

VOTING AND ENGAGEMENT ACTIVITY

Welcome to your Quarterly Report's Engagement Activity section. Here we share company engagement reports and voting notes on issues that we trust you will find of interest.

We engaged with several companies over the quarter, examples of which we give below:

- We discussed with **Anglo American** thermal coal, community engagement and steel recycling.

On thermal coal, we spoke with the CEO and the group's Investor Relations about Anglo's longer-term plan to sell out of thermal coal, but selling these will take time. They are sensitive to the market's dislike of thermal coal. The group will maintain its assets in metallurgical coal.

The group has engaged successfully with local communities in Peru ahead of the construction of their new mine, Quellaveco. The group has spent \$30m on local community projects. One interesting way they have done this is by engaging with church/faith groups because they are more engaged in rural communities than local governments. In our most recent meeting with Anglo, management contrasted their approach with that of Southern Copper (another mining group) which has experienced serious problems and delays in constructing one of their Peruvian mines, Tia Maria, because it did not adequately engage with the community first.

This contrast in approaches between Anglo American and Southern Copper is an example of the benefits of community engagement resulting in good economic outcomes for a business. Anglo American has previously had a patchy history with South American projects, e.g. Minas Rio, so this marks an improvement. The stated community engagement has increased our conviction level that the Quellaveco project will be delivered on time. And even if it isn't, Anglo have reduced their risk by selling a stake in the project to an outside investor.

A further interesting point from our discussion included Anglo's aim to recycle 50% of its steel by 2035.

- In the spring we met with board members from **Barrick Gold** to discuss our concerns over the level of pay proposed for the Chairman, along with other thoughts about governance, safety and incentives. In November, we met with the Chair of the Compensation Committee again to discuss how they were taking account of our comments in the structure and quantum of future incentive arrangements for management. We continued to express some concerns and expect it to be an ongoing dialogue.
- At a follow up meeting in October with board members and other investors of the **Royal Bank of Scotland (RBS)**, we asked more specifically about how risks and opportunities are managed at the bank, especially given the issues we had raised earlier in 2019. Given the recent issues with its Ulster Bank brand, Brexit uncertainties, the need for all banks to have heightened cyber security, and rapidly changing customer preferences on banking, we asked how the group prioritises its management of issues. We also asked about what it sees as its key opportunities.

RBS says that it does undertake a materiality assessment but could improve on communicating this to investors. The group aims to be a bank that its customers can depend on and is trying to balance this with the highly criticised closing of some of its smaller branches (other banks have been criticised for this as well). RBS sees opportunities in online banking and in providing the type of financial education / assistance for customers that they find helpful. It is also working on ways to retain the highly talented people that it feels it hires, across all levels of the organisation.

During the meeting, we specifically asked RBS to:

- Increase transparency on its key issues, as it has identified and prioritised them.
- Provide more holistic information on the group's strategy and how it plans to get there.
- Talk more about its opportunities in helping customers with financial data and education.
- Think about how to link pay to real targets that the group sets in line with its key issues.

- We met with the board of **Vodafone** as part of the group's wider investor engagement programme. Overall, the group aims to halve its environmental impact by 2025. It is also working on how to link the group's more material ESG metrics with its long-term incentives. Vodafone sees cyber security and adverse political and regulatory measures as two of its biggest risks and is aiming to manage these effectively. The acquisition of Liberty businesses in several countries improved the strategic position of the group in terms of controlling mobile and fixed line operations intra-market. Vodafone aims to offer high quality service, pricing its contracts accordingly and is focused on customer retention and being a content gateway to consumers. A capital-intensive business, the group is keen to reduce its debt over the short to medium term and continue the operational improvements materially reducing costs and strengthening the balance sheet.
- We followed up with **Tullow Oil** after their appointment to the Board of an individual who has experience in a large real estate company, but who did not bring the type of oil or African experience we have been hoping the board would acquire. Tullow says that the group will look for subsequent board appointments to reflect the type of experience we have requested.

At the beginning of the year, we explained our concerns that management's incentives were misaligned and that they were running the business for themselves as employees, rather than owners. During the quarter, the CEO and Head of Exploration left the company following a board review of their effectiveness.

A selection of voting examples from this quarter are provided below:

Associated British Foods, AGM: The company did not plan to align its current executives' pension contribution levels with the level received by the wider workforce. This was against new best practice and we consequently voted against the company's proposed remuneration policy. ISS had recommended a vote in favour but also advised that, 'the updated ISS policy guidelines for UK & Ireland, which will be effective from 1 February 2020, states that "for incumbent directors, companies should seek to align the contribution rates with the workforce over time, recognising that many investors in the UK will expect this to be achieved in the near-term". This will be kept under strict review.'

