

Engagement Policy Implementation Statement (“EPIS”)

Northern Powergrid Group of the Electricity Supply Pension Scheme (the “Group”)

Group Year End – 31 March 2023

The purpose of the EPIS is for us, the Group Trustees of the Northern Powergrid Group of the Electricity Supply Pension Scheme, to explain what we have done during the year ending 31 March 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Group’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Group’s investment managers were able to disclose good evidence of voting and/or engagement activity, the activities completed by our managers align with our stewardship priorities and our voting policy has been implemented effectively in practice.

Our investment managers provided us with high-quality engagement information that was sufficient for us to deduce that the policies in our SIP had been implemented effectively. However, there are areas where we would like to see additional details, as set out in our Engagement Action Plan.

How voting and engagement policies have been followed

The Group is invested entirely in pooled funds and is, therefore, not a direct owner of the underlying assets. Consequently, we are limited to the extent to which they are able to influence voting and engagement directly. The Group Trustees, therefore, delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the relevant Investment Managers.

We reviewed the stewardship activity of the investment managers (ignoring those with immaterial holdings) carried out over the Group year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Group's investment managers can be found in the following sections of this statement.

Over the reporting year, we monitored the performance of the Group's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). We received quarterly Environment Social Governance ("ESG") ratings from Aon for the applicable 'buy-rated' funds in which the Group is invested.

During the year, we received training on ESG and stewardship topics and we are nearing completion of the Group's first report in response to the Task Force on Climate-related Financial Disclosures (TCFD). Our Responsible Investment policy will be reviewed later in 2023.

The Group Trustees receive an annual update from their investment adviser regarding the engagement approaches and active ownership practices of its appointed investment managers, along with receiving quarterly updates from the Group's appointed equity manager regarding the use of voting rights. We engage with our investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of our own policies are being actioned.

The Group's stewardship policy can be found in the SIP: [Public documents | Northern Powergrid Group – ESPS \(northernpowergridgroup-esps.co.uk\)](#)

Our Engagement Action Plan

Although we believe that our stewardship policies have been met, we believe there is always room for improvement and consequently we have decided to take the following steps over the next 12 months:

1. While LGIM and BlackRock's comprehensive list of fund-level engagement is encouraging, these examples did not give as much detail as required by the Investment Consultants Sustainability Working Group ("ICSWG") industry standard. The managers also did not provide firm-level engagement information. Our investment adviser, Aon, will engage with these managers to better understand their engagement practices and discuss the areas which are behind those of their peers.
2. While Columbia Threadneedle did provide firm level engagement information, they did not provide any engagement information on a fund level. Our investment adviser, Aon, will engage with the manager to encourage better reporting practices.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

3. While CBRE has confirmed to have been in regular communication with tenants of directly owned assets, they did not provide any engagement data as they do not collate statistics. We will invite the manager to explain their engagement approach to us and encourage better reporting.
4. While a lack of engagement data from Securis is reasonable given the nature of the assets, we will invite the manager to explain how they take ESG considerations into account.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Group's investments is an important factor in deciding whether a manager remains the right choice for the Group.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Group's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Group's material funds with voting rights for the year to 31 March 2023.

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM FTSE Developed Core Infrastructure Index Fund	1,073	100.0%	23.9%	0.0%
LGIM UK Equity Index Fund	10,870	99.9%	5.5%	0.0%
LGIM World (ex UK) Developed Equity Index Fund	36,202	99.8%	21.7%	0.8%
LGIM World Emerging Markets Equity Index Fund	42,279	99.9%	19.7%	2.1%
LGIM North America Equity Index Fund	8,543	99.4%	34.6%	0.1%
LGIM Europe (ex UK) Equity Index Fund	10,391	99.9%	18.5%	0.5%
LGIM Japan Equity Index Fund	6,267	100.0%	11.3%	0.0%
LGIM Asia Pacific (ex Japan) Developed Equity Index Fund	3,590	100.0%	29.2%	0.0%
LGIM (PMC) Global Equity Market Weights 30:70 Index 75% Currency Hedged	76,499	99.9%	18.2%	1.1%
Prudential With Profits Cash Accumulation		Not provided		

Source: Managers.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Group's managers use proxy voting advisers.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Description of use of proxy voting adviser(s)

Legal and General Investment Management ("LGIM")	LGIM's Investment Stewardship team uses Institutional Shareholder Services' (ISS) '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 the proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
Prudential	Not provided

Source: Manager.

