UBM Pension Scheme

Implementation Statement – covering the Scheme Year from 1 April 2021 to 31 March 2022

The Trustee of the UBM Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-11 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 12 below.

This Statement uses the same headings as the Scheme's SIP dated July 2021 and should be read in conjunction with the SIP. A copy of the SIP can be found here:

https://www.informa.com/investors/pension-schemes/

Please note the Trustee is currently in the process of updating the Scheme's SIP to reflect investment strategy changes implemented between February and July 2022. Once finalised, the new SIP will replace the existing version in the above link.

1. Introduction

The SIP was reviewed and updated during the Scheme Year effective from July 2021. Rather than reflecting any changes to the Scheme's investment strategy, the SIP was primarily updated to make it a more streamlined and concise document focusing on the statements and policies that are required to be included from a regulatory perspective. At the same time, the Trustee produced a separately maintained Investment Policy Implementation Document ("IPID") that sets out further details on the investment strategy adopted and details of the Scheme's investment arrangements. As at the date of writing this report the SIP was in the process of being updated following a review of the investment strategy in early 2022. Details of these changes is provided in Section 3.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the policies in the Scheme's SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

In relation to the DB section of the Scheme, the Trustee's primary objectives are:

- that the Scheme should be able to meet benefit payments as they fall due; and
- that the Scheme's funding position (ie the value of its assets relative to the assessed value of its liabilities) should be at an appropriate level.

The Trustee monitors the progress of the Scheme's funding position (both the statutory Technical Provisions funding basis and an informal long-term self-sufficiency basis) as part of the quarterly investment reports provided by the Trustee's investment adviser, LCP, and regular funding updates from the Scheme Actuary. The Trustee has in place a cash flow policy to ensure benefit payments are met and monitored this on a regular basis during the Scheme Year.

2. Investment objectives (continued)

The Trustee's objective for the DC section of the Scheme is to provide members with access to an appropriate range of investment options, reflecting the membership profile and the variety of ways that members can draw their benefits in retirement. The DC section of the Scheme is closed to new members and new contributions from existing members. There is no default investment arrangement. The Scheme is not used as a qualifying scheme for automatic enrolment purposes.

The Trustee has made available a self-select fund range to members covering all major assets classes as set out in the SIP. The Trustee selected the range of investments taking into consideration the members' demographics and the variety of ways that members may draw benefits in retirement from the Scheme. The Trustee monitors the funds offered to members (including an assessment of performance, charges and any changes to the funds) through an annual report produced by the Trustee's investment adviser.

3. Investment strategy

The Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the investment strategy for the DB section in January 2022. This resulted in the following strategy changes:

- the full redemption of the Scheme's investment in the Schroders Diversified Growth Fund (bringing the DGF strategic allocation down to 15%);
- the disinvestment of 50% of the Scheme's equities and switch of the remaining equities into the LGIM Low Carbon Transition fund range (bringing the equity strategic allocation down to 15%);
- a new 20% strategic allocation to LGIM's Maturing Buy & Maintain Credit fund range; and
- an additional investment in the LGIM bespoke LDI fund (bringing the strategic allocation to 25%) and update to the LDI benchmark / target hedge ratios.

As at 31 March 2022 these changes were in the process of being implemented. The Trustee had completed the full redemption of the Schroders Diversified Growth Fund, the sale of 50% of the Scheme's equities, and the switch of the remaining equities into the LGIM Low Carbon Transition fund range. The remaining changes outlined above were implemented between April and July 2022. The Trustee is in the process of updating the Scheme's SIP to reflect the changes outlined above.

The Trustee also reviewed the DC and AVC arrangements during the Scheme Year. This was supported by the annual DC and AVC report from its investment advisers which was considered at the August 2021 Investment Sub-Committee ("ISC") meeting. This report did not highlight any necessary changes to the DC investment strategy.

