Vodafone Group Pension Scheme

Annual Implementation Statement – Scheme year ended 31 March 2023

Table of Contents

Section 1: Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the Vodafone Group Pension Scheme ("the Scheme") covering the Scheme year ("the year") from 1 April 2022 to 31 March 2023.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustee, the Trustee's policies on engagement and voting (as set out in the Statement of Investment Principles (the "SIP")) have been adhered to during the year; and
- A description of voting behaviour (including the most significant votes made on behalf of the Trustee) and any use of a proxy voter during the year.

The Scheme is a Defined Benefit only scheme.

The SIP is a document which outlines the Trustee's policies with respect to various aspects related to investing and managing the Scheme's assets including but not limited to: investment managers, investment portfolio construction and risks.

The latest version of the SIP can be found online here .

The SIP linked above reflects the latest version which is dated December 2022. Prior to this version, the SIP which covered the balance of the year was dated July 2022, replacing the SIP dated October 2021.

The SIP sets out the current Trustee policies but, recognising the importance of Environmental, Social and Governance ('ESG') factors on the performance of the Scheme's assets as well as the impact which these have on the world in which the Scheme's members live, the Trustee is continuing to review its policies and practices. This review will consider how these might better reflect the risks and opportunities which ESG factors present.

The Trustee's focus over the short-term will be to consider how the Scheme's investments can better reflect the Trustee's views in respect of climate change, human rights and corporate governance. The Trustee will work with its investment managers and advisors to develop policies which reflect Trustee views as well as the wider objectives and asset allocation of the Scheme.

Following strategy changes over the year, the Trustee was required to update the SIP and made the following change in the July 2022 version:

- The Target hedge ratio for the Vodafone section was updated from 89% to 95% (including an allowance for the 2017 and 2020 Project Square buy-ins)

In the December 2022 version, following strategy changes as well as an annual review of the SIP by the Scheme's investment advisor, the following changes were made:

- Distinction made between Cashflow Risk and Liquidity Risk, with the latter expanded upon.
- Additional wording to reference synthetic exposures which the Trustee occasionally prefers over physical holdings to improve collateral efficiency.
- Removed legacy wording around managers being provided with the Scheme's most recent version of the SIP on an annual basis, and included simplified wording around the Scheme's investment advisor engaging with the managers on their approach to RI and ESG issues on behalf of the Trustee.

The Trustee reviews its policies and practices on an ongoing basis and updates the SIP to reflect changes in these where appropriate.

The Trustee also made the following changes to the investment strategy over the reporting period, primarily to rebalance from growth assets to liability matching assets in order to support the Scheme's hedging portfolio. The following strategic decisions were made for both Sections of the Scheme:

Vodafone Section

- In August 2022, there was a partial redemption from LGIM All World Equity Fund with proceeds paid into the Insight Segregated Liabiity Driven Investment ("LDI") fund. The physical equity exposure waspartially replaced with a synthetic equity position managed by Insight within the LDI portfolio, with the overall intention of improving collateral efficiency in the LDI portfolio while maintaining return.

- In October 2022, to improve liquidity in the portfolio, full redemptions from the LGIM Infrastructure Equity Fund and LGIM Global Real Estate Equity Fund were implemented, with proceeds paid into the Insight Segregated LDI portfolio. In addition partial redemptions were submitted for the TCW Securitised Opportunities Fund, Bain Global Loans Fund, and Magnetar PRA Fund , with proceeds paid into the Insight Segregated LDI portfolio over the period between November 2022 and January 2023.
- In October 2022 the liability hedge was rebalanced to be in line with the funding level, with a target hedge ratio of 89%.
- In December 2022, a full redemption instruction was submitted for the Nephila Iron Catastrophe Fund with full settlement from the fund expected in 2024.

Cable & Wireless Section

- In October 2022, to improve liquidity in the portfolio, full redemptions from the LGIM Infrastructure Equity Fund and LGIM Global Real Estate Equity Fund were implemented, with proceeds paid into the Insight Segregated LDI portfolio. In addition partial redemptions were submitted for the GSAM Global Sovereign Bonds Fund, TCW Securitised Opportunities Fund, Bain Global Loans Fund, and Magnetar PRA Fund , with proceeds paid into the Insight Segregated LDI portfolio over the period between October 2022 and January 2023.
- In October 2022 the liability hedge was reduced by 5% to be in line with the funding level, with a target hedge ratio of 103%.
- In December 2022, full redemption instructions were submitted for the Nephila Iron Catastrophe Fund , Aviva Lime Property Fund and Aviva Ground Rents , with full settlement from funds expected in 2024.

