding: 1.6% as % of portfolio.

Stewardship priority: N/A

Rationale: Baillie Gifford opposed the extension of the value creation plan due to concerns with the potential size of awards.

Outcome: Pass

Next steps: Following the submission of votes Baillie Gifford contacted the company to reconfirm its decision to oppose the extension to the value creation plan. Baillie Gifford have concerns regarding the potential size of awards and in addition believe that given that this plan sits alongside an annual bonus scheme believe that the growth rate threshold should be set higher.

**Phoenix CIS UK Equities:
component fund 1:**

**Baillie Gifford UK Equity
Alpha Fund**

Company: BP Plc

Meeting Date: 12 May 2022

Resolutions: Approve Net Zero - From Ambition to Action Report

How the manager voted: For

Where you voted against management, did you communicate your intent to the company ahead of the vote?
Voted in line with management

Significance: ESG - Environmental

Approximate size of holding: N/A

Stewardship priority: Climate

Rationale: The Company generally meets expectations in terms of disclosure and governance surrounding climate change, notwithstanding the gaps in the reporting of Scope 3 emissions.

Outcome: Pass

Next steps: N/A

**Phoenix CIS UK Equities:
component fund 2:**

**NinetyOne UK Special
Solutions**

<p>Company: Royal Dutch Shell Plc</p> <p>Meeting Date: 24 May 2022</p> <p>Resolutions: To Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions</p> <p>How the manager voted: Against</p> <p>Where you voted against management, did you communicate your intent to the company ahead of the vote? BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder vote.</p> <p>Significance: BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients.</p> <p>Approximate size of holding: N/A</p> <p>Stewardship priority: Climate</p> <p>Rationale: BlackRock believes the proposal is not in shareholders' best interests.</p> <p>Outcome: Fail</p> <p>Next steps: BlackRock has ongoing direct dialogue with companies to explain their views and how they evaluate actions on relevant ESG issues over time. Where BlackRock have concerns that are not addressed by these conversations, they may vote against management for any action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed concerns.</p>	<p>Aegon BlackRock 70/30 Global Equity Index component fund 1:</p> <p>ACS UK Equity Tracker Fund</p>
<p>Company: The Home Depot, Inc.</p> <p>Meeting Date: 19 May 2022</p> <p>Resolutions: To Oversee and Report a Racial Equity Audit</p> <p>How the manager voted: For</p> <p>Where you voted against management, did you communicate your intent to the company ahead of the vote? BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder vote.</p> <p>Significance: BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients.</p> <p>Approximate size of holding: N/A</p> <p>Stewardship priority: N/A</p> <p>Rationale: BlackRock believe it is in the best interests of shareholders to have access to greater disclosure on this issue.</p> <p>Outcome: Pass</p> <p>Next steps: BlackRock has ongoing direct dialogue with companies to explain their views and how they evaluate actions on relevant ESG issues over time. Where BlackRock have concerns that are not addressed by these conversations, they may vote against management for any action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed concerns.</p>	<p>Aegon BlackRock 70/30 Global Equity Index component fund 2:</p> <p>Aquila Connect Overseas Consensus Equity Fund</p>
<p>Company: Amazon.com, Inc.</p> <p>Meeting Date: 25 May 2022</p> <p>Resolutions: Commission a Third Party Audit on Working Conditions</p> <p>How the manager voted: Against</p> <p>Where you voted against management, did you communicate your intent to the company ahead of the vote? BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. BlackRock publish their voting guidelines to help clients and companies understand their thinking on key governance matters that are commonly put to a shareholder</p>	<p>Aegon BlackRock Ascent Life Overseas Equity</p>

vote.

Significance: BlackRock prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of clients.

Approximate size of holding: N/A

Stewardship priority: Human and labour rights

Rationale: BlackRock believe the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.

Outcome: Fail

Next steps: BlackRock has ongoing direct dialogue with companies to explain their views and how they evaluate actions on relevant ESG issues over time. Where BlackRock have concerns that are not addressed by these conversations, they may vote against management for any action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed concerns.