

Implementation Statement

Victrex Pension Fund

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Victrex Pension Fund (the “Fund”)** to set out the following information over the year to **31 March 2023**:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes and use of proxy voting services; and,
- A summary of any changes to the Statement of Investment Principles (SIP) over the period;
- A description of how the Trustee’s policies, included in their SIP, have been followed over the year.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at 31 March 2023 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2021 and has been made available online here:

<https://wp-victrexplc-2020.s3.eu-west-2.amazonaws.com/media/2019/09/20114427/The-Victrex-Pension-Fund-Statement-of-Investment-Principles.pdf>

During the period to 31 March 2023, the Trustee did not set stewardship priorities for the Fund. Following the period to 31 March 2023, the Trustee agreed stewardship priorities to be used going forwards. These have been agreed and will be reflected in next year’s report and in an updated SIP.

Trustee policies on voting and engagement

The main wording within the SIP in relation to voting and engagement is copied below:

The Trustee will consider ESG, voting and engagement issues when appointing and reviewing managers (and reviewing the investment strategy of either the DB or DC Section) to ensure that they are appropriately taken into account given the asset class involved.

As a result of investing in pooled investment vehicles, the Trustee delegates responsibility for stewardship activities attaching to the Fund’s investments to their investment managers. Managers are expected to exercise voting powers with the objective of preserving and enhancing long-term shareholder value. In addition to the exercise of voting rights, managers are encouraged to engage with key stakeholders (which may include issuers of debt or equity, corporate management, regulators and governance bodies) relating to their investments in order to improve corporate behaviours and governance, improve performance and social and environmental impact and to mitigate financial risks. The Trustee receives information from their investment managers on voting and engagement activities in respect of the investments where available. This is reviewed by the Trustee. Should any issues emerge in relation to how an investment manager is engaging with companies (through the Trustee’s review of this reporting), the Trustee will discuss this with the manager.

The Trustee expects investment managers to be voting and engaging on behalf of the fund's holdings and the Fund monitors this activity within the Implementation Statement in the Fund's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment manager in an effort to achieve any short term targets.

Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held.

The Trustee's SIP was last reviewed in July 2021 to reflect the closure of a DC Section Self-Select fund.

How voting and engagement/stewardship policies have been followed

Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers' general policies on corporate governance. These reflect the recommendations of the Financial Reporting Council's UK Stewardship Code (which aims to enhance the quality of engagement between investors and companies) and are provided to the Trustee from time to time, taking into account the financial interests of the beneficiaries. All of the Fund's managers are signatories to the Principles of Responsible Investment and the UK Stewardship Code.

The Trustee reviews the stewardship and engagement activities of the current managers through the production of this Statement, as well as reviewing the summary information in the annual sustainable investment monitoring reports that it receives from its investment adviser. The second of these reports was issued in April 2023.

Further information on how these policies have been followed is detailed in the next section of this Statement.

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

How the SIP has been followed over the year

The Trustee has set out below how, in its opinion, the Statement of Investment Principles ("SIP") has been followed over the year. This should be read in conjunction with the previous section of this Statement, which covers how the Trustee's voting and engagement policies have been followed over the year.

- The Fund's SIP is reviewed as part of any changes to underlying funds or strategy. The SIP will be updated following the period end to reflect strategy changes to the DB investment strategy once agreed and to incorporate the agreed stewardship priorities. The SIP was previously reviewed in July 2021 to reflect the closure of a DC Section Self-Select fund.
- The Trustee monitors the investment strategy and manager performance through quarterly investment monitoring reports received from its investment consultant to ensure that the strategy remains appropriate.
- No changes were made to the DC Section's strategy over the period under review. Some interim changes were made to the DB Section's asset allocation as part of a broader review of the strategy, which had not concluded by the period end. This reflected comprehensive advice from the Trustee's investment consultant and close consultation with the Employer. Given the interim nature of these changes the Trustee is comfortable that they were not inconsistent with the SIP in place, which reflects the long-term investment strategy. As noted above the SIP will be updated once an updated permanent long-term strategy has been agreed.