4. Considerations in setting the investment arrangements

When the Trustee reviewed the DB investment strategy in early 2022 it considered the investment risks set out in Appendix 2 of the SIP. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

5. Implementation of the investment arrangements

During the Scheme Year the Trustee appointed LGIM to manage a new Global Low Carbon Transition equity mandate and a Maturing Buy & Maintain Credit mandate for the Scheme. The Trustee obtained formal written advice from its investment adviser, LCP, before investing in the funds and made sure the investment portfolio of the funds chosen was adequately and appropriately diversified.

The Trustee fully redeemed from the Schroders Diversified Growth Fund and LGIM Absolute Return Bond Fund during the Scheme Year. The LGIM Absolute Return Bond Fund was fully disinvested to cover monthly cashflow needs. The Schroders Diversified Growth Fund was fully disinvested from as part of the investment strategy changes outlined in Section 3 of this Statement – this decision was based on advice from the investment adviser, that the Newton Real Return Fund (the Scheme's alternative diversified growth manager) would be expected to provide greater diversification compared to the Scheme's other growth assets, based on its historically lower correlation to equity markets relative to the Schroders fund. The Trustee was comfortable with all the Scheme's other investment manager arrangements over the year.

The Scheme's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

The Trustee regularly invites the Scheme's investment managers to present at Investment Sub-Committee ("ISC") meetings. Over the period, the ISC met with Schroders, M&G, Newton and LGIM to discuss the Scheme's investments.

For the DB section, the Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using the quarterly investment report produced by the Scheme's investment advisor. The report shows the performance of each fund over the quarter, one year and three years. Performance is considered in the context of the manager's benchmark and objectives as well as the overall contribution to the Scheme's objectives. The most recent quarterly report, to 31 March 2022, showed that most managers have produced performance broadly in line with expectations over the long-term.

For the DC section, the Trustee monitors the performance of the Scheme's investment managers and carries out a high-level value for members' assessment on an annual basis. The annual report covering the period to 31 March 2021 was considered by the Trustee at its August 2021 ISC meeting, with the Trustee concluding that the majority of members were receiving good value for money.

6. Realisation of investments

The Trustee reviews the Scheme's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

Over the year, the Trustee used cashflows, particularly disinvestments from the Scheme's assets to meet benefit payments, to help rebalance the Scheme's assets towards the strategic asset allocation. Employer deficit contributions were retained in the Trustee bank account to also meet benefit payments.

6. Realisation of investments

The Trustee receives income from property portfolios managed by Aviva and M&G, the illiquid credit portfolio managed by M&G, and the LGIM equities portfolio. Since 31 March 2022 the Scheme has invested in a LGIM Maturing Buy & Maintain Fund range which also distributes income to the Trustee. This income is retained in the Trustee's bank account and used towards paying benefit payments.

For the DC section, it is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustee offers are daily priced with the exception of one which is weekly priced – the Trustee is considering whether to move this fund to an equivalent daily priced version.

7. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

In February 2022, the Trustee reviewed LCP's Responsible Investment ("RI)" scores for the Scheme's existing managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. The manager scores and red flags are based on LCP's Responsible Investment Survey 2022.

The Trustee was largely satisfied with the results of the review of the investment managers' respective approach to RI. The exception to this was M&G where LCP's view was that the manager was behind some of its peers in in this regard (for the asset classes invested in). As a result, the Trustee agreed to invite M&G into their next ISC meeting in May 2022. The Trustee was satisfied with M&G's presentation at this meeting and no further action was taken.

Over the Scheme Year, the ISC met with Schroders, M&G, Newton and LGIM to discuss the Scheme's investments. This included engaging with each of the managers on ESG, voting and engagement topics. The Trustee was satisfied with the answers provided by the managers. In particular the Trustee received training from LGIM on its range of low carbon-tilted passive equity funds as well its maturing Buy & Maintain Fund range. The Trustee has now invested into these funds following the review of the investment strategy. The Trustee also received training from LCP on climate change risk and the impact on funding and employer covenant.

