



Eni UK Limited Retirement Benefits Scheme Implementation Report

July 2022

Background and Implementation Statement

Background

The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their Statement of Investment Principles (SIP) and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles (SIP)

The Scheme updated its SIP in response to the DWP regulation to cover:

- policies for managing financially material considerations including ESG factors and climate change;
- policies on the stewardship of the investments;

The SIP can be found online at the web address [Eni UK Limited Retirement Benefits Scheme Statement of Investment Principles](#). Changes to the SIP are detailed on the following pages.

Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP;
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks;
- the extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest;
- voting behaviour covering the reporting year up to 31 March 2022 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf.

Summary of key actions undertaken over the Scheme reporting year

- The Trustees completed an ESG Impact Assessment on the Scheme's investment managers over the period, this highlighted areas of improvement that would further align the managers with the Trustees' agreed ESG beliefs. The Trustees' investment consultant continues to monitor the investment managers from an ESG perspective and provide annual updates.
- Since the end of the Scheme reporting year, the Trustees have agreed to disinvest the Scheme's holding in the Invesco Global Targeted Returns Fund following a period of poor performance. This disinvestment will be used to top up the Liability Driven Investment (LDI) portfolio collateral, whilst maintain a similar level of risk and return as the current investment strategy.

Implementation Statement

This report demonstrates that the Eni UK Limited Retirement Benefits Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 95% of the interest rate and inflation exposure inherent in the Scheme's liabilities, as measured on a Self-Sufficiency basis, which is defined to be the Scheme's projected future cash flows discounted in line with the gilts curve with no margin for outperformance.	There have been no changes to policy over the reporting year.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI.	There have been no changes to policy over the reporting year. Since year end the Trustees have agreed to top up the level of collateral in the LDI portfolio using the proceeds from the termination of the Invesco mandate.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	There have been no changes to policy over the reporting year.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	There have been no changes to policy over the reporting year.

Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each of the criteria: 1. Responsible Investment ('RI') Policy / Framework that is Implemented via the Investment Process 2. A track record of using engagement and any voting rights to manage ESG factors 3. ESG specific reporting 4. UN PRI Signatory The Trustees monitor the managers on an ongoing basis.	Further detail provided later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	The Trustees will consider an appropriate level of hedging on an ongoing basis.	There have been no changes to policy over the reporting year.
Non-Financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	There have been no changes to policy over the reporting year.

Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustees intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	<ul style="list-style-type: none">• The Trustees' investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.• The Trustees receive information from their investment adviser on the investment managers' approaches to engagement.	<ul style="list-style-type: none">• The manager has not acted in accordance with their policies and frameworks.• The manager's policies are not in line with the Trustees' policies in this area.

Areas of assessment and ESG beliefs

Risk Management	<ol style="list-style-type: none"> 1. ESG factors are important for risk management and can be financially material. Managing these risks forms part of the fiduciary duty of the Trustees. 2. The Trustees believe that ESG integration leads to better risk adjusted outcomes and want a positive ESG tilt to the investment strategy.
Approach / Framework	<ol style="list-style-type: none"> 3. The Trustees want to understand how asset managers integrate ESG within their investment process and in their stewardship activities. 4. The Trustees believe that sectors aiming for positive social and environmental impacts may outperform as countries transition to more sustainable economies. Where possible the investment strategy will allocate to these sectors. 5. The Trustees will consider the ESG values and priority areas of the stakeholders and sponsor and use these to set ESG targets.
Voting & Engagement	<ol style="list-style-type: none"> 6. ESG factors are relevant to all asset classes and, whether equity or debt investments, managers have a responsibility to engage with companies on ESG factors. 7. The Trustees believe that engaging with managers is more effective to initiate change than divesting and so will seek to communicate key ESG actions to the managers in the first instance. 8. The Trustees want to understand the impact of voting & engagement activity within their investment mandates.
Reporting & Monitoring	<ol style="list-style-type: none"> 9. ESG factors are dynamic and continually evolving, therefore the Trustees will receive training as required to develop their knowledge. 10. The Trustees will seek to monitor key ESG metrics within their investment portfolio to understand the impact of their investments.
Collaboration	<ol style="list-style-type: none"> 11. Asset managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI and TCFD. 12. The Trustees should seek to sign up to a recognised ESG framework to collaborate with other investors on key issues.