Volusion Group, AGM: We voted in favour of the Remuneration Report, against the recommendation of ISS. Their recommendation was based on concern that the notice period of the company's former CFO had only begun from his July 2019 leaving date, rather than when he indicated his intention to retire later in the year, in January 2019. From the company's perspective, when the CFO announced his intention, it had also announced the CFO would continue in his role until a successor had been appointed and for a transitional period thereafter. Consequently, the individual was still in post when a new CFO joined in July 2019 and he remained at the company between July and October 2019 to facilitate a handover to his successor. We were therefore content for the former CFO to receive payment in lieu of notice equivalent to nine additional month's fixed pay, along with additional time-in-service credit for the purposes of the LTIP.

VOTING POLICY

We introduced our own customised voting policy in the second quarter of 2014. This is run in parallel with ISS's policy recommendations. The majority of areas in which our policy differs from that of ISS are within the smaller company sector, where we are a leading UK participant, and relates to capital raising with pre-emptive shareholder rights and the composition of boards; these issues are by their nature often associated with smaller companies. It is not inconceivable that we will make exceptions and vote against our own policy: as with all our voting, we proceed on a case by case basis. We review our policy annually to ensure it is consistent with current best practice. Below are the specifics of the policy. It is worth noting that we regard a UK smaller company as one that is outside the FTSE 350.

Agenda Type	ISS policy	Majedie Policy
Smaller Company Board Structure	Where non-executive directors (NEDs) are members of internal boards, or where members of the board sit on more than one internal committee, this is regarded as being against best practice, and therefore the recommendation is to vote against such proposals.	Give smaller companies greater flexibility in the composition of their boards for practical reasons, given personnel limitations, unless we take issue with one of the board members.
Issuances with Pre-emptive Rights	Proposals of greater than 33% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	As shareholders we will be given the right to take up the issuance, and so will not be diluted. We therefore vote for such proposals.
Issuances without Pre-emptive Rights	Proposals of greater than 10% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	Vote in line with ISS as such issuances are potentially dilutive for shareholders.
Political Contributions	Vote for.	Vote against. We want to maintain an independent stance.

LGPS Central - ACS

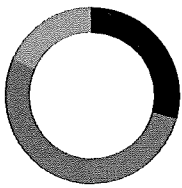
Hermes EOS

Engagement by region

Over the last quarter we engaged with **262** companies held in the LGPS Central - ACS portfolios on a range of **719** environmental, social and governance issues and objectives.

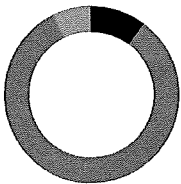
Global

We engaged with **262** companies over the last quarter.



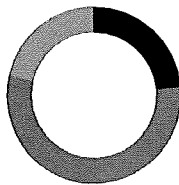
Australia & New Zealand

We engaged with **24** companies over the last quarter.



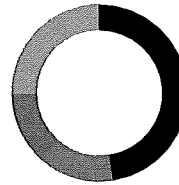
Developed Asia

We engaged with **39** companies over the last quarter.



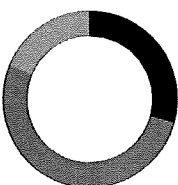
Emerging & Developing Markets

We engaged with **19** companies over the last quarter.



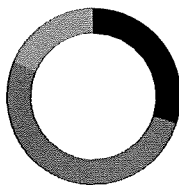
Europe

We engaged with **50** companies over the last quarter.



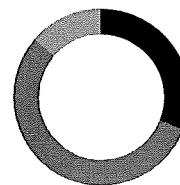
North America

We engaged with **86** companies over the last quarter.



United Kingdom

We engaged with **44** companies over the last quarter.

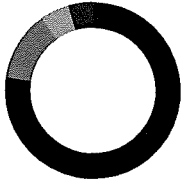


Engagement by theme

Over the last quarter we engaged with **262** companies held in the LGPS Central - ACS portfolios on a range of **719** environmental, social and governance issues and objectives.

Environmental

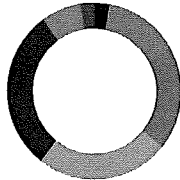
Environmental topics featured in **29.3%** of our engagements over the last quarter.



- Climate Change **77.3%**
- Forestry and Land Use **2.8%**
- Pollution and Waste Management **10.0%**
- Supply Chain Management **5.2%**
- Water **4.7%**

Social and Ethical

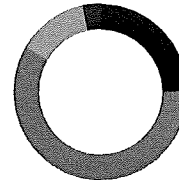
Social and Ethical topics featured in **20.7%** of our engagements over the last quarter.