For completeness, please note that the above strategic changes were carried out within the parameters agreed within the SIP.

Section 2: How the Trustee has adhered to its engagement and voting policies

The Trustee's policies on voting and engagement, as stated in the SIP are:

- In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to an appointed investment manager or managers. The investment managers shall provide the skill and expertise necessary to manage the investments of the Scheme competently. Similarly, where the Trustee invests in pooled vehicles and funds, responsibility for the management of the underlying assets rests with the investment managers of the funds. Prior to any new appointment of a manager or investment in a pooled vehicle or fund, the Trustee will seek advice from the Investment Consultant on the suitability of the appointment or investment proposed. It will also, periodically, seek further advice on the ongoing suitability of its appointments and investments.

- The Trustee will evaluate the investment managers' performance in light of the specific mandate it expects the investment managers to carry out on the Scheme's behalf. This forms part of the Trustee's periodic review of the suitability of the Scheme's mandates in the context of the Scheme's wider investment strategy, including considering whether the balance between different kinds of investments remains appropriate, the expected return on the investments and the risks to which the Scheme is exposed. Further reviews are carried out based on changes in the Scheme's circumstances, market conditions or the Investment Consultant's views of a particular manager.

- On behalf of the Trustee, the Scheme's investment advisor engages with investment managers on a regular basis to understand their continuing approaches to Responsible Investment and ESG issues, ensuring that the funds invested in remain appropriate and consistent with the Trustee's approach, policies and objectives.The Trustee appoints its investment managers with an expectation of a long-term partnership, which incentivises active ownership of the Scheme's assets and effective ESG management (which the Trustee believes is best reflected in the overall long-term performance of the manager). When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

- The Trustee's policy is to take into account factors that are considered to be financially material, such as potential future returns and risks of any investments made. ESG-related matters (which include broad corporate governance issues, effective stewardship and more specific considerations such as climate change) are considered to be financially material by the Trustee. The Trustee expects that the extent to which social, environmental or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment managers in the exercise of their delegated duties.
- The Trustee expects its investment managers, where appropriate, to engage with companies (and other relevant persons including, but not limited to, other investment managers, other stakeholders, and issuers/other holders of debt and equity) on matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest risks, and ESG issues concerning the Trustee's investments. The Trustee believes such engagement will protect and enhance the long-term value of its investments and incentivise the investment managers to take a long-term view of the performance of its investments. The Trustee reviews its investment managers' policies in these areas to satisfy itself that they broadly meet with the Trustee's views.
- Should the Trustee's monitoring process reveal that, in its view, a manager's portfolio is not sufficiently aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. Where segregated mandates are used, the Trustee will use its discretion, where appropriate, to set explicit guidelines within the investment management agreement. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.
- The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The managers are expected to exercise these rights and engage with companies with care and diligence that could be reasonably expected of a prudent professional discretionary investment manager, taking into account any relevant Trustee policies adopted from time to time and their impact on eligible participants and beneficiaries of the Scheme over an appropriate time horizon. The Trustee does not explicitly monitor manager's alignment with Trustee policies on voting.
- The Trustee encourages the Scheme's investment managers to discharge their responsibilities in respect of investee companies in accordance with the UK Stewardship Code published by the Financial Reporting Council. The Trustee will monitor the activities of all of its managers on a regular basis but appreciates that its applicability may be limited for certain asset classes.

