Gieves Group Retirement Benefits Scheme

Statement of Investment Principles

Barnett Waddingham LLP

18 August 2020

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1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustees of the Gieves Group Retirement Benefits Scheme ("the Scheme"). This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004;
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Occupational Pension Schemes (Investment and Disclosure) (Amendmenrt and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) Regulations 2019.

1.2. In preparing this statement the Trustees have consulted Gieves Limited, (the "Employer"), and obtained advice from Barnett Waddingham LLP, the Trustees' investment consultants. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority.

1.3. This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.

1.4. The Trustees will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

1.5. The investment powers of the Trustees are set out in Section 3 Clause 10 of the Definitive Trust Deed & Rules, dated 5 June 2001. This statement is consistent with those powers.

2. Choosing investments

2.1. The Trustees' policy is to set the overall investment target and then monitor the performance of their managers against that target. In doing so, the Trustees consider the advice of their professional adviser, who they consider to be suitably qualified and experienced for this role.

2.2. The day-to-day management of the Scheme's assets is delegated to one or more investment managers. The Scheme's investment managers are detailed in Appendix 1 to this Statement. The investment managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.

2.3. The Trustees review the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the investment managers with respect to performance within any guidelines set. The Trustees will also consult the Employer before amending the investment strategy.

3. Investment objectives

3.1. The Trustees have discussed key investment objectives in light of an analysis of the Scheme's liability profile as well as the constraints the Trustees face in achieving these objectives. As a result, the Trustees' main investment objectives are:

- to ensure that the Scheme can meet the members' entitlements under the Trust Deed and Rules as they fall due;
- to achieve a long-term positive real return;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels;
- to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from the participating employers, the cost of benefits which the Scheme provides;
- to reduce the risk of the assets failing to meet the liabilities over the long term;
- to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

3.2. The Trustees are aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Scheme's liabilities. The Trustees have obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

4. Kinds of investments to be held

4.1. The Scheme is permitted to invest in a wide range of assets including equities, bonds, cash, property, alternatives and annuity policies.

4.2. Any investment in derivative instruments is only made to contribute to a reduction in the overall level of risks in the portfolio or for the purposes of efficient portfolio management.

4.3. The Trustees monitor from time-to-time the employer-related investment content of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the portfolio. Typically this check is carried out annually by the Scheme's auditors.

5. The balance between different kinds of investments

5.1. The Scheme invests in assets that are expected to achieve the Scheme's objectives. The allocation between different asset classes is contained within Appendix 1 to this Statement.

5.2. The Trustees consider the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in Appendix 1 to this Statement.

5.3. From time to time the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate any short-term cashflow requirements or any other unexpected items.

5.4. The Trustees are aware that the appropriate balance between different kinds of investments will vary over time and therefore the Scheme's asset allocation will be expected to change as the Scheme's liability profile matures.

6. Risks

6.1. The Trustees have considered the following risks for the Scheme with regard to its investment policy and the Scheme's liabilities, and considered ways of managing/monitoring these risks:

Risk versus the liabilities	The Trustees will monitor and review the investment strategy with respect to the liabilities in conjunction with each actuarial valuation. The investment strategy will be set with consideration to the appropriate level of risk required for the funding strategy as set out in the Scheme's Statement of Funding Principles.
Covenant risk	The creditworthiness of the Employer and the size of the pension liability relative to the Employer's earnings are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the Employer covenant. The Employer covenant is strengthened by the indemnity agreement between Trinity, the Employer's parent company, and Wing Tai, the Employer's former parent company, which requires Wing Tai to meet the cost of funding the Scheme.
Solvency and mismatching	This risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustees are aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Scheme's funding basis.
Asset allocation risk	The asset allocation is detailed in Appendix 1 to this Statement and is monitored on a regular basis by the Trustees.