ESG summary and engagement with the investment managers

Manager, Fund	ESG Summary	Actions identified	Engagement with manager commentary
BlackRock, BlackRock Dynamic Diversified Growth Fund	<p>BlackRock have a designated Sustainability Investing team with an integrated research unit who can provide comprehensive research across ESG considerations.</p> <p>BlackRock produce detailed reports on ESG metrics for the Fund, including metrics on carbon emissions data, climate change scores and controversy scores. However, these reports are not currently being included in clients' quarterly reports but are available upon request.</p> <p>BlackRock are ahead of their peers with regards to TCFD reporting.</p>	<p>Isio proposed that BlackRock should investigate the ESG metrics being included into regular quarterly reporting, alongside development of measurable ESG objectives for the Dynamic Diversified Growth Fund specifically.</p> <p>Isio believe BlackRock should consider producing regular diversity reports which clearly show BlackRock's and the Fund's diversity metrics and the process made towards targets, which should align with the firm-wide diversity policies.</p>	<p>Since Isio's engagement, BlackRock have provided a dashboard of environmental related metrics and expects to update the dashboard regularly. BlackRock have also integrated baseline screening and a basket of stocks dedicated to positive impact within their Dynamic Diversified Growth Fund and continue to introduce a growing number of sustainable indices across asset classes into their investment process.</p>
Invesco Global Targeted Returns Fund	<p>Invesco have an integrated approach to managing ESG risks at a business level and ESG risks are considered as part of the Global Targeted Returns Fund's investment process and is monitored by a dedicated ESG team.</p> <p>However, it is unclear how much weighting is given to ESG during Invesco's investment process. The Global Targeted Returns Fund currently has no formal ESG related objectives in place.</p>	<p>Isio proposed that Invesco should demonstrate the weighting and materiality to which ESG considerations have been considered when the manager has implemented investment ideas.</p> <p>Isio would like to see Invesco consider producing regular diversity reports that clearly show both firm and Fund level diversity metrics, highlighting progress towards any specified target as well as evidence of the level of influence these scores have on the Fund's investment decisions.</p>	<p>Post Isio's review of Invesco's engagement with ESG, Invesco have provided Isio with examples whereby their ESG assessment and analysis has had an impact on the investment process and actions they have taken with individual companies.</p> <p>Invesco has since noted that they engage with counterparties, however the manager failed to provide examples to Isio, as such, we continue to advocate for significant improvement.</p>

