

# The Endsleigh Insurance Services Limited Pension & Assurance Scheme (“the Scheme”) Implementation Statement

22 July 2025

## Introduction

This statement has been prepared by the Trustee of the Scheme to demonstrate how, and the extent to which, the policies relating to stewardship and engagement in the Scheme’s Statement of Investment Principles ( “SIP” ) have been implemented during the year ended 31 December 2024.

This document (the Statement) has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and will be included in the Scheme’s Report and Accounts and published on [www.zpen.info](http://www.zpen.info).

The SIP in force during the Scheme year ended 31 December 2024 was prepared in accordance with all relevant legislation in-force at the date of the approval. The SIP outlines the principles and policies governing investment decisions made by, or on behalf of the Trustee for the management of the defined benefit (DB) assets and the Trustee’s policy for complying with Sections 35 and 36 of the Pensions Act 1995 and subsequent legislation.

## Review of the SIP during the year

The Trustee did not review the SIP during the year ended 31 December 2024 and therefore the SIP has not been changed during the Scheme year. The last review took place in September 2023 and the SIP was formally approved by the Trustee on 28 September 2023. Prior to formally approving the SIP on that date, the Trustee’s investment adviser reviewed the SIP to ensure it continued to comply with all statutory requirements.

## How have the policies in the SIP been followed over the year?

In the opinion of the Trustee, the policies set out in the SIP dated 28 September 2023, have been adhered to. The rest of this Statement explains how and the extent to which these policies have been adhered.

## ***Policies for choosing and realising investments, and the kinds of investments to be held<sup>4</sup>***

The SIP outlines the Trustee’s principles and policies for choosing investments and the kind of investments to be held. In selecting investments, the Trustee obtains and considers written advice from a regulated investment adviser.

For the Scheme, the policies are fulfilled by identifying appropriate objectives which reflect the risk and return requirements and then constructing a portfolio of investments to meet these objectives. In the Scheme year, the Trustee made a change to the investment strategy.

Following an annual deficit reduction contribution of £11.4 million and changes in market conditions, the Trustee requested an update to the funding position to support any investment strategy considerations. Barnett Waddingham estimated the Scheme’s funding position to be 103%, indicating a surplus of £4m as of 30 June 2024.

To further mitigate interest rate and inflation risks, it was agreed to increase the interest rate and inflation hedging ratio to 100% of the Scheme’s technical provisions liabilities. This adjustment was achieved without altering the Strategic Asset Allocation (SAA) by reallocating surplus cash to the LDI funds. The SAA as at 30 June 2024 and the actual asset allocation required to achieve the refinement to the hedging ratios is shown below:

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<sup>4</sup> Sections 2.2, 2.3 and 2.7 from the SIP

Fund	Actual asset allocation	SAA
LDI	35%	45%
Equities	26%	25%
Credit	23%	25%
Cash	16%	5%
Total	100%	100%

A new investment strategy was approved by the Trustee following formal advice from the Trustee's investment adviser, Barnett Waddingham. The implementation began immediately and was completed in September 2024.

The Scheme assets are monitored by the Trustee board periodically and are reviewed regularly by the in-house pension team "ZPen team". For more information on how the Scheme's investments are governed, please see the Report and Accounts at [www.zpen.info](http://www.zpen.info).

### ***Policies on managing and measuring risk, and expected returns<sup>5</sup>***

The Trustee's objectives are:

- to invest in assets of appropriate quality and liquidity which will generate income and capital growth to meet, together with new contributions from the employer, the cost of current and future benefits which the Scheme provides, as set out in the Scheme's trust deed and rules as amended from time to time; and
- over the long term to equal or exceed the real, i.e. after adjusting for the effects of inflation, investment return assumed in the actuarial valuation of the liabilities of the Scheme from time to time; and
- any other objective that the Trustee may, from time to time, consider appropriate.

The Trustee believes by fulfilling its objectives and by adhering to the policies in the SIP it ensures that assets are invested in the best interests of members and their beneficiaries.