Within the DC Section the Trustee recognises that some members may wish for ethical matters to be taken into account in their investments. It has made available the LGIM Ethical UK Equity Index Fund as an investment option to members.

8. Voting and engagement

This is covered in Section 7 above.

Information Classification: General

9. Investment governance, responsibilities, decision-making and fees (Appendix 1 of SIP)

The Trustee has set up an Investment Sub-Committee (“ISC”), comprising a subset of the Trustee Directors. The purpose of the ISC is to assist the Trustee in meeting its responsibilities as set out in Appendix 1 of the SIP.

As mentioned in Section 5 of this Statement, the Trustee assesses the performance of the Scheme's investments on an ongoing basis as part of the quarterly investment reports it receives. These are discussed at the quarterly ISC meetings.

The performance of the professional advisers is considered on an ongoing basis by the Trustee. The Trustee has put in place formal objectives for its investment adviser and will review the adviser's performance against these objectives on a regular basis. The last review of the adviser against these objectives was carried out in November 2021, with the Trustee satisfied with its performance.

10. Policy towards risk (Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the investment adviser.

The Trustee maintains a risk register and sections of it are discussed in rotation at Administration and Investment Sub-committees and Trustee quarterly meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the Trustee by the Scheme's investment managers. These include credit risk, equity risk, currency risk and counterparty risk.

With regard to the risk of inadequate returns, the Trustee reviews on a quarterly basis the required investment return for the Scheme to be fully funded on a self-sufficiency basis (informally set as a gilts +0.5% liability basis) by 31 March 2034 and compares it against the expected return on the Scheme’s assets.

The Scheme's interest rate and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report. Over the Scheme Year the Scheme's hedging levels were broadly in line with the target levels.

With regard to collateral adequacy risk, the Trustee monitors the collateral position within the LDI portfolio against optimal and critical levels, as reported by the LDI manager. The intention is to maintain at least the optimal level of collateral within the LDI portfolio. During the Scheme Year, the level of collateral remained above this level.

Together, the investment and non-investment risks set out in Appendix 2 of the SIP give rise generally to funding risk. The Trustee formally reviews the Scheme's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustee reviews the funding position allowing for membership and other experience. The Trustee also informally monitors the funding position more regularly, on a quarterly basis at Trustee meetings. The quarterly investment reports provided by LCP contain analysis of the Scheme’s deficit developments since the last actuarial valuation.

The following risks are covered earlier in this Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

11. Investment manager arrangements

There are no specific policies in relation to the individual manager arrangements in the Scheme's SIP.

12. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, on the Scheme's funds that hold equities as follows:

- LGIM Global Equity Fixed Weights (50:50) Index Fund
- LGIM Global Equity (70:30) Index Fund
- LGIM UK Equity Index Fund
- LGIM Ethical UK Equity Index Fund
- LGIM World (ex UK) Equity Index Fund
- LGIM North America Equity Index Fund
- LGIM Europe (Ex UK) Equity Index Fund
- LGIM Japan Equity Index Fund
- LGIM Asia Pacific (Ex Japan) Developed Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM Multi-Asset (formerly Consensus) Fund
- LGIM Low Carbon Transition Global Equity Index Fund
- Newton Real Return Fund
- Schroders Diversified Growth Fund
- Prudential With Profits Fund

We have not yet received data from Clerical Medical for its With Profits fund (for the DC section), so this fund is omitted from the Statement. Where voting information was unavailable, the Trustee will continue to work with its advisers and investment managers with the aim of providing this voting information in future implementation statements.

We have omitted the Scheme's other funds (eg property, credit, LDI and liquidity funds) on materiality grounds since these are not expected to hold any physical equity holdings, and any holdings with voting rights attached to them would only be a small proportion of the Scheme's total assets.

Information Classification: General

12. Description of voting behaviour during the Scheme Year

12.1 Description of the voting processes

12.1.1. LGIM

LGIM's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector, and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. LGIM also takes into account client feedback received at regular meetings and / or ad hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to vote clients' shares. All voting decisions are made by LGIM, and it does not outsource any part of the strategic decisions. Its use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services ("IVIS") to supplement the research reports that it receives from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with LGIM's position on ESG, it has put in place a custom voting policy with specific voting instructions. LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes that require further action.