- Bribery and Corruption **2.7%**
- Conduct and Culture **14.1%**
- Diversity **18.8%**
- Human Capital Management **24.8%**
- Human Rights **29.5%**
- Labour Rights **7.4%**
- Tax **2.7%**

Governance

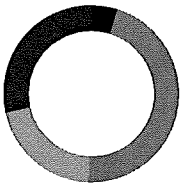
Governance topics featured in **32.0%** of our engagements over the last quarter.



- Board Diversity, Skills and Experience **24.8%**
- Board Independence **10.9%**
- Executive Remuneration **47.8%**
- Shareholder Protection and Rights **13.0%**
- Succession Planning **3.5%**

Strategy, Risk and Communication

Strategy, Risk and Communication topics featured in **17.9%** of our engagements over the last quarter.



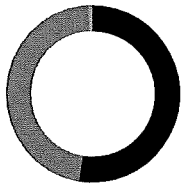
- Audit and Accounting **4.7%**
- Business Strategy **38.8%**
- Cyber Security **7.0%**
- Integrated Reporting and Other Disclosure **20.9%**
- Risk Management **28.7%**

LGPS Central - ACS

Over the last quarter we made voting recommendations at **285** meetings (**2,269** resolutions). At **131** meetings we recommended opposing one or more resolutions. We recommended voting with management by exception at **two** meetings and abstaining at **two** meetings. We supported management on all resolutions at the remaining **150** meetings.

Global

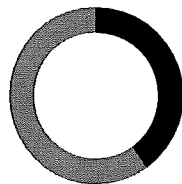
We made voting recommendations at **285** meetings (**2,269** resolutions) over the last quarter.



- Total meetings in favour **52.6%**
- Meetings against (or against AND abstain) **46.0%**
- Meetings abstained **0.7%**
- Meetings with management by exception **0.7%**

Australia and New Zealand

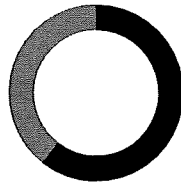
We made voting recommendations at **82** meetings (**488** resolutions) over the last quarter.



- Total meetings in favour **40.2%**
- Meetings against (or against AND abstain) **59.8%**

Developed Asia

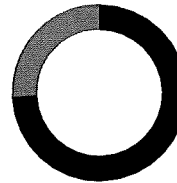
We made voting recommendations at **28** meetings (**192** resolutions) over the last quarter.



- Total meetings in favour **60.7%**
- Meetings against (or against AND abstain) **39.3%**

Emerging and Frontier Markets

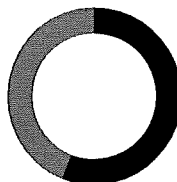
We made voting recommendations at **39** meetings (**266** resolutions) over the last quarter.



- Total meetings in favour **74.4%**
- Meetings against (or against AND abstain) **20.5%**
- Meetings abstained **5.1%**

Europe

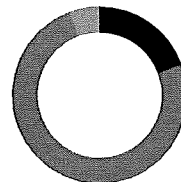
We made voting recommendations at **41** meetings (**290** resolutions) over the last quarter.



- Total meetings in favour **56.1%**
- Meetings against (or against AND abstain) **43.9%**

North America

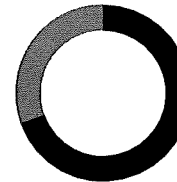
We made voting recommendations at **36** meetings (**417** resolutions) over the last quarter.



- Total meetings in favour **19.4%**
- Meetings against (or against AND abstain) **75%**
- Meetings with management by exception **5.6%**

United Kingdom

We made voting recommendations at **59** meetings (**616** resolutions) over the last quarter.

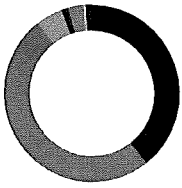


- Total meetings in favour **69.5%**
- Meetings against (or against AND abstain) **30.5%**

The issues on which we recommended voting against management or abstaining on resolutions are shown below.

Global

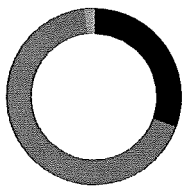
We recommended voting against or abstaining on 311 resolutions over the last quarter.



- Board structure 39.2%
- Remuneration 43.7%
- Shareholder resolution 6.4%
- Capital structure and dividends 4.8%
- Amend articles 1.3%
- Audit and accounts 2.9%
- Poison pill/Anti-takeover device 0.3%
- Other 1.3%

Australia and New Zealand

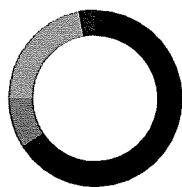
We recommended voting against or abstaining on 112 resolutions over the last quarter.