During the year, the Trustee monitored the return on assets on a quarterly basis. Assets were monitored and re-balanced when necessary. Where possible, re-balancing was done with the regular outflows (for example, pensioner payroll) to reduce unnecessary transaction costs.

The Trustee has an Integrated Risk Management (IRM) policy that it adheres to. Risk monitoring has been reported to the Trustee board on a quarterly basis. Any investment strategy decisions are taken in the context of IRM, this includes the investment strategy refinements referred to in the previous section.

### ***Policies on the exercise of voting rights and undertaking engagement activities***

The Trustee's strategy on engagement is summarised below, together with its assessment of how, and the extent to which, this has been implemented over the Scheme year to 31 December 2024:

### **Policy & response<sup>6</sup>**

*2.8.3. The Trustee considers ESG factors at various steps in its investment process. The Trustee recognises that the choice of benchmark dictates the assets held by the fund managers and that the fund managers have minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the benchmark and believe the choice of benchmarks will deliver appropriate risk adjusted returns. The Trustee will review the index benchmarks employed for the Scheme on a periodic basis.*

<sup>5</sup> Sections 2.1, 2.5 and 2.6 from the SIP

<sup>6</sup> The references are in relation to the specific policy set out in the SIP

The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on factors they believe not to be financially material. The Trustee therefore expects that the fund managers will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk.

On 7 November 2024, the Trustee discussed responsible investment practices with LGIM. For more information on the topics that were discussed, please see the below section entitled 'Engagement with fund managers'.

*2.8.4. Where applicable, fund managers report on voting activity to the Trustee on at least an annual basis. The Trustee will monitor fund managers' voting activity and may periodically review fund managers' voting patterns. The Trustee will be reliant on the information presented by the fund managers regarding votes cast and identification of voting patterns.*

The Trustee aims to meet with all their fund managers periodically. Fund managers are challenged on the impact of any significant issues including, where appropriate, ESG factors and voting policies.

The Scheme's equity holdings are managed by LGIM. LGIM discloses their voting activity by market and proposal category on a quarterly basis together with an engagement summary. LGIM continues to develop and follow their own policies rather than adopt those of third parties, as these may not fully reflect the nuances of companies, their future commitments or LGIM's own engagement activity. Such policies also may be focused on a particular country, rather than being global in nature. The effectiveness of LGIM's engagement is supported by the sheer size of the pooled funds managed and their weight in corporate voting. According to LGIM, the adoption of third-party policies may also be impractical from a pooled fund perspective. A split of the votes within LGIM's pooled funds would decrease the impact of LGIM's voting choices and introduce operational risk into their voting procedures.

The Trustee has not set stewardship priorities / themes for the Scheme, as there are other strategic priorities to focus on. The Trustee will keep this position under periodic review and will consider setting stewardship priorities in the future, in line with other Scheme risks.

*2.8.5. The fund managers' house policies are expected to broadly meet with the Trustee's views, if expectations are not met the Trustee will engage with the fund manager.*

The Trustee believes it is appropriate for its fund managers to engage with key stakeholders which may include corporate management of issuers of debt or equity, regulators and governance bodies, relating to their investments for the Scheme in order to improve corporate behaviours (including the management of actual or potential conflicts of interest), improve performance and strategy and mitigate financial risks (including ESG factors).

The Trustee will review engagement activity undertaken by their fund managers as part of its broader monitoring activity periodically. The Trustee believes that such engagement incentivises the fund managers to preserve and enhance long term shareholder value of its investments.

The Trustee separately considers any conflicts of interest arising in the management of the Scheme and its investments and has ensured that each Fund manager has an appropriate conflicts of interest policy in place. Fund managers are required to disclose any potential or actual conflict of interest in writing to the Trustee.

The Trustee continues to meet with the fund managers on a regular basis (see Engagement with fund managers) and RI remains a standing item for the fund managers. RI is discussed less regularly with the LDI Manager due to the limited scope of its investments (mainly Gilts). For more information about the meetings with fund managers, including an example of a meeting which has taken place and matters that the Trustee has raised with fund managers, please see the below section entitled 'Engagement with fund managers'.