- In terms of the DB Section and monitoring covenant risk, the Trustee receives a formal covenant review performed half yearly by Grant Thornton, and also received informal updates provided by the Sponsoring Employer's Finance Director at Trustee meetings.
- The Trustee commissioned a summary of the custodial arrangements of each underlying fund held within the Fund, over the year under review. This was completed in May 2023.
- The Fund offers a suitable default strategy for members. This was reviewed in February 2021 and appropriate changes made based on the membership profile of the Fund.
- The Fund offers a range of self-select fund options, which give DC Section members a reasonable choice from which to select their own strategy. The self-select fund range was last fully reviewed in February 2021 and changes were made accordingly.
- The Trustee is currently reviewing its DC strategy – including both the default and self-select options. This will include considering the viability and attractiveness of offering DC Section members a self-select option should they wish to express an ethical preference in the pensions saving, in line with the Trustee's policy on non-financial matters. No specific action was taken on this point during the year under review, as expected according to the Trustee's investment review cycle.
- The managers' approach to ESG and stewardship has been reviewed and monitored over the year in the following ways:
 - Commissioning the Trustee's investment consultant to produce an annual sustainable investment monitoring report, the last of which was based on 2022 data, produced in April 2023 and then reviewed by the Trustee (the previous report was based on 2021 data and reviewed in May 2022). This included information and consultant ratings for each fund on ESG research, integration, stewardship and climate risk/sustainability, as well as overall comment on this at a Fund level for the DB and DC sections respectively. The Trustee was comfortable that the managers' approaches were aligned with the Trustee's own investment aims, beliefs and constraints. However, the report recommended some proposed actions. Some have already been addressed, such as meeting with Baillie Gifford and asking more about their approach to handling climate transition risks and voting practices; as well as setting stewardship priorities. The other is scheduled for later in the year – that is, reviewing the approach to sustainability in the passive equity funds used within the DC Section.
 - Meetings with managers. Over the year under review, the Trustee met with Barings. The Trustee discussed the manager's approach to ESG integration and stewardship at this meeting. No action was required on the back of this.
 - The Fund's Environmental, Social and Governance Policy Monitoring Log has been considered and updated on a regular basis over the year to 31 March 2023.
 - Reviewing this Statement, including voting statistics, key votes, and engagement information.
- In the Fund's member booklet, which is linked to in all member communications, DC Section members are reminded that they may wish to consider whether the level of their contributions is sufficient to meet their needs in retirement and if not, they may also choose to increase the level of their contributions.
- The Trustee has made no new manager appointments over the year.

**Prepared by the Trustee of the Victrex Pension Fund
July 2023**

Voting Data

Voting only applies to underlying funds that hold equities in their portfolio. The Fund's equity investments are all held through pooled funds. The investment managers for these funds vote on behalf of the Trustee.

Summary voting activity

The tables below provide a summary of the voting activity undertaken by each manager (in respect of applicable funds) over the year to 31 March 2023, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

The DB section fully disinvested from both the Baillie Gifford Diversified Growth Fund and the Baillie Gifford Global Alpha Growth Fund in Q4 2022. Figures for the Diversified Growth Fund are shown to the quarter end of disinvestment (i.e. 31 December 2022), however, as the DC Section is still invested in the Global Alpha Growth Fund, figures for this fund are shown to 31 March 2023.

Manager	Baillie Gifford				
Fund name	Baillie Gifford UK and Worldwide Equity Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford Multi Asset Growth Fund	Baillie Gifford Diversified Growth Fund
Applicable to DB/DC/Both	DC Self-select only	Both (DB for part of period; DC self-select only)	DC Self-select only	DC Default and self-select	DB
Structure	Pooled ¹				
No. of eligible meetings	201	94	56	84	106
No. of eligible votes	2,674	1,173	893	885	1,140
% of resolutions voted	99.29%	98.29%	100.00%	97.06%	95.83%
% of resolutions abstained	0.34%	0.26%	0.00%	1.16%	0.81%
% of resolutions voted with management ²	98.38%	97.22%	98.88%	95.23%	95.65%
% of resolutions voted against management ²	1.28%	2.52%	1.12%	3.61%	3.44%
% of resolutions voted against proxy voter recommendation ²	Not provided by Baillie Gifford given their approach to use of external proxy voting services.				

Totals may not sum due to rounding.