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Group's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Group's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Group's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm level i.e. is not necessarily specific to the fund invested in by the Group.

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM FTSE Developed Core Infrastructure Index Fund	46	Not provided	<p>Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity)</p> <p>Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human capital management (e.g. inclusion & diversity, employee terms, safety)</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Independence or Oversight, Board effectiveness - Other, Leadership - Chair/CEO, Remuneration, Shareholder rights</p> <p>Strategy, Finance & Reporting - Capital allocation, Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks), ESG Scores</p>
LGIM UK Equity Index Fund	247	Not provided	<p>Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity)</p> <p>Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality</p> <p>Governance - Board effectiveness – Diversity, Board effectiveness – Other, Remuneration, Shareholder rights</p> <p>Strategy, Finance & Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others</p>
LGIM World (ex UK) Developed Equity Index Fund	421	Not provided	<p>Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity)</p> <p>Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Independence or Oversight, Board effectiveness - Other, Leadership - Chair/CEO, Remuneration</p> <p>Strategy, Finance & Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, ESG Scores, and others.</p>

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
LGIM World Emerging Markets Equity Index Fund	182	Not provided	<p>Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity)</p> <p>Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration</p> <p>Strategy, Finance & Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others</p>
Threadneedle Property Unit Trust	Not provided	177	<p>Environment - Climate change, Biodiversity, Energy Transition and others</p>
LGIM North America Equity Index Fund	212	Not provided	<p>Environment - Climate change</p> <p>Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health</p> <p>Governance- Board effectiveness - Diversity, Board effectiveness - Other, Leadership - Chair/CEO, Remuneration</p> <p>Strategy, Finance & Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others</p>
LGIM Europe (ex UK) Equity Index Fund	111	Not provided	<p>Environment - Climate change</p> <p>Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Shareholder rights</p> <p>Strategy, Finance & Reporting - Strategy/purpose, Risk management (e.g. operational risks, cyber/information security, product risks), ESG Scores, and others</p>
LGIM Japan Equity Index Fund	76	Not provided	<p>Environment - Climate change</p> <p>Social - Human capital management (e.g. inclusion & diversity, employee terms, safety)</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Other, Remuneration, Shareholder rights</p> <p>Strategy, Finance & Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, ESG Scores, and others</p>
LGIM Asia Pacific (ex Japan) Developed Equity Index Fund	84	Not provided	<p>Environment - Climate change</p> <p>Social - Human capital management (e.g. inclusion & diversity, employee terms, safety)</p> <p>Governance - Board effectiveness - Diversity, Board effectiveness - Independence or Oversight, Board effectiveness - Other, Remuneration, Shareholder rights</p>

Funds	Number of engagements		Themes engaged on at a fund-level
	Fund specific	Firm level	
			Strategy, Finance & Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, and others
LGIM (PMC) Global Equity Market Weights 30:70 Index 75% currency hedged	915	Not provided	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health Governance - Board effectiveness – Diversity, Remuneration Strategy, Finance & Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose, ESG Scores, and others
BlackRock Absolute Return Bond Fund	391	Not provided	Environment - Climate Risk Management, Operational Sustainability, Environmental Impact Management Social - Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Remuneration, Corporate Strategy, Business Oversight/Risk Management
Insight Bond Plus Fund	102	948	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness - Independence or Oversight, Diversity, Leadership - Chair/CEO, Remuneration Strategy, Financial and Reporting - Capital Allocation, Strategy/Purpose, Risk management (e.g. operational risks, cyber/information security, product risks), Reporting (e.g. audit, accounting, sustainability reporting)
Securis Non-Life Fund	Not provided. The manager does not believe that the voting or engagement questionnaires are applicable to the assets within the Securis Non-Life Fund, due to the nature of the Insurance Linked Securities (“ILS”) securities as an asset class.		
CBRE Global Investors UK Property PAIF	Not provided. The manager stated it does not collate statistics on the number of engagements. Typically the Firm, and its property managers, are in regular communication with the tenants of directly owned real estate assets, rather than single engagement events.		
Prudential With Profits Cash Accumulation	Not provided		