Investment manager risk	The Trustees monitor the performance of each of the Scheme's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary, usually on an annual basis. The Trustees have a written agreement with each investment manager, which contains a number of restrictions on how each investment manager may operate.
Governance risk	Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustees monitor these and will report on the managers' practices in their annual Implementation Statement.
ESG/Climate risk	The Trustees have considered long-term financial risks to the Scheme and consider ESG factors, as well as climate risk, to potentially be financially material and will continue to develop their policy to consider these factors, alongside other factors, when selecting or reviewing the Scheme's investments in order to avoid unexpected losses.
Concentration risk	Each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.
Liquidity risk	The Scheme invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Scheme's cashflow requirements. The Scheme's administrators assess the level of cash held in order to limit the impact of the cashflow requirements on the investment policy.
Currency risk	The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management. Currency hedging is employed to manage the impact of exchange rate fluctuations.
Loss of investment	The risk of loss of investment by each investment manager and custodian is assessed by the Trustees. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

7. Expected return on investments

7.1. The Trustees have regard to the relative investment return and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment managers.

7.2. The Trustees recognise the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

7.3. In considering the expected return from investments, the Trustees recognise that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.

7.4. Having established the investment strategy, the Trustees monitor the performance of each investment manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position. The Trustees meet the Scheme's investment managers as frequently as is appropriate, normally on an annual basis, in order to review performance.

8. Realisation of investments

8.1. The Trustees have delegated the responsibility for buying and selling investments to the investment managers. The Trustees have considered the risk of liquidity as referred to above.

8.2. Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustees are aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

9. Environmental, Social and Governance factors, voting and engagement

9.1. The Trustees have set policies in relation to these matters. These policies are set out in Appendix 2.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustees' investment policies

10.1. Prior to appointing an investment manager, the Trustees discuss the investment manager's approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how their policies are aligned with the Trustees' own investment beliefs.

10.2. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustees also consider how ESG and climate risk are integrated into these. If the Trustees deem any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

10.3. The Trustees carry out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate related risks on an annual basis.

10.4. In the event that an investment manager ceases to meet the Trustees' desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be terminated. The investment managers have been informed of this by the Trustees.

10.5. Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

Incentivising assessments based on medium to long term, financial and non-financial considerations

10.6. The Trustees are mindful that the impact of ESG and climate change has a long-term nature. However, the Trustees recognise that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustees acknowledge this in their investment management arrangements.

10.7. When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustees assess these over a rolling timeframe. The Trustees believe the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustees expect this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

10.8. The Trustees expect investment managers to be voting and engaging on behalf of the Scheme's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustees do not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

Method and time horizon for assessing performance

10.9. The Trustees monitor the performance of their investment managers over medium to long term periods that are consistent with the Trustees' investment aims, beliefs and constraints.

10.10. The Scheme invests in pooled funds. The investment manager is remunerated by the Trustees based on the assets they manage on behalf of the Trustees.

10.11. The Trustees believe that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.12. The Trustees ask the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered regularly as part of the review of the Statement of Investment Principles.

Portfolio turnover costs

10.13. The Trustees acknowledge that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process.

10.14. During the investment manager appointment process, the Trustees may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustees acknowledge that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with asset manager

10.15. For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

10.16. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustees' investment beliefs is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

11. Agreement

11.1. This statement was agreed by the Trustees, and replaces any previous statements. Copies of this statement and any subsequent amendments will be made available to the Employer, the investment managers, the actuary and the Scheme auditor upon request.

Signed:.. **Date:**....................

On behalf of the Gieves Group Retirement Benefits Scheme

Appendix 1 Note on investment policy of the Scheme in relation to the current Statement of Investment Principles

1. The balance between different kinds of investment

The Scheme has a strategic asset allocation as set out in the table below, which has been agreed after considering the Scheme's liability profile, funding position, expected return of the various asset classes and the need for diversification.

Rebalancing

The Trustees recognise that the asset allocation of investments in different asset classes will vary over time as a result of market movements. The Trustees seek to maintain a balance between maintaining the asset allocation in line with its benchmark and limiting the costs of rebalances. The Trustees consider the Scheme's asset allocation at regular intervals and consider whether to rebalance the portfolio accordingly.