¹ The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.

² As a percentage of the total number of resolutions voted on.

Manager	LGIM		
Fund name	LGIM UK Equity Index Fund	LGIM World (ex UK) Equity index Fund	LGIM World Emerging Markets Equities Fund
Applicable to DB/DC/Both	DC Default and self-select	DC Default and self-select	DC Default and self-select
Structure	Pooled ¹		
No. of eligible meetings	733	3,008	4,231
No. of eligible votes	10,870	36,202	36,506
% of resolutions voted	99.94%	99.83%	99.92%
% of resolutions abstained	0.00%	0.75%	2.06%
% of resolutions voted with management ²	94.46%	77.58%	79.53%
% of resolutions voted against management ²	5.54%	21.67%	18.41%
% of resolutions voted against proxy voter recommendation ²	4.23%	15.13%	6.75%

Totals may not sum due to rounding.

There are no voting rights attached to the other assets held by the Fund and therefore there is no voting information shown in the tables above for those assets.

Baillie Gifford employs Institutional Shareholder Services (ISS) and Glass Lewis as its proxy voting advisors and LGIM employ ISS as their proxy voting advisor.

- 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. 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.
- Baillie Gifford note that whilst they are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any of their stewardship activities or follow or rely upon their recommendations when deciding how to vote on our 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. They also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

¹ The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.

² As a percentage of the total number of resolutions voted on.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. Recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities.

As at 31 March 2023, the Trustee had not set stewardship priorities for the Scheme, however, following the period end the Trustee discussed and set stewardship priorities for the Fund and these will be reflected in next year's statement. For this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers 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.

Baillie Gifford and **LGIM** have provided a large number of votes which they believe to be significant (10+), and in the interest of concise, a summary of the data they have provided is set out in the appendices showing 3 of these votes for each fund. The Trustee considers the most significant vote to be selected based on the largest holdings from a range of different stewardship themes from the significant votes provided by the investment managers, whilst not repeating company votes between the different funds.

Fund level engagement

The Trustee expects their appointed fund managers to demonstrate engagement with investee companies. In doing so, the Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The tables below summarises the engagement undertaken by each of the Fund's investment managers.

Data Limitations

Following CT's acquisition of BMO's EMEA Asset Management business last year, CT combined the two engagement processes over the year to 31 March 2023 and began a new database on 1 January 2023. Therefore, engagement data is not available for the CT Global Low Duration Fund and we have omitted the fund from the tables below.

As the DB section fully disinvested from the Baillie Gifford Diversified Growth Fund and the Baillie Gifford Global Alpha Growth Fund in Q4 2022. Figures for the Diversified Growth Fund are shown to the quarter end of disinvestment (i.e. 31 December 2022), however, as the DC Section is still invested in the Global Alpha Growth Fund, figures for this fund are shown to 31 March 2023.

Manager		Baillie Gifford			
Fund name	Baillie Gifford UK and Worldwide Equity Fund	Baillie Gifford Global Alpha Growth Fund	Baillie Gifford UK Equity Alpha Fund	Baillie Gifford Multi Asset Growth Fund	Baillie Gifford Diversified Growth Fund
Applicable to DB/DC/Both	DC Self-select only	Both (DB for part of period; DC self-select)	DC Self-select only	DC Default and self-select	DB
Number of engagements undertaken on behalf of the holdings in this fund in the year	167	54	45	26	37
Number of engagements undertaken at a firm level in the year			666		

Manager		LGIM		Barings	
Fund name	LGIM UK Equity Index Fund	LGIM World (ex UK) Equity Index Fund	LGIM World Emerging Markets Equities Fund	LGIM Future World Inflation Sensitive Annuity Aware Fund	Barings Global High Yield Credit Fund
Applicable to DB/DC/Both	DC Default and self-select	DC Default and self-select	DC Self-select only	DC Self-select only	Both
Number of engagements undertaken on behalf of the holdings in this fund in the year	328	477	196	168	457*
Number of engagements undertaken at a firm level in the year		1,088		741	

*These figures represent engagement across the whole of the Barings fixed income platform as data is not available at the portfolio level.