*2.8.6. Given the inherent uncertainty, the Trustee has not made explicit allowance for the risks of climate change in setting their strategic benchmark.*

*The Trustee does not have a formal policy of soliciting member or beneficiary views on non-financial matters in their investment decision making but will periodically review its position.*

The Trustee maintained its position on soliciting member views on non-financial matters in their investment decision making between the effective date of the SIP and the Scheme year end.

### **Engagement with fund managers**

The Trustee engages with the fund managers regularly. This includes engagements through meetings with Trustee and ZPen team representatives. The Trustee has found direct meetings with the fund managers is the most effective ways to engage on responsible investment and voting records.

### **LGIM engagement**

A number of representatives from LGIM were invited to present an update to the Trustee representatives (delegated through the standard nature and basis of the work undertaken by the ZPen team) at LGIM's office on 7 November 2024. This included the ZPen Finance and Investment Manager, ZPen Investment Governance Manager and the Group Pension Investment Manager. The attendees were briefed ahead of the meeting with LGIM with key information on each pooled fund in order to facilitate discussions.

The meeting was structured to discuss three main topics, these were:

- Portfolio update
- Active credit update
- Stewardship

For the stewardship agenda item, LGIM presented on how it carries out its engagement and stewardship responsibilities including:

- The structure of LGIM's stewardship team.
- The 6 super-themes it uses and the underlying sub-themes, explaining that the sub-themes can change, with new ones being added recently, but the super-themes are not expected to. These themes and sub-themes are used by LGIM to assess companies and award ESG scores. This assessment can also identify areas where LGIM will engage with the company; subsequent improvement in those areas can result in an increased ESG score.
- LGIM's engagement with companies includes being transparent about the ESG assessments and scores, and how LGIM plans to use its vote at shareholder meetings. This transparency helps companies understand why it cast its vote in a certain way and links the voting record back to the stewardship themes.
- LGIM's Climate Impact Pledge and how LGIM uses quantitative data analysis to establish which companies are meeting LGIM's minimum expectations. This analysis is then used to determine whether to disinvest from, or reduce its holdings in, a specific company. LGIM will work with companies to improve their rating against the LGIM Climate Impact Pledge so LGIM will invest in them again.
- LGIM gave some examples of how it believed its engagement with companies had led to action and improvement.

The Trustee's representatives were satisfied with LGIM's presentation and noted that LGIM was clearly committed to fulfilling its engagement and stewardship responsibilities.

### **Regular engagement with Insight**

On a monthly basis, the ZPen Finance & Investment Manager and the Zurich Group's Pension Investment Manager meet with Insight, the attendees represent the Trustee (delegated through the standard nature and basis of the work undertaken by the ZPen team). Regular engagement with Insight plays a vital role in ensuring the effective operation of the Scheme. During the Scheme year the Trustee executed a new investment strategy, therefore the discussions with Insight have been helpful to ensure alignment of both parties. This engagement includes discussions on responsible investment practices to align with the Trustee's policies, and monitoring market trends to assess risks and opportunities for the Scheme.

### **Exercise of voting rights**

As all of the Scheme's assets are externally managed, the Trustee reviews the fund managers' applicable proxy voting policies every three years or more frequently if there are any material changes. If these are in alignment with the Trustee's beliefs described in SIP, the Trustee will delegate the authority to exercise voting rights to the fund managers.

As stated in the 'Policy and Response' section, the Trustee met with all of its fund managers during the Scheme year, with RI as a key topic for the majority of meetings.

The Scheme's equity holdings are managed by LGIM via pooled investments. The statistics for the assets will reflect the fact that LGIM would have voted as fund managers on behalf of all the pooled fund holders.

The Trustee reviewed updates on voting statistics from LGIM during the Scheme year and was satisfied with the reports provided.

As stated in the 'Policy and response' section, the Trustee is satisfied that LGIM's voting policy is aligned with its own guiding principles. LGIM votes actively at company meetings, applying principles on a pragmatic basis. LGIM views this as one of the most effective ways of signalling approval (or otherwise) of a firm's governance, management and strategy.