Asset Class	Allocation (%)
Equities	**21%**
Global Equities (30% UK, 70% overseas)	14%
Asia Pacific ex Japan Equities	6%
Emerging Markets Equities	1%
Diversified Growth	**45%**
Buy & Maintain Corporate Bonds	**17%**
Index-Linked Gilts	**17%**
Over 15 Year Index-Linked Gilts	11%
Under 15 Year Index-Linked Gilts	6%
Total	**100%**

2. Choosing investments

The Trustees have appointed the Legal & General Investment Management Limited ("LGIM") to carry out the day-to-day investment of the Scheme. LGIM are authorised and regulated by the Financial Conduct Authority.

The investment benchmarks and objectives for each fund are given below:

Fund	Benchmark	Objective
Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged	Composite of 30/70 distribution between UK and overseas indices, 75% GBP Hedged	To provide diversified exposure to UK and overseas equity markets while reducing foreign currency exposure of 75% of the overseas assets.
Asia Pacific (ex-Japan) Developed Equity Index Fund	FTSE AW - Developed Asia Pacific (ex-Japan) Index	To track the performance of the benchmark to within 0.75% p.a. for 2 years out of 3.
World Emerging Markets Equity Index	FTSE AW - All Emerging Markets Index	To track the performance of the benchmark to within 1.5% p.a. for 2 years out of 3.
Over 15 Year Index-Linked Gilts	FTSE A Index-Linked (Over 15 Year) Index	To track the performance of the benchmark to within 0.25% p.a. for 2 years out of 3.
Under 15 Year Index-Linked Gilts	FTSE A Index-Linked (Under 15 Year) Index	To track the performance of the benchmark to within 0.25% p.a. for 2 years out of 3.
Buy and Maintain Credit Fund	No benchmark or reference index	To capture the credit risk premium within a globally diversified portfolio of predominantly investment grade credit and to preserve value over the course of the credit cycle by avoiding defaults and securities experiencing a significant deterioration in credit quality.
Diversified Fund	FTSE Developed World Index (50% hedged to GBP) (comparator)	Provide long-term investment growth through exposure to a diversified range of asset classes.

The performance of the investment managers will be monitored as frequently as the Trustees consider appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

The Trustees have an AVC contract with Scottish Widows for the receipt of members' Additional Voluntary Contributions. The arrangement is reviewed from time to time.

3. Fee agreements

The fee arrangements with the investment managers are summarised below:

Fund	Annual Management Charge (% p.a.)
Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged	For the first £2.5 million: 0.200% per annum For the next £7.5 million: 0.190% per annum
Asia Pacific (ex-Japan) Developed Equity Index Fund	For the first £1.0 million: 0.275% per annum For the next £1.5 million: 0.250% per annum
World Emerging Markets Equity Index	For the first £5.0 million: 0.450% per annum
Over 15 Year Index-Linked Gilts	For the first £5.0 million: 0.100% per annum
Under 15 Year Index-Linked Gilts	For the first £5.0 million: 0.100% per annum
Buy and Maintain Credit Fund	0.150% per annum
Diversified Fund	For the first £25 million: 0.300% per annum

The Scheme is subject to LGIM's flat fee charge of £1,500 per annum for investment in its pooled investment vehicles.

The Trustees have appointed Barnett Waddingham LLP to advise on investment matters. Barnett Waddingham are normally remunerated on a time-cost basis, although fixed fees may be agreed for specific tasks.

4. Investments and disinvestments

The Scheme's cash flow requirements are generally met by the Employer's contributions, however where this is insufficient the Trustees may disinvest some of its investments, usually to move the overall asset allocation in line with the long term asset allocation.

New money is invested to rebalance the overall asset allocation towards its overall benchmark.

Appendix 2 Note on financially material considerations, the exercise of rights and engagement activities, and non-financial matters

1. Financially Material Considerations

The Trustees believe that Environmental, Social and Governance ("ESG") factors are financially material – that is, they have the potential to impact the value of the Scheme's investments from time-to-time. The Trustees appreciate that the method of incorporating ESG in the investment strategy and process will differ between asset classes.