Examples of engagement activity undertaken over the year to 31 March 2023

Baillie Gifford - Genus

Background

Baillie Gifford selected this engagement because the nature of Genus's business means that it is exposed to the pressures that the global farming industry faces to decarbonise in alignment with the goals of the Paris Agreement.

Engagement

Baillie Gifford met with Genus in April 2022, including an introductory meeting with the Head of Sustainability, to discuss the company's decarbonisation strategy/pathway. Given the material emissions of the sector and the associated risk that this poses to the company, Baillie Gifford encouraged the company to invest in decarbonisation initiatives. Baillie Gifford followed up the meeting with a letter to Genus encouraging independent validation of non-linear decarbonisation pathway (Science Based Targets Initiative's Forest, Land, and Agriculture) when published.

Outcome

When speaking with company management again in September 2022, Baillie Gifford learnt of progress that the company had made since their engagement earlier in the year. They learnt that Genus has partnered with a satellite monitoring company to track GHG emissions from their nucleus farms. The company expects to provide further details about progress with their pilot biogas capture project at their porcine operations in Canada before the end of the current financial year. Baillie Gifford intend to continue monitoring decarbonisation progress over time. They believe this positions the company well for continued sustainable value generation.

LGIM – Sainsbury's

Background

Sainsbury's made the decision to split its London employees' wages for 'inner' and 'outer' London jobs which would have a material difference on those individuals pay packets (with those in 'outer' London paid less).

Engagement

LGIM engaged with Sainsbury's by filing a shareholder resolution with ShareAction proposing for the company to become a living wage accredited employer by its AGM in 2023. LGIM note that the supermarket has a large number of employees and already pays higher wages than other listed supermarkets, but there is scope for the employer to become living wage accredited. LGIM therefore decided to co-file a resolution.

Outcome

As a result of this engagement on 8 April 2022 Sainsbury's announced it would match the wages of 'outer' London to those in 'inner' London. LGIM will continue to engage on income inequality with the company in the years ahead.

Barings - Ineos

Background

Barings holds an existing investment in a global vertically integrated commodity chemicals producer. The company has a history of making dividends to fund other investment projects and business ventures within the wider group. It became evident to Barings via news articles that the principal shareholder of the company had registered his interest in a bid for a Premier League Football club with a high anticipated valuation.

Engagement

During a virtual small group meeting with the CFO and wider senior management team, Barings requested further disclosure on the likelihood of the business increasing the size of their future dividends to fund any potential bid. Barings also expressed that such a transaction could be viewed negatively by the market and lead to downward pressure on the secondary pricing of debt instruments in the existing capital structure.

Outcome

The company indicated that there will be no future dividends from the group to fund the potential football club bid, which Barings viewed positively and decided to take no further actions in relation to changing the existing Barings ESG rating or fund positioning.

Appendix – Information on significant votes

Baillie Gifford, UK and Worldwide Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Galaxy Entertainment Group Ltd	The Trade Desk, Inc.	Tesla, Inc.
Date of vote	12 May 2022	26 May 2022	4 August 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.27%	0.69%	0.92%
Summary of the resolution	Amendment of Share Capital	Remuneration	Shareholder Resolution - Social
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?	No	No	No
Rationale for the voting decision	Baillie Gifford opposed two resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.	Baillie Gifford opposed the executive compensation due to concerns over the quantum and performance conditions attached to the large off-cycle grant made during the year.	Baillie Gifford opposed the resolution requesting the company adopt a policy on freedom of association and collective bargaining. These rights are enshrined in the National Labor Relations Act and like any US company, Tesla must comply with the law and this is not a matter for company policy.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	Baillie Gifford have opposed similar resolutions in previous years and will continue to advise the company of their concerns and seek to obtain proposals that they can support.	Baillie Gifford did not feel that the executive compensation's large quantum and the definition of good performance aligned with shareholders interests.	While Baillie Gifford did not support this resolution, because they believe the company's policies sufficiently address workers' rights to organise, they do continue to monitor Tesla's approach and engage with them on issues relating to employee rights.
Criteria on which the vote is considered "significant"	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because it was submitted by shareholders and received greater than 20% support.