		<p>Isio believe that Invesco should consider having ESG proxies that are centrally handled by the ESG team, this would avoid potential inconsistencies at a Fund level.</p>	
<p>LGIM Passive Equity:</p> <p>Asia Pacific (ex. Japan) Equity Index – GBP Hedged</p> <p>Europe (ex. UK) Equity Index – GBP Hedged</p> <p>Japan Equity Index – GBP Hedged</p> <p>North America Equity Index – GBP Hedged,</p> <p>UK Equity Index</p>	<p>LGIM have developed a clear and robust framework for scoring companies on ESG factors, as such they are able to provide clear reporting and risk analysis on underlying firms.</p> <p>Given that this a passive fund range, there is limited scope for LGIM to make investment decisions based on ESG factors, however, they continue to actively engage with companies as they believe this is extremely important when aiming to invest responsibly.</p>	<p>Isio would like LGIM to consider breaking down portfolio level ESG scores by their associated ESG pillar; Environmental, Social, and Governance.</p> <p>Furthermore, Isio propose that ESG metrics are included in standard client reporting alongside fund level voting data in line with implementation statement requirements.</p>	<p>LGIM now aim to include Social and Governance metrics in future versions of their ESG quarterly reporting and have developed an LGIM ESG Score, this splits engagements into 29 subcomponent pillars.</p> <p>LGIMs ESG quarterly reports now provide data on carbon, voting and engagement, and the manager continues to look to streamline their reporting output such that they can integrate this into their standard client quarterly reports, however this is dependent on upgrading internal systems that produce such reports. The data that is currently provided by LGIM is in line with industry standard, and high fund level voting data is included within ESG quarterly reports, where applicable.</p>
<p>LGIM Matching Core LDI Funds</p>	<p>We believe that LGIM have evidenced their ability to integrate ESG factors into their Matching Core LDI funds range through counterparty review and engagement.</p> <p>LGIM integrates ESG factors in their processes by using proprietary tools to quantify and monitor ESG risk and have shown that they continue to improve their reporting processes.</p>	<p>Isio would like to see LGIM include the ESG scoring of counterparties within regular client reporting of LDI funds.</p>	<p>Since Isio’s review, LGIM have noted that enhanced ESG counterparty reporting is a priority, and the manager continues to have internal discussions around how best to present the information in a meaningful way.</p>
<p>M&G Alpha Opportunities Fund</p>	<p>M&G have shown their ability to consider the significance of ESG factors in the management of the Alpha Opportunities Fund.</p> <p>M&G are actively developing tools to improve ESG modelling and reporting and</p>	<p>Isio would like M&G to provide specific ESG objectives and policies for the Alpha Opportunities Fund.</p> <p>We would also like M&G to continue their work developing climate scenario</p>	<p>Isio engaged with M&G in relation to several recommendations, given this, M&G confirmed that they look to continue developing their abilities relative to climate scenario modelling, and progress</p>

	<p>should continue to increase the number of ESG metrics available for reporting purposes.</p>	<p>modelling and temperature pathways as part of their investment process.</p> <p>Isio also propose that M&G continue to improve their use of reporting metrics, such as those relative to TCFD requirements, as well as aim to be able to provide specific ESG ratings for each asset in the fund.</p>	<p>toward the temperature alignment pathway.</p> <p>M&G are continuing to improve their reporting, increasing the capability to share performance relative to specific ESG metrics and have increased the frequency in which measures are shared such that this is now included in the Fund's quarterly reporting.</p>
--	--	---	--

Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2022. Please note that not all categories sum to the number of total engagements, as some engagements covered more than one ESG area.

Fund name	Engagement summary	Commentary
BlackRock Dynamic Diversified Growth Fund	<p>Total Engagements: 825</p> <p>Environmental: 546</p> <p>Social: 283</p> <p>Governance: 693</p>	<p>BlackRock engage with their companies through their Investment Stewardship team to provide feedback and inform their voting decisions. These engagements largely relate to the Fund's equity positions only.</p> <p>Examples of significant engagements include:</p> <p>Pfizer, Inc. – BlackRock have engaged with the company for several years to discuss a broad range of ESG issues. Most recently, BlackRock engaged with the company to discuss a shareholder proposal that asked Pfizer to report on access to COVID-19 Pfizer products.</p> <p>BlackRock see that Pfizer has played a leading role in the vaccine development for COVID-19. In its corporate disclosures, the company discussed its response to COVID-19, including manufacturing and supply chain considerations, clinical trials, and vaccine liability. Within these disclosures, in relation to access and patients in need, the company states that it is "working with governments, international NGOs, and U.S.-based not-for-profit organizations to respond to the pandemic by donating medications and vaccines and working to support frontline health workers.</p> <p>On balance, BlackRock voted against the shareholder motion as they feel</p>