The Trustees have reviewed the approach to ESG of the manager taking into account UN Principles for Responsible Investment scores where appropriate. The Trustees are comfortable that the funds currently invested in by the Scheme are managed in accordance with their views on financially material factors, as set out in this policy. This position is monitored from time to time as needed. As part of the monitoring process the Trustees are provided with updates on governance and engagement activities of the manager. The Trustees have the opportunity to meet the managers and question them on policies. The views set out below may be taken into account when appointing and reviewing managers.

A summary of the Trustees' views for each asset class in which the Scheme invests is outlined below.

Passive Equities

The Trustees accept that investment managers must invest in line with the specified index and, therefore, may not be able to disinvest if they have concerns relating to ESG. However, the Trustees believe that positive engagement on ESG issues could lead to improved risk-adjusted returns over the Trustees' intended time horizon for the investment in question. Therefore, the Trustees look to the passive equity manager to positively engage with companies where there is scope to improve the way ESG issues are taken into account when running the company. However, engagement activities (including the exercise of rights) should be consistent with, and proportionate to, the rest of the investment process.

Diversified Growth Funds

The Trustees believe that ESG issues may be financially material to the risk-adjusted returns achieved by the Scheme's diversified growth fund managers over the Trustees' intended time horizon for the investment in question. The investment process for any diversified growth fund manager should take ESG into account when selecting holdings. The Trustees also support engagement activities and, where relevant, the exercise of rights attaching to the investments by the Plan's diversified growth fund manager. However, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Corporate Bonds

The Trustees believe that ESG issues may be financially material to the risk-adjusted returns achieved by the Scheme's credit holdings over the Trustees' intended time horizon for the investment in question. The investment process for the manager should take ESG into account when selecting holdings. The Trustees also support engagement activities, although they appreciate that fixed income assets do not typically provide voting rights. The process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Passive gilts

The Trustees do not believe there is scope for ESG issues to improve risk-adjusted returns within the Scheme's passive gilt holdings.

2. Non-financially material considerations

The Trustees do not take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future qualify of life of the members and beneficiaries of the Scheme (referred to as "non-financial matters" in the relevant Regulations) in the selection, retention and realisation of investments.

3. The exercise of voting rights

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustees' behalf. In doing so, the Trustees expect that the investment managers will use their influence as major institutional investors to exercise the Trustees' 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 Trustees will monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant where needed.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustees will, with input from their investment consultant as necessary, monitor and review the information provided by the investment managers. Where possible and appropriate, the Trustees will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

4. Engagement activities

The Trustees acknowledge the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustees are of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustees also recognise that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustees consider it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustees also consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring.

The Scheme's investment managers are granted full discretion over whether or not to invest in the Principal Employer's business. Through their consultation with the Principal Employer when setting this Statement of Investment Principles, the Trustees have made the Principal Employer aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

The Scheme's investment consultant, Barnett Waddingham, is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustees confident that the investment manager recommendations they make are free from conflict of interest.

The Trustees expect all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustees believe they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustees/investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustees will consider investment managers' policies on engagement and how these policies have been implemented.

The Gieves Group Retirement Benefits Scheme

Implementation Statement

Scheme year ended 31 December 2020

This Implementation Statement has been prepared by the Trustees of the Gieves Group Retirement Benefits Scheme ("the Scheme") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2020.

LGIM could only provide engagement data at a firm level.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such the Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustees undertook an initial review of the stewardship and engagement activities of the current managers when considering their own policy and updating the Statement of Investment Principles, and were satisfied that the manager policies were reasonable and no remedial action was required at that time.

The Trustees review the fund managers' strategies and processes for exercising rights and conducting engagement activities periodically, usually annually alongside the preparation of the Implementation Statement, and will engage with the investment managers to the extent that any issues or questions are identified.

Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Additional information on the voting and engagement activities carried out for the Scheme's investments during the year are provided on the following pages.

Voting Data

Voting only applies to funds that hold equities within their portfolio. As such, this will only include the LGIM Global Equity MW(30:70) – 75% GBP Hedged Fund, the LGIM Asia Pacific ex Japan Index Fund, the LGIM World Emerging Markets Equity Index Fund and the LGIM Diversified Fund. LGIM votes on behalf of the Trustees and information on the votes made over the year are summarised over the next few pages.