Baillie Gifford, Global Alpha Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	The Charles Schwab Corporation	Booking Holdings Inc.	Abiomed, Inc.
Date of vote	17 May 2022	9 June 2022	10 August 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.07%	1.18%	0.60%
Summary of the resolution	Shareholder Resolution - Governance	Remuneration	Elect Director(s)
How the manager voted	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	Not applicable
Rationale for the voting decision	Baillie Gifford opposed the shareholder resolution for provision of proxy access rights as they believe that the absence of aggregation limits may result in misuse of the shareholder right.	Baillie Gifford opposed executive compensation due to concerns with adjustments made to the plan and the granting of retention awards.	Baillie Gifford supported the election of a director who is a member of the Compensation Committee and received significant shareholder dissent due to concerns with executive compensation.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	Baillie Gifford acknowledged management's willingness to progress their governance practices and they supported the management resolution.	Baillie Gifford engaged with the company in advance of the AGM, specifically discussing executive compensation. Baillie Gifford outlined their concerns that the adjustments to executive pay and the special payments do not align with shareholders' experience or provide appropriate incentives for management. Following that engagement Baillie Gifford decided to oppose the executive compensation resolution and communicated their decision to the company. Baillie Gifford intend to re-engage with the company to learn how it intends to respond to the vote outcome and shareholders' concerns.	Baillie Gifford opposed compensation in 2022 and 2021, and had been engaging with the company to encourage improvement. They will generally consider escalating their voting action to vote against a director after several years of opposing a resolution on a particular issue such as compensation and may have considered doing so in 2023. However, this company was acquired in December 2022 and is now a private company.
Criteria on which the vote is considered "significant"	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because Baillie Gifford swung the vote.

Baillie Gifford, UK Equity Alpha Fund

	Vote 1	Vote 2	Vote 3
Company name	Rio Tinto Plc	Ocado Group Plc	Oxford Instruments Plc
Date of vote	8 April 2022	4 May 2022	28 July 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.94%	1.61%	0.94%
Summary of the resolution	Remuneration	Remuneration	Elect Director(s)
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?	No	No	No
Rationale for the voting decision	Baillie Gifford opposed the conditional resolution in line with management recommendation.	Baillie Gifford opposed the extension of the value creation plan due to concerns with the potential size of awards.	Baillie Gifford opposed the re-election of a director due to concerns over their potential time commitments.
Outcome of the vote	Fail	Pass	Pass
Implications of the outcome	This resolution relates to an Australian legal requirement to hold a fresh shareholder meeting if the remuneration resolution fails at two successive AGMs. As Baillie Gifford supported remuneration at this AGM, they opposed this resolution in line with the management recommendation.	Following the submission of their votes Baillie Gifford contacted the company to reconfirm their decision to oppose the extension to the value creation plan. They have concerns regarding the potential size of awards and in addition believe that, given that this plan sits alongside an annual bonus scheme, the growth rate threshold should be set higher.	Baillie Gifford have reached out to the company to inform them of their decision to continue opposing the re-election of one director due to the overboarding risk, as the number of their roles has increased during the year, and to flag their willingness to engage on this issue ahead of the next year's AGM
Criteria on which the vote is considered "significant"	This resolution is significant because it received greater than 20% opposition.	This resolution is significant because Baillie Gifford opposed remuneration.	This resolution is significant because Baillie Gifford opposed the election of a director.

Baillie Gifford, Multi Asset Funds¹

¹ The DB section fully disinvested from the Baillie Gifford Diversified Growth Fund in Q4 2022, figures are therefore shown to the quarter end of disinvestment (i.e. 31 December 2022).