12.1.2. Newton

Newton's head of responsible investment (RI) is responsible for the decision-making process of the RI team when reviewing meeting resolutions for contentious issues. It does not maintain a strict proxy voting policy. Instead, it prefers to take into account a company's individual circumstances, Newton's investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices.

Contentious issues may be referred to the appropriate industry analyst for comment and, where relevant, Newton may confer with the company or other interested parties for further clarification or to reach a compromise or to achieve a commitment from the company.

12. Description of voting behaviour during the Scheme Year (continued)

12.1 Description of the voting processes (continued)

12.1.2. Newton (continued)

Voting decisions are approved by either the deputy chief investment officer or a senior investment team member (such as the head of global research). All voting decisions are made by Newton.

It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence. It is also only in these circumstances when Newton may register an abstention given Newton's stance of either voting in favour or against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures Newton does not provide confusing messages to companies.

Newton employ's a variety of research providers that aid us in the vote decision-making process, including proxy advisors such as ISS. Newton utilises ISS for the purpose of administering proxy voting, as well as its research reports on individual company meetings.

Voting decisions take into account local market best practice, rules and regulations while also supporting Newton's investment rationale.

12.1.3. Schroders

Schroders evaluates voting issues arising at its investee companies and, where it has the authority to do so, votes on them in line with its fiduciary responsibilities in what it deems to be the interests of its clients.

Schroders utilises company engagement, internal research, investor views and governance expertise to confirm its intention. As active owners, Schroders recognise their responsibility to make considered use of voting rights. It is therefore their policy to vote all shares at all meetings globally, except where there are restrictions that make it onerous or expensive to vote compared with the benefits of doing so (for example, share blocking practice whereby restrictions are placed on the trading of shares which are to be voted). In these cases, Schroders will generally not vote.

12.1.4. Prudential

The fund management has been delegated to a number of fund managers, including M&G Investment Management, BlackRock, Eastspring Investments, Prudential Portfolio Managers America, Prudential Investment Managers South Africa, Granahan Investment Management, Value Partners. The voting is carried out by those fund managers.

Information Classification: General

12. Description of voting behaviour during the Scheme Year (continued)

12.2 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the period is provided in the tables below. Note, some numbers may round to zero, but this does not mean their value is exactly zero. Voting information is included for the entire Scheme Year, rather than just the period the fund/s were held by the Scheme.

	LGIM Global Equity Fixed Weights (50:50) Index Fund	LGIM Global Equity (70:30) Index Fund	LGIM UK Equity Index Fund	LGIM Ethical UK Equity Index Fund	LGIM World (ex UK) Equity Index Fund
Approx value of Scheme's assets (31 March 2022)	£0.5m	£0.5m	£0.1m	-	£0.1m
No of underlying equity holdings (31 March 2022)	2,785	4,283	566	210	2,488
No of meetings eligible to vote	3,175	7,142	772	271	2,931
No of resolutions eligible to vote	39,493	72,767	10,813	4,442	34,024
% of resolutions voted	99.9%	99.9%	100.0%	100.0%	99.8%
% of resolutions voted with management	82.9%	82.0%	93.1%	93.6%	79.0%
% of resolutions voted against management	17.0%	16.9%	6.9%	6.4%	20.1%
% of resolutions abstained	0.2%	1.1%	0.0%	0.0%	0.9%
% of meetings with at least one vote against management	69.5%	58.7%	43.6%	45.0%	74.6%
% voted contrary to recommendation of proxy advisor	11.7%	9.2%	5.4%	4.8%	14.1%