Source: Managers. Insight and Threadneedle did not provide fund level themes; themes provided are at a firm-level

Data limitations

At the time of writing, the following managers had not provided all the information we requested:

- LGIM and BlackRock provided fund-level engagement information but not in the industry standard ICSWG template. They also did not provide any firm-level engagement information.
- Threadneedle and Insight did not provide any engagement information on a fund level.
- Securis did not provide any engagement information as it believes that the engagement questionnaire was not applicable to the fund in which the Group is invested due the nature of the asset class.
- CBRE and Prudential did not provide any engagement data as at the time of writing.

We will engage with the managers to encourage improvements in reporting, where appropriate.

This statement does not include commentary on the Group's investments in gilts or cash because of the limited materiality of stewardship associated with those asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Group’s managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below.

LGIM FTSE Developed Core Infrastructure Index Fund	Company name	VINCI SA
	Date of vote	April 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.9%
	Summary of the resolution	Resolution 4 - Reelect Xavier Huillard as Director
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies not to combine the roles of Board Chair and CEO. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board.
	Outcome of the vote	Passed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote to be significant as it is in application of an escalation of our 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 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.
LGIM UK Equity Index Fund	Company name	Royal Dutch Shell Plc
	Date of vote	May 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.7%
	Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Voted in line with management

	(Please add additional comments in the space below)	
	Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We 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, we 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.
	Outcome of the vote	Passed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
LGIM World (ex UK) Developed Equity Index Fund	Company name	Alphabet Inc.
	Date of vote	June 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.2%
	Summary of the resolution	Resolution 7 - Report on Physical Risks of Climate Change
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	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.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
LGIM World Emerging Markets Equity Index Fund	Company name	Meituan
	Date of vote	May 2022
	Approximate size of fund's/mandate's holding as at	1.0%

	the date of the vote (as % of portfolio)	
	Summary of the resolution	Resolution 2 - Elect Wang Xing as Director
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our 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 fulfill fiduciary duties in the company.
	Outcome of the vote	Passed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. LGIM also considers this vote to be significant as it is in application of an escalation of our 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 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.
LGIM North America Equity Index Fund	Company name	Alphabet Inc.
	Date of vote	June 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.8%
	Summary of the resolution	Resolution 7 - Report on Physical Risks of Climate Change
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	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.
	Outcome of the vote	Failed

	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
LGIM Europe (ex UK) Equity Index Fund	Company name	Total Energies SE
	Date of vote	May 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.6%
	Summary of the resolution	Resolution 16 - Approve Company's Sustainability and Climate Transition Plan
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Climate change: A vote against is applied. We 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, we 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 1.5°C trajectory.
	Outcome of the vote	Passed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
		On which criteria have you assessed this vote to be "most significant"?
LGIM Japan Equity Index Fund	Company name	The Kansai Electric Power Co., Inc.
	Date of vote	June 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2%
	Summary of the resolution	Resolution 23 - Amend Articles to Disclose Transition Plan through 2050 Aligned with Goals of Paris Agreement
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.

	Rationale for the voting decision	Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. 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 of the vote	N/A
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.
LGIM Asia Pacific (ex Japan) Developed Equity Index Fund	Company name	Rio Tinto Limited
	Date of vote	May 2022
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.9%
	Summary of the resolution	Resolution 17 - Approve Climate Action Plan
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Climate change: We 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 we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we 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.
	Outcome of the vote	Passed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
LGIM (PMC) Global Equity Market Weights 30:70 Index 75% currency hedged	Company name	BP Plc
	Date of vote	May 2022

Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.9%
Summary of the resolution	Resolution 3 - Approve Net Zero - From Ambition to Action Report
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote? (Please add additional comments in the space below)	Voted in line with management
Rationale for the voting decision	Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM 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 our 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, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.
Outcome of the vote	Passed
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.

Source: Managers.