	Vote 1	Vote 2	Vote 3
Funds Applicable	Baillie Gifford Multi Asset Growth Fund Baillie Gifford Diversified Growth Fund	Baillie Gifford Multi Asset Growth Fund Baillie Gifford Diversified Growth Fund	Baillie Gifford Multi Asset Growth Fund Baillie Gifford Diversified Growth Fund
Company name	Greggs Plc	ROYAL CARIBBEAN CRUISES LTD.	LYFT, INC.
Date of vote	17 May 2022	2 June 2023	16 June 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.25% (MAGF) 2.95% (DGF)	0.07% (MAGF) 4.18% (DGF)	0.04% (MAGF) 0.93% (DGF)
Summary of the resolution	Remuneration	Appoint/Pay Auditors	Shareholder Resolution - Social
How the manager voted	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	No
Rationale for the voting decision	Baillie Gifford voted against the remuneration report due to concerns over executive pay increases and misalignment of pension rates.	Baillie Gifford opposed the appointment of the external auditor due to concerns with the length of tenure.	Baillie Gifford supported a shareholder proposal requesting further reporting on lobbying activities as they believe the company can make further improvements in this area.
Outcome of the vote	Pass	Pass	Fail
Implications of the outcome	Following casting a vote, Baillie Gifford reached out to the Company to provide reasons for their opposition on the remuneration report and ask for clarification on pay setting for the CEO. The Company acknowledged Baillie Gifford's feedback on pensions and pay increases for one executives and explained how the new CEO's salary was set.	The existing auditor has been in place since 1989, and Baillie Gifford had previously raised this excessive tenure with the company. As no change in auditor has taken place, Baillie Gifford chose to oppose.	In response to the high level of support last year, Lyft has updated its policy on lobbying to add information on board oversight, management governance and a brief trade association policy but it does not meet the oversight and disclosure standard set out by the proponents since it does not provide any information on lobbying expenditures, a list of all trade association memberships and dues or lobbying expenditures made by those associations using Lyft funds. Therefore, Baillie Gifford believe Lyft can go further with disclosures.
Criteria on which the vote is considered "significant"	This resolution is significant because we opposed remuneration.	This resolution is significant because Baillie Gifford opposed the election of auditors.	This resolution is significant because it was submitted by shareholders and received greater than 20% support.

LGIM, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	Spirax-Sarco Engineering Plc	Melrose Industries Plc
Date of vote	24 May 2022	11 May 2022	5 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.8%	0.4%	0.2%
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 6 - Re-elect Jamie Pike as Director	Resolution 8 - Re-elect Justin Dowley as Director
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?	Voted in line with management	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	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, they 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.	Diversity: A vote against is applied as the company has an all-male Executive Committee.	Committee independence: A vote against is applied because the director is not independent and sits on a Board Committee that should be comprised solely of independent directors. Diversity: A vote against is applied as the company has an all-male Executive Committee. Chair tenure: A vote against the Chair's re-election is applied because they believe the role of Board Chair should be refreshed regularly in line with best practice.
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"	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

LGIM, World (ex UK) Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Amazon.com, Inc.	Alphabet Inc.	Meta Platforms, Inc.
Date of vote	25 May 2022	1 June 2022	25 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.2%	1.2%	0.7%
Summary of the resolution	Resolution 1f - Elect Director Daniel P. Huttenlocher	Resolution 7 - Report on Physical Risks of Climate Change	Resolution 5 - Require Independent Board Chair
How the manager voted	Against	For	LGIM voted in favour of the shareholder resolution (management recommendation: 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	Human rights: 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.	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.	Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.
Outcome of the vote	Pass	Fail	Fail
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"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote significant as it is an escalation of their climate-related engagement activity and their public call for high quality and credible transition plans to be subject to a shareholder vote.	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 (escalation of engagement by vote).

LGIM, World Emerging Markets Equities Fund

	Vote 1	Vote 2	Vote 3
Company name	Meituan	China Pacific Insurance (Group) Co., Ltd.	Capitec Bank Holdings Ltd.
Date of vote	18 May 2022	23 June 2022	27 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%	0.09%	0.18%
Summary of the resolution	Resolution 2 - Elect Wang Xing as Director	Resolution 1 - Approve Report of the Board of Directors	Resolution 1 - Re-elect Santie Botha as Director
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	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.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management.	Diversity: A vote against is applied as LGIM expects a company to have a diverse board, with at least 25% of board members being women. They expect companies to increase female participation both on the board and in leadership positions over time. Board mandates: A vote against is applied as LGIM expects a CEO/CFO or a non-executive director not to hold too many external roles to ensure they can undertake their duties effectively.
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"	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. LGIM also 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	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, LGIM's flagship engagement programme targeting some of the world's largest companies on	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Vote 1	Vote 2	Vote 3
<p>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 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have voted against all combined board chair/CEO roles.</p>	<p>their strategic management of climate change.</p>	