12. Description of voting behaviour during the Scheme Year (continued)

12.2 Summary of voting behaviour over the Scheme Year (continued)

	LGIM Europe (Ex UK) Equity Index Fund (inc Hedged)	LGIM Japan Equity Index Fund (inc Hedged)	LGIM Asia Pacific (Ex Jap) Dev Equity Index Fund (inc Hedged)	LGIM World Emerging Markets Equity Index Fund	LGIM Multi-Asset (formerly Consensus) Fund
Approx value of Scheme's assets (31 March 2022)	£0.0m	-	£0.0m	-	£0.2m
No of underlying equity holdings (31 March 2022)	497	510	421	1,624	6,367
No of meetings eligible to vote	549	512	499	4,087	8,843
No of resolutions eligible to vote	9,447	6,109	3,457	34,237	88,741
% of resolutions voted	99.8%	100.0%	100.0%	99.8%	99.8%
% of resolutions voted with management	82.2%	86.6%	73.4%	81.1%	78.7%
% of resolutions voted against management	17.1%	13.3%	26.4%	16.7%	20.5%
% of resolutions abstained	0.7%	0.0%	0.2%	2.2%	0.8%
% of meetings with at least one vote against management	76.9%	75.0%	72.9%	49.4%	70.0%
% voted contrary to recommendation of proxy advisor	8.5%	10.4%	16.6%	6.3%	12.5%

Information Classification: General

12. Description of voting behaviour during the Scheme Year (continued)

12.2 Summary of voting behaviour over the Scheme Year (continued)

	LGIM North America Equity Index Fund (inc Hedged)	LGIM Low Carbon Transition Global Equity Index Fund (inc Hedged)	Newton Real Return Fund	Schroders Diversified Growth Fund	Prudential With Profits Fund
Approx value of Scheme's assets (31 March 2022)	£0.1m	£81.9m	£79.1m	-	£0.1m
No of underlying equity holdings (31 March 2022)	642	2,785	79	1,394	Not provided
No of meetings eligible to vote	663	3,783	98	1,932	3,738
No of resolutions eligible to vote	8,181	37,435	1,476	22,236	44,210
% of resolutions voted	99.7%	99.9%	99.2%	95.2%	97.5%
% of resolutions voted with management	70.4%	80.1%	83.9%	90.4%	92.0%
% of resolutions voted against management	29.5%	19.1%	16.1%	9.0%	7.0%
% of resolutions abstained	0.1%	0.8%	0.0%	0.6%	1.0%
% of meetings with at least one vote against management	94.7%	62.7%	47.0%	39.5%	41.7%
% voted contrary to recommendation of proxy advisor	23.4%	11.0%	11.7%	2.8%	4.8%

12.3 Most significant votes over the Scheme Year

Information regarding the most significant votes over the period, from the Scheme's managers that hold listed equities, is set out in the following table.

We have asked the managers to comment on votes that they believe to be significant. We have selected a subset provided by the managers for each fund based on a combination of factors, including the amount the Scheme has invested in the fund, the potential financial impact of the vote, the potential stewardship impact of the vote, and whether the vote was particularly controversial (for example, if it was high profile). No significant votes were provided for the Schroders Diversified Growth Fund however, we would note that this fund was also fully disinvested from during the Scheme Year. Further detail on the votes below and additional votes are available upon request.