Over the year, the Trustee has undertaken a number of actions in line with these policies as set out below:

- Received further training over the year on Taskforce for Climate-related Financial Disclosures ("TCFD"), with a focus on choosing appropriate climate-related metrics and targets
- Prepared a Climate Change Risk Management Policy ("CCRMP") which:
    - Details the Scheme's governance structure for identifying, assessing and managing climate-related risks and opportunities
    - Defines the Trustee's climate-related investment principles
    - Outlines the chosen climate-related metrics and targets for meeting the objectives as required by the TCFD regulations

- Updated the Scheme's Responsible Investment policy to include intention to bring the Scheme's net zero target forward in line with the Sponsor once the Trustee believes the investment landscape has an investible toolkit to do so

As part of moving towards the new DWP stewardship expectations, the Trustee has set in place a plan to assess the engagement activities of the Scheme's managers and how best to then engage with the managers where necessary. The Trustee may also set new expectations for the Scheme's managers' engagement activities to ensure they are of sufficient quality.

In line with this, the Trustee carried out the following activities subsequent to the end of the financial year:

- Received training on Stewardship and Engagement, including the latest statutory and non-statutory guidance from the Department for Work and Pensions ("DWP")

- Re-examined the three key stewardship themes outlined within their Responsible Investment ("RI") policy, opting to re-align their focus for engaging with investment managers to prioritise all three.

- In aligning with the above, agreed to carry out an in-depth assessment of the Scheme's largest manager's stewardship activities, with a view to aligning the manager's engagement activities with the three stewardship themes expressed within the RI policy

As set out in section 4, the Trustee has assessed adherence to the engagement policies set out in the SIP, both for the period from April 2022 to July 2022 prior to the changes in July 2022, the period from July 2022 to December 2022 prior to the changes in December 2022 and to the amended SIP in place from December 2022. The Trustee believes that these policies have been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Section 3: Voting information

The Scheme is invested in a diverse range of asset classes. However, this document focusses on the equity investments which have voting rights attached.

The Scheme's equity holdings as at the end of the year are held in pooled investment funds and are managed on a passive basis relative to a defined index. Therefore, the voting entitlements in these funds lie with the investment managers.

The Scheme's equity holdings are invested with Legal & General Investment Management ("LGIM"), in the following pooled investment fund:

- **LGIM All World Equity Index Fund**: pooled investment fund investing in global equities, which aims to track the performance of the FTSE All-World Index to within +/- 0.5% per annum for two years out of three.

As set out in the SIP, the Trustee's policy is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Scheme's investment manager. This section sets out the voting activities of the Scheme's equity investment manager over the year, including details of the investment manager's use of proxy voting.

LGIM have their own voting policies that determine their approach to voting and the principles they follow when voting on investors' behalf. LGIM also use voting proxy advisors which aid in their decision-making when voting. More details are provided in Appendix 1
The below table sets out the voting activity of the Scheme's equity investment manager, on behalf of the Trustee, over the year:

Voting statistics	All World Equity[1]
Number of meetings eligible to vote	6728
Number of resolutions eligible to vote on	68320
Proportion of eligible resolutions voted on	99.88%
Proportion of resolutions voted with management	79.13%
Proportion of resolutions voted against management	19.68%
Proportion of eligible resolutions abstained from	1.18%
Proportion of eligible to attend meetings where voted at least once against management	63.38%
Proportion of resolutions voted contrary to the proxy advisor (if applicable)	10.37%

Note: Voting statistics are out of total eligible votes and are sourced from the investment manager LGIM
1 Invested in by Vodafone Section only

As outlined in the SIP, the Trustee recognises the UK Stewardship Code 2020 and monitors the Scheme's investment managers' adherence to the Code. LGIM are signatories to the code. Their latest statement of compliance can be found via the link below:

LGIM: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/active-ownership/active-ownership-report-2022.pdf

The following table outlines a number of significant votes cast by the Scheme's investment manager on the Trustee's behalf. The commentary set out below is based on detail in LGIM's reports on the votes cast. LGIM reported on the most significant votes cast within the fund managed on behalf of the Scheme over the year to 31 March 2023, including the rationale for the voting decision and the outcome of the vote. A number of these key votes is set out below.

LGIM has provided the following details on how they selected their significant votes:

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

Significant votes - LGIM All World Equity Index Fund

The tables below give a snapshot of significant votes for the year to 31 March 2023 – Source LGIM

Company name	**Amazon.com, Inc.**
Date of vote	25-May-22
Summary of the resolution	Resolution 1f – Elect Director Daniel P. Huttenlocher
How LGIM voted	LGIM voted againt the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.
Outcome of the vote	93.3%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have assessed this vote to be "most significant"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.