		<p>that the company has demonstrated transparency during this ongoing crisis and the board has demonstrated sound oversight of matters related to access to medicine.</p> <p>General Electric Company – BlackRock have engaged with the company for several years to discuss corporate governance and sustainability issues that they believe will drive long-term, shareholder value. BlackRock voted for a proposal that requested the company to report on its progress towards achieving a target of net zero greenhouse gas (GHG) emissions by 2050.</p> <p>General Electric has a goal to achieve carbon neutrality for its operations by 2030 and plans to exit the new build coal power market in favour of increased deployment of renewables.</p> <p>BlackRock recognise and supports the efforts that the company has made to date on the management and oversight of climate risk, they see the effective disclosure of climate-related risks and GHG emissions data as critical to investors' understanding of a company's ability to deliver sustainable, long-term shareholder value.</p>
<p>Invesco Global Targeted Returns Fund</p>	<p>Total engagements: 40 Environmental: 16 Social: 24 Governance: 24</p>	<p>Examples of significant engagements include:</p> <p>Samsung Fire & Marine – Invesco met with the company to discuss its approach to ESG integration into investment, and underwriting activities. Invesco note that the company performs well relative to the global industry and regional peers across a variety of ESG metrics. Invesco discussed the company's suite of environmentally and socially friendly products, how these are defined and managed and the company's approach to responsible asset management and their carbon emissions reduction targets. Invesco also discussed the company's plans to appoint a woman to the board by 2022, and management of employee relations. Invesco now have a clearer understanding of the climate risks and opportunities going forward for</p>

		<p>the business, and the manager will continue to monitor the evolution of the company's disclosures including additional disclosures regarding their emission reduction targets expected later this year.</p> <p>Bank of America – Invesco discussed the proposal for a Racial Equity Audit with Bank of America's US investment team in the context of the company's efforts to address structural racism in its business operations, as well as products and services. The company argued that they believed they had committed sufficient resources and engaged with stakeholders to address racial equity issues however the Invesco investment team raised the issue of branch closures in minority and underrepresented communities, emphasising that the financial services sector should do more to address issues around racial equity. Invesco organised a teach-in with the company to raise awareness on the racial equity audit proposal and recommended that shareholders supported to proposal as it would result in greater transparency and accountability in the company's commitments to racial justice across every level of the business.</p>
<p>LGIM Asia Pacific (ex. Japan) Equity Index – GBP Hedged</p>	<p>Total engagements: 40</p> <p>Environmental: 15</p> <p>Social: 5</p> <p>Governance: 27</p> <p>Other: 13</p>	<p>LGIM's Investment Stewardship team manage the voting and engagement across all funds, leveraging all possible capital to maximise effectiveness.</p>
<p>LGIM Europe (ex. UK) Equity Index – GBP Hedged</p>	<p>Total engagements: 90</p> <p>Environmental: 52</p> <p>Social: 32</p> <p>Governance: 47</p> <p>Other: 22</p>	<p>LGIM share their finalised ESG ratings/scorecards with companies, identifying which metrics are used, LGIM's key focus areas and the improvements companies could make to improve their score.</p>
<p>LGIM Japan Equity Index – GBP Hedged</p>	<p>Total engagements: 134</p> <p>Environmental: 64</p> <p>Social: 23</p> <p>Governance: 85</p> <p>Other: 65</p>	
<p>LGIM North America Equity Index – GBP Hedged</p>	<p>Total engagements: 196</p> <p>Environmental: 105</p> <p>Social: 75</p> <p>Governance: 93</p> <p>Other: 45</p>	

LGIM UK Equity Index	<p>Total engagements: 244</p> <p>Environmental: 67 Social: 72 Governance: 159 Other: 27</p>	
LGIM Matching Core LDI Funds	<p>LGIM currently do not provide details of their engagement activities at LDI Fund level, however, this is something they are looking to implement going forwards. Isio remains in contact with LGIM surrounding the firm's engagement reporting.</p>	<p>LGIM engage with regulators, governments, and other industry participants to address long-term structural issues.</p> <p>They regularly monitor companies and where engagements are unsuccessful, the team will assess where problems arose and new approaches to be employed.</p>
M&G Alpha Opportunities Fund	<p>Total Engagements: 22</p> <p>Environmental: 18 Social: 1 Governance: 3</p>	<p>Arqiva Broadcast Finance Plc - M&G engaged with the company to push for an increase in disclosure and encourage the setting of relevant ESG targets that were not in place. M&G contacted company's management to outline the manager's expectation for disclosure and targeting setting but at this time no ESG documentation has been produced. Arqiva are working to share this documentation by the end of 2022. M&G are currently awaiting a response to queries surrounding various items where there was no disclosure. M&G will continue to engage with Arqiva and follow up in due course.</p> <p>Infineon Technologies – M&G engaged with the German semiconductor manufacturer to adopt science-based targets. M&G met with the Chief Executive and Investor Relations team to explain the manager's expectations for adopting an improved metric to measure environmental progress. Infineon confirmed that it had already adopted a 1.5°C pathway without formally incorporating science-based targets, and that it was looking into what the reporting and costs were of implementing such targets. The company will continue to keep M&G updated on their progress and the results of the cost/benefit analysis.</p>

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2022. The managers also provided examples of any significant votes.