12. Description of voting behaviour during the Scheme Year (continued)

12.3 Most significant votes over the Scheme Year (continued)

Manager	Company	Date of vote	Summary of the resolution	For / Against	Rationale for the voting decision
LGIM	Mitsubishi UFJ Financial Group, Inc.	29-June-2021	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	For	LGIM voted in favour of this shareholder proposal as it expects companies to be taking sufficient action on the key issue of climate change. While it positively notes the company’s recent announcements around net-zero targets and exclusion policies, it thinks that these commitments could be further strengthened and believes the shareholder proposal provides a good directional push.
LGIM	Frasers Group plc.	29-Sept-2021	To receive and adopt the report & accounts	Against	LGIM’s corporate governance policy requires all UK-listed companies to meet the requirements of the Modern Slavery Act 2015. Section 54 of the Act requires companies to provide a statement setting out the steps they have taken to ensure that slavery and human trafficking is not taking place in their own operations or within their supply chain. In addition, the statement should be signed by the board of directors. LGIM will sanction any company that has failed to meet the requirements of the Act for two consecutive years. Not only des LGIM consider this to be serious governance failing, it sees this as both a humanitarian crisis and a risk to a company’s operating model.
LGIM	SoftBank Corp.	22-June-2021	Amend Articles to Allow Virtual Only Shareholder Meetings	Against	Japanese companies are able to hold virtual meetings using temporary regulatory relief (without amending articles) for two years, but the passage of this proposal will authorise the company to hold virtual meetings permanently, without further need to consult shareholders, even after the current health crisis is resolved. The proposed language fails to specify situations under which virtual meetings will be held, raising concerns that meaningful exchange between the company and shareholders could be hindered, especially in controversial situations such as when shareholder proposals are submitted, a proxy fight is waged, or a corporate scandal occurs.

12. Description of voting behaviour during the Scheme Year (continued)

12.3 Most significant votes over the Scheme Year (continued)

Manager	Company	Date of vote	Summary of the resolution	For / Against	Rationale for the voting decision
LGIM	AT & T	30-April-2021	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	LGIM identified serious issues with the structure and quantum of AT&T's executive remuneration. In particular, the $48m sign-on equity award to the incoming CEO of its Warner Media division and a $9m retention grant to the General Counsel. The awards and payments made by AT&T did not meet LGIM's expectations of fair and balanced remuneration both in respect to their magnitude and the lack of performance criteria.
LGIM	Alibaba Group Holding Limited	17-Sept-2021	Elect Director	Against	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 it has supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 it has voted against all combined board chair/CEO roles.
LGIM	Volkswagen AG	22-July-2021	Approve Discharge of Management Board and Supervisory Board members	Against	Whilst LGIM notes the progress made by the company in its strategy towards the transition to a lower emission world, it remains concerned regarding the handling of the diesel emissions scandal of 2015 by the management and supervisory boards and the overall governance structure of the company. In particular, LGIM notes a lack of transparency regarding the handling of the crisis, including any lessons learnt by the boards, how sufficient internal control mechanisms have been put in place, and any progress made around improvement of corporate culture.

Information Classification: General

12. Description of voting behaviour during the Scheme Year (continued)

12.3 Most significant votes over the Scheme Year (continued)

Manager	Company	Date of vote	Summary of the resolution	For / Against	Rationale for the voting decision
Newton	Greencoat UK Wind Plc	26-Nov-2021	Approve Capital Raising	Against	Newton did not support two resolutions relating to a proposed share issuance. Newton was concerned with the discount to market price at which the shares would be issued, and that these shares would not necessarily be offered to existing shareholders.
Newton	AstraZeneca Plc.	11-May-2021	Election of Directors; Approve Remuneration Policy; Amend Restricted Stock Plan	Against all	Votes were instructed against the remuneration policy, a new performance share plan, and members of the remuneration committee. Newton did not consider that the company had provided the necessary justification for significant increase in the variable pay awards that were granted to senior executives.
Newton	Citigroup Inc.	27-Apr-21	Amend Proxy Access Right	For	Newton voted in favour of one shareholder resolution that management recommended voting against. This was in relation to improving minority shareholder rights by way of providing shareholders with access to propose directors for election to the company's board.
Prudential	Royal Dutch Shell Plc	18-May-2021	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Against	Prudential do not think it is beneficial for the company as the company already has targets in place and wants to assess if these are enough.
Prudential	Amazon, Inc.	26-May-2021	Adopt a Policy to Include Hourly Employees as Director Candidates	For	In Prudential’s view, the board should effectively consult employees and it is not apparent how this is being undertaken.
Prudential	Sun Hung Kai Properties Limited	04-Nov-2021	Elect Li Ka-cheung, Eric as Director	Against	Prudential is concerned over the independence and low level of female representation on the board.