Company name	**Alphabet Inc.**
Date of vote	01-June-22
Summary of the resolution	Resolution 7 - Report on Physical Risks of Climate Change
How LGIM voted	LGIM voted for the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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	17.7%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Company name	**Meta Platforms**
Date of vote	25-May-22
Summary of the resolution	Resolution 5 - Require Independent Board Chair
How LGIM voted	LGIM voted in favour of the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.
Outcome of the vote	16.7%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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).

Company name	**NVIDIA Corporation**
Date of vote	02-June-22
Summary of the resolution	Resolution 1g - Elect Director Harvey C. Jones
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Outcome of the vote	83.8%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Company name	**Berkshire Hathaway Inc.**
Date of vote	30-April-22
Summary of the resolution	Resolution 1.9 - Elect Director Susan L. Decker
How LGIM voted	LGIM withheld their vote on resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 WITHHOLD vote is warranted for lead independent director Susan Decker as the company does not adequately disclose climate change-related risks and opportunities. Independence: A WITHHOLD vote is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Outcome of the vote	86.6%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Company name	**Exxon Mobil Corporation**
Date of vote	25-May-22
Summary of the resolution	Resolution 6 - Set GHG Emissions Reduction targets Consistent With Paris Agreement Goal
How LGIM voted	LGIM voted for the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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	A vote FOR is applied in the absence of reductions targets for emissions associated with the company's sold products and insufficiently ambitious interim operational targets. 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	27.1%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Company name	**JPMorgan Chase & Co.**
Date of vote	17-May-22
Summary of the resolution	Resolution 1c - Elect Director Todd A. Combs
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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	Accountability: Joint Chair/CEO: A vote AGAINST the relevant director is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.Remuneration: Escalation: A vote AGAINST the re-election of Stephen Burke (Committee Chair), Linda Bammann, Todd Combs and Virginia Rometty is applied in light of the one-off time-based award and our persistent concerns about pay structures at the Company. As members of the Compensation Committee, these directors are deemed accountable for the Company's pay practices.
Outcome of the vote	95.3%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have assessed this vote to be "most significant"	LGIM considers this vote to be significant and pre-declared our vote intention as an esclation of our concerns regarding remuneration. 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.

Company name	The Home Depot, Inc.
Date of vote	19-May-22
Summary of the resolution	Resolution 6 - Require Independent Board Chair
How LGIM voted	LGIM voted for the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.
Outcome of the vote	23.9%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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).

Company name	**Chevron Corporation**
Date of vote	25-May-22
Summary of the resolution	Resolution 1l - Elect Director Michael K. Wirth
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 to separate the roles of Chair and CEO due to risk management and oversight.
Outcome of the vote	92.4%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Company name	Bank of America Corporation
Date of vote	26-Apil-22
Summary of the resolution	Resolution 1g - Elect Director Brian T. Moynihan
How LGIM voted	LGIM voted against the resolution.
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is 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 to separate the roles of Chair and CEO due to risk management and oversight.
Outcome of the vote	95.1%
Implications of the outcome e.g. lessons learned and likely future steps 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.
The criteria by which LGIM have 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.

Section 4: Conclusion

The Trustee has assessed adherence to the engagement policies set out in the SIP, both for the period from April 2022 to July 2022 prior to the changes in July 2022, the period from July 2022 to December 2022 prior to the changes in December 2022 and to the amended SIP in place from December 2022. The Trustee believes that these policies have been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Following monitoring of the Scheme's investment manager over the year, and reviewing the voting information outlined in this statement, the Trustee is satisfied that LGIM are acting in the Scheme members' best interests and are effective stewards of the Scheme's physical equity assets.

The Trustee will continue to monitor the investment managers' stewardship practices on an ongoing basis.

Appendix 1: LGIM's voting policy

Policy on consulting clients:

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our 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. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Process for deciding how to vote:

All decisions are made by LGIM's Investment Stewardship team and in accordance with our 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 the voting is undertaken by the same individuals who engage with the relevant company. This ensures our 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.

Use of proxy voting services:

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our 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 we receive from ISS for UK companies when making specific voting decisions

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.