Fund name	Voting summary	Examples of significant votes
BlackRock Dynamic Diversified Growth Fund	<p>Voteable Proposals: 12,458</p> <p>Proposals Voted: 12,458</p> <p>Votes with management: 11,679</p> <p>Votes against management: 779</p> <p>Votes abstained: 182</p>	<p>Johnson & Johnson - BlackRock voted for the 'Say on Pay' proposal, an advisory vote to ratify named executive officers' compensation, as they believed the company had taken appropriate steps to incentivise current executives and to set compensation plans that are performance based. BlackRock believed that voting against pay would have unfairly penalised executives who have performed well, given that they have navigated company challenges, and met the criteria of the company's compensation plan.</p> <p>Agreement to accept management's proposal was given in Q2 2021.</p> <p>AT&T - BlackRock voted against the proposal to approve executive compensation based on a pay and performance misalignment. BlackRock remained concerned about certain pay practices at the company, i.e., the \$48 million multi-year equity award to the CEO of WarnerMedia. Though the company expects no further equity awards, BlackRock see the rationale behind the award may result in improperly incentivised executives and impact retention of key talent in the long term.</p> <p>BlackRock were also critical of the AT&T Compensation Committee as they had exercised upward discretion and increased pay-outs under the incentive to 75% of target. While BlackRock recognised that exercising discretion was necessary at times, they</p>

		<p>were not comfortable with the lack of a rigorous disclosure in relation to said compensation and remains the expectant that the company provide this.</p> <p>Overall, there was agreement to reject management's proposal as the pay request was not aligned with performance and peers.</p>
Invesco Global Targeted Returns Fund	<p>Votable proposals: 4,942</p> <p>Proposals voted: 4,849</p> <p>Votes with management: 4,445</p> <p>Votes against management: 392</p> <p>Votes abstained: 12</p>	<p>SBM Offshore NV – Invesco voted for a proposal that authorised the board to exclude pre-emptive rights from share issuances, as the manager felt it was in line with commonly used industry safeguards regarding volume and duration. The outcome of the vote was in line with Invesco's voting intention and as such no further action was required outside of the manager's continued engagement and dialogue with the company.</p>
LGIM Asia Pacific (ex. Japan) Equity Index – GBP Hedged	<p>Votable proposals: 3,457</p> <p>Proposals voted: 3,456</p> <p>Votes with management: 2,538</p> <p>Votes against management: 911</p> <p>Votes abstained: 8</p>	<p>Mapletree Logistics Trust – LGIM voted against a resolution to approve the company's Report of the Trustee, Statement by the manager, and Audited Statements and Auditors' Report due to the company being deemed to not meet the minimum standards required to meet climate risk management and disclosure. LGIM will continue to engage with the company and monitor progress, as this is deemed to be a significant event applied under LGIM's flagship engagement programme, the Climate Impact Pledge.</p> <p>IDP Education Limited - LGIM voted against the election of a male director to the company board, as this went against expectations that the company would curate a diverse board, with at least 25% of board members being women. LGIM expect companies to continue to increase their female participation both at a board level and other leadership positions over time. LGIM will continue to engage with their investee companies, advocating their position on the issue and monitoring company and market progress. LGIM views gender diversity as a financially material issue for their clients.</p>
LGIM Europe (ex. UK) Equity Index – GBP Hedged	<p>Votable proposals: 9,447</p> <p>Proposals voted: 9,428</p> <p>Votes with management: 7,764</p>	<p>Total SE – LGIM voted against a resolution to re-elect a director to the board of the company. LGIM have a longstanding policy that advocates for the separation of the role of CEO and</p>