The Trustees of the Gieves Group Retirement Benefits Scheme
July 2021

Voting Data

	Legal & General Investment Management			
Fund name	Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	Asia Pacific ex Japan Equity Index Fund	World Emerging Markets Equity Index Fund	Diversified Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
Number of company meetings the manager was eligible to vote at over the year	7,188	515	3,778	10,973
Number of resolutions the manager was eligible to vote on over the year	77,223	3,634	34,537	112,453
Percentage of resolutions the manager voted on	99.7%	100.0%	99.9%	98.8%
Percentage of resolutions the manager abstained from	0.7%	0.0%	1.5%	0.5%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	84.5%	73.2%	85.5%	82.0%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	14.8%	26.8%	13.0%	17.5%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.2%	0.2%	0.0%	0.2%

	Legal & General Investment Management
Proxy voting advisor	ISS

Source: Legal & General Investment Management.

There are no voting rights attached to the other assets of the Scheme (i.e. gilt indices and Buy & Maintain credit with Legal & General). As such, there is no voting information shown for these assets.

Significant votes

For this, the Scheme's first implementation statement, we have delegated to investment managers to define what a "significant vote" is. A summary of the data they have provided is set out below. Further detail on LGIM's voting policies and votes can be found on their website: https://www.lgim.com/uk/en/capabilities/investment-stewardship/

Legal & General Investment Management, Global Equity Market Weights (30:70) Index Fund (GBP 75% Currency Hedged)

	Vote 1	Vote 2	Vote 3
Company name	Lagardère	Barclays	Olympus Corporation
Date of vote	5 May 2020	7 May 2020	30 July 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		This information was not provided.	
Summary of the resolution	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).	Resolution 29 Approve Barclays' Commitment in Tackling Climate Change Resolution 30 Approve ShareAction Requisitioned Resolution	Resolution 3.1: Elect Director Takeuchi, Yasuo at the company's annual shareholder meeting held on 30 July 2020.
How the manager voted	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	LGIM voted against the resolution.

	Vote 1	Vote 2	Vote 3
	of the incumbent Lagardère SB directors (resolutions B,C,E,F,G).		
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 in monthly regional vote reports on its website with the rationale for all votes against management. It is LGIM's 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	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where they were able to speak to the proposed new SB Chair, and also Lagardère, where they spoke to the incumbent SB Chair. This allowed LGIM to gain direct perspectives from the individual charged with ensuring their board includes the right individuals to challenge management.	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. LGIM are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries, in ensuring more women are appointed to their boards. The lack of women is also a concern below board level. LGIM have for many years promoted and supported an increase of women on boards, at the executive level and below. Last year in February LGIM sent letters to the largest companies in the MSCI Japan which did not have any women on their boards or at executive level, indicating that they expect to see at least one woman on the board. One of the companies targeted was Olympus Corporation. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to take action on this issue.
Outcome of the vote	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data)	Resolution 29 - supported by 99.9% of shareholders. Resolution 30 - supported by 23.9% of shareholders (source: Company website)	94.9% of shareholders supported the election of the director
Implications of the outcome	LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.	The hard work is just beginning. LGIM's focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. LGIM plan to continue to work closely with the Barclays board and management team in	LGIM will continue to engage with and require increased diversity on all Japanese company boards.

	Vote 1	Vote 2	Vote 3
		the development of their plans and will continue to liaise with ShareAction, Investor Forum, and other large investors, to ensure a consistency of messaging and to continue to drive positive change.	
Criteria on which the vote is considered "significant"	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.	Since the beginning of the year there has been significant client interest in LGIM's voting intentions and engagement activities in relation to the 2020 Barclays AGM. LGIM consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as their clients.	This vote is deemed significant as LGIM considers it imperative that the boards of Japanese companies increase their diversity.