The key statistics and significant votes for LGIM are shown in the section below.

LGIM's statistics showed the following:

- 7,279 meetings in total
- 72,341 individual resolutions
  - 99.8% of the resolutions were voted on, from which 81.1% voted with management, 17.8% against management and 1.1% abstained
  - In 59.1% of meetings voted on at least one vote was against management
  - 9.9% of resolutions, the vote was contrary to the recommendation of LGIM's proxy adviser

### **Significant votes**

The Trustee has delegated to LGIM to define the most significant votes cast on their behalf during the Scheme year.

A summary of the key voting action from LGIM for the DB assets is set out below. This information has been provided by LGIM, and references to "our" and "we" throughout this section are references to LGIM, not the Trustee.

Company name	Microsoft Corporation
Date of vote	10 December 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.7%
Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
How you voted	For
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 - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.

Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Company name	Apple Inc.
Date of vote	28 February 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.7%
Summary of the resolution	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy
How you voted	Against
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 - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Company name	Shell Plc
Date of vote	21 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.3%
Summary of the resolution	Resolution 22: Approve the Shell Energy Transition Strategy
How you voted	Against
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 vote against is applied. We acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and we view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, we expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, we seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Company name	Amazon.com, Inc.
Date of vote	22 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.58%
Summary of the resolution	Resolution 6: Report on Customer Due Diligence
How you voted	For
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 - Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.



On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, we believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of our baseline expectations surrounding AI. In particular, we would welcome additional information on the internal education of AI and AI-related risks.
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Company name	Unilever Plc
Date of vote	1 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%
Summary of the resolution	Resolution 4: Approve Climate Transition Action Plan
How you voted	For
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 vote FOR the CTAP is applied as we understand it to meet LGIM's minimum expectations. 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 a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Company name	Meta Platforms, Inc.
Date of vote	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.1%
Summary of the resolution	Resolution 1.1: Elect Director Peggy Alford
How you voted	Against



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	Lead Independent Director: A vote against is applied as LGIM expects companies to elect an independent lead director where there is a combined Board Chair and CEO. Remuneration: A vote against has been applied as LGIM expects companies to obtain annual shareholder approval of executive directors pay and non-executive directors fees. Remuneration: A vote against is applied because LGIM does not support the use of corporate jets for private use. Remuneration - Malus & Clawback: A vote against is applied as LGIM expects all incentives to be subject to clawback if the vested award is later deemed to be unjustified. Remuneration - Shareholding Guidelines: A vote against is applied as the company does not have a shareholding guideline in place for executives. LGIM believes a shareholding requirement is a good way to align with long term shareholder interests because executives are expected to maintain a proportion of earned shares at risk over the medium term. Remuneration - Performance conditions: A vote against is applied as LGIM expects a sufficient portion of share incentive awards to be assessed against long term performance conditions to ensure alignment of remuneration with company performance. Remuneration - Performance period: A vote against is applied as LGIM expects performance to be measured over a three year period. A WITHHOLD vote is further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.
Outcome of the vote	N/A
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Company name	Alphabet Inc.
Date of vote	07 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.0%
Summary of the resolution	Resolution 1d: Elect Director John L. Hennessy
How you voted	Against
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	Average board tenure: 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. Diversity: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Independence: A vote against is applied as LGIM expects the Chair of the Committee to have served on the board for no more than 15 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Independence: A vote against is applied as LGIM expects the Chair of the Board to have served on the board

	for no more than 15 years and the board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Shareholder rights: A vote against is applied because LGIM supports the equitable structure of one-share-one-vote. We expect companies to move to a one-share-one-vote structure or provide shareholders a regular vote on the continuation of an unequal capital structure.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. Thematic - One Share One Vote: LGIM considers this vote to be significant as LGIM supports the principle of one share one vote.

Company name	Glencore Plc
Date of vote	29 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.7%
Summary of the resolution	Resolution 12: Approve 2024-2026 Climate Action Transition Plan
How you voted	Against
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 vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While we note the progress the company has made in terms of disclosure, we remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.