	<p>Votes against management: 1,616</p> <p>Votes abstained: 66</p>	<p>board chair. Since 2020, LGIM voted against all combined board chair/CEO roles and have published a guide for board on the separation of said roles, reinforcing LGIM's position on leadership structures across their stewardship activities.</p> <p>Evolution Gaming Group AB – LGIM voted against a proposal to elect a male as board chairman. LGIM views gender diversity as a financially material issue for clients. As part of the manager's efforts to influence investee companies on having greater gender balance, LGIM expect companies in well-governed markets to have at least 30% of women on their boards.</p>
<p>LGIM Japan Equity Index – GBP Hedged</p>	<p>Votable proposals: 6,109</p> <p>Proposals voted: 6,109</p> <p>Votes with management: 5,293</p> <p>Votes against management: 815</p> <p>Votes abstained: 1</p>	<p>Mitsubishi UFJ Financial Group, Inc. – LGIM voted for the resolution to amend articles to disclose the plan outlining the company's business strategy to align investments with the goals of the Paris Agreement. LGIM voted in favour of this proposal as the manager expects companies to take sufficient action on the issue of climate change. LGIM positively note the company's recent announcements around net-zero targets and exclusion policies, they believe the shareholder proposal provides a good directional push. LGIM will continue to engage with the company on this important ESG issue.</p> <p>Canon, Inc. – LGIM voted against the election of a director to the company board. LGIM voted against the proposal due to a lack of meaningful diversity on the board, alongside the lack of independent directors on the board. LGIM believe that independent directors bring an external perspective to the board that is critical to the quality of the board the strategic direction of the company. LGIM will continue to engage with the company on the issue as the manager sees gender diversity and independent perspectives as financially material issues for clients.</p>
<p>LGIM North America Equity Index – GBP Hedged</p>	<p>Votable proposals: 8,181</p> <p>Proposals voted: 8,160</p> <p>Votes with management: 5,762</p> <p>Votes against management: 2,414</p> <p>Votes abstained: 5</p>	<p>Apple Inc. – LGIM voted for a resolution to require the company to report on Civil Rights Audit. LGIM supports proposals that promote and encourage diversity and inclusion within the workplace. LGIM consider these issues to be material risks to companies when they are not appropriately considered. LGIM will continue to engage with</p>

**LGIM UK
Equity Index**

Votable proposals: 10,813
Proposals voted: 10,811
Votes with management: 10,064
Votes against management: 749
Votes abstained: 0

investee companies, and public advocate for their position on the issue, monitoring company and market progress. LGIM view gender diversity as a financially material issue for clients, that will have implications for the assets LGIM manage on their behalf.

The Procter & Gamble Company – LGIM voted for a resolution that applied to the company electing a director to the board. The resolution was in line with LGIM’s stance for the separation of the role of CEO and board chair. The resolution would split the role of Chairman and CEO from November 2021; LGIM will continue to engage with investee companies, publicly advocating their position on the issue and monitoring company and market progress.

3i Infrastructure Plc – LGIM voted against the re-election of male director to the company board. LGIM view gender diversity as a financially material issue for their clients, and as part of their efforts to influence investee companies to have a greater gender balance, the manager applies voting sanctions to FTSE 350 companies that do not have a minimum of 30% women on the board.

Frasers Group plc – LGIM voted against the resolution to receive and adopt the reports and accounts for the company. LGIM’s corporate governance policy requires all UK-listed companies to meet the requirements of the Modern Slavery Act 2015, a subsection of this act requires company to include a statement, signed by the company’s board of directors, outlining the steps that have been taken to ensure that slavery and human trafficking did not take place within company operations or the supply chain. LGIM will sanction any company that fails to meet the requirements of this Act for two consecutive years, this is seen as a severe governance failing, a humanitarian crisis, and a risk to the company’s operating model. Fraser Group has suggested they will be compliant with the requirements of subsection by the end of the year. LGIM considered this to insufficient reason to change their vote, the manager will continue to monitor the resolution of this event.