Legal & General Investment Management, Asia Pacific ex Japan Equity Index Fund

	Vote 1	Vote 2
Company name	Qantas Airways Limited	Whitehaven Coal
Date of vote	23 October 2020	22 November 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	This information was not provided.	
Summary of the resolution	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.
If the vote was against management, did the manager	Given their engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage

	Vote 1	Vote 2
communicate their intent to the company ahead of the vote?		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	LGIM supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the COVID-19 pandemic. However, LGIM's concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. LGIM voted against resolution 3 to signal their concerns.	The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.
Outcome of the vote	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration.	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environmental harm'. As the company is on LGIM's Future World Protection List of exclusions, many of their ESG-focused funds – and select exchange-traded funds – were not invested in the company.
Implications of the outcome	LGIM will continue their engagement with the company.	LGIM will continue to monitor this company.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The vote received media scrutiny and is emblematic of a growing wave of 'green' shareholder activism.

Legal & General Investment Management, World Emerging Markets Equity Index Fund

LGIM have informed us that there were no significant votes made in relation to securities held by this fund during the reporting period.

Legal & General Investment Management, Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Fast Retailing Co. Limited.	ExxonMobil	Medtronic plc

	Vote 1	Vote 2	Vote 3
Date of vote	26 November 2020	27 May 2020	11 December 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	This information was not provided.		
Summary of the resolution	Resolution 2.1: Elect Director Yanai Tadashi.	Resolution 1.10 Elect Director Darren W. Woods	Resolution 3 Advisory Vote to Ratify Named Executive Officers' Compensation.
How the manager voted	LGIM voted against the resolution.		
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 in monthly regional vote reports on its website with the rationale for all votes against management. LGIM's policy is not to engage with 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	Japanese companies in general have trailed behind European and US companies, as well as companies in other countries in ensuring more women are appointed to their boards. A lack of women employed is also a concern below board level. LGIM has for many years promoted and supported an increase of appointing more women on boards, at the executive level and below. In the beginning of 2020, LGIM announced that they would vote against the chair of the nomination committee or the most senior board member (depending on the type of board structure in place) for companies included in the TOPIX100 where these standards were not upheld. LGIM opposed the election of this director in his capacity as a member of the nomination committee and the most senior member of the board, in order to signal that the company needed to act on this issue.	In June 2019, under LGIM's annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, they announced that they will be removing ExxonMobil from their Future World fund range and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, they also announced they will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, LGIM's voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.	Following the end of the financial year, executive directors were granted a special, one-off award of stock options to compensate for no bonus being paid out during the financial year. LGIM voted against the one-off payment as they are not supportive of one-off awards in general and in particular when these are awarded to compensate for a payment for which the performance criterion/criteria were not met. Prior to the AGM LGIM engaged with the company and clearly communicated their concerns over one-off payments.

	Vote 1	Vote 2	Vote 3
Outcome of the vote	Shareholders supported the election of the director.	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)	The voting outcome was as follows: For: 91.73%; against: 8.23%.
Implications of the outcome	LGIM will continue to engage with and require increased diversity on all Japanese company boards, including Fast Retailing.	LGIM believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company.	LGIM will continue to monitor this company.
Criteria on which the vote is considered "significant"	LGIM considers it imperative that the boards of Japanese companies increase their diversity.	LGIM voted against the chair of the board as part of their 'Climate Impact Pledge' escalation sanction.	LGIM believe it is contrary to best practice in general and their pay principles in particular to award one-off awards, especially if they are to compensate for a forgone payment.

Fund level engagement

Manager	Legal & General Investment Management	
Fund name	**Passive Equities:** 1. Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged; 2. Asia Pacific ex Japan Equity Index Fund; and 3. World Emerging Markets Equity Index Fund	**Diversified Growth Fund:** LGIM Diversified Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	
Number of engagements undertaken on behalf of the holdings in this fund in the year	This data was not provided at a fund level	
Number of engagements undertaken at a firm level in the year	891	
Examples of engagements undertaken with holdings in the fund	LGIM engaged with a range of companies on issues including: ESG disclosures, Remuneration and Climate Change.	

There is less scope for engagement in relation to both the Scheme's gilt indices (i.e. the Under 15 Year Index-Linked Gilts, and Over 15 Year Index-Linked Gilts) and the Scheme's Buy & Maintain Credit Fund. As such, there is no information shown above for these assets.