- Board structure 30.4%
- Remuneration 58.9%
- Shareholder resolution 8.9%
- Capital structure and dividends 1.8%

Developed Asia

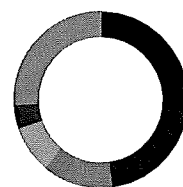
We recommended voting against or abstaining on 32 resolutions over the last quarter.



- Board structure 65.6%
- Remuneration 9.4%
- Capital structure and dividends 21.9%
- Amend articles 3.1%

Emerging and Frontier Markets

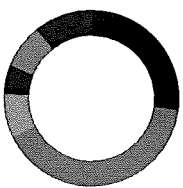
We recommended voting against or abstaining on 23 resolutions over the last quarter.



- Board structure 47.8%
- Remuneration 8.7%
- Shareholder resolution 4.3%
- Capital structure and dividends 8.7%
- Amend articles 4.3%
- Audit and accounts 26.1%

Europe

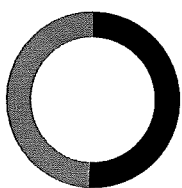
We recommended voting against or abstaining on 37 resolutions over the last quarter.



- Board structure 27.0%
- Remuneration 40.5%
- Capital structure and dividends 8.1%
- Amend articles 5.4%
- Audit and accounts 8.1%
- Other 10.8%

North America

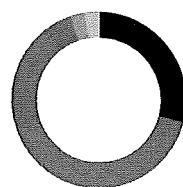
We recommended voting against or abstaining on 69 resolutions over the last quarter.



- Board structure 50.7%
- Remuneration 39.1%
- Shareholder resolution 10.1%

United Kingdom

We recommended voting against or abstaining on 38 resolutions over the last quarter.



- Board structure 28.9%
- Remuneration 60.5%
- Shareholder resolution 5.3%
- Capital structure and dividends 2.6%
- Poison pill/Anti-takeover device 2.6%



Notices:

LGPS Central Limited is committed to disclosing its voting record on a vote-by-vote basis, including where practicable the provision of a rationale for votes cast against management. The data presented here relate to voting decisions for securities held within the company's Authorised Contractual Scheme (ACS).

Meeting	Company Name	Meeting Type	Voting Action	Agenda Item Numbers	Voting Explanation
01/10/2019	Teleperformance SA	Special	All For		
03/10/2019	Singapore Exchange Ltd.	Annual	All For		
03/10/2019	TransDigm Group Incorporated	Special	Against	1	Apparent failure to link pay and appropriate performance
08/10/2019	The Procter & Gamble Company	Annual	All For		
09/10/2019	CK Asset Holdings Limited	Special	All For		
09/10/2019	Jyske Bank A/S	Special	All For		
09/10/2019	Greene King Plc	Court	All For		
09/10/2019	Greene King Plc	Special	All For		
10/10/2019	Brambles Limited	Annual	Against	2,6,7,8,9	Apparent failure to link pay and appropriate performance
10/10/2019	Transurban Group Ltd.	Annual	All For		
10/10/2019	Colnity SA	Special	Against	11.b	Issue of equity raises concerns about excessive dilution of existing shareholders
10/10/2019	Hargreaves Lansdown Plc	Annual	All For		
11/10/2019	Foili Foili SA	Special	Against	2	Insufficient/poor disclosure
11/10/2019	Raytheon Company	Special	All For		
11/10/2019	United Technologies Corporation	Special	All For		
14/10/2019	Allergan Plc	Special	All For		
15/10/2019	Mapletree Commercial Trust	Special	All For		
15/10/2019	Orora Ltd.	Annual	Against	4	Apparent failure to link pay & appropriate performance
15/10/2019	Telstra Corporation Limited	Annual	All For		
15/10/2019	Ping An Healthcare & Technology Co. Ltd.	Special	All For		
15/10/2019	Prudential Plc	Special	All For		
16/10/2019	Daelim Industrial Co., Ltd.	Special	All For		
16/10/2019	Commonwealth Bank of Australia	Annual	All For		
16/10/2019	CSL Limited	Annual	Against	3,4a,4b	Apparent failure to link pay and appropriate performance
16/10/2019	Origin Energy Limited	Annual	Against	9f	Concerns about remuneration committee performance SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
16/10/2019	Treasury Wine Estates Limited	Annual	All For		
16/10/2019	Barratt Developments Plc	Annual	All For		
17/10/2019	Avitzon Holdings Ltd.	Annual	Against	3,4	Apparent failure to link pay and appropriate performance
17/10/2019	Perpetual Limited	Annual	Against	1,3	Apparent failure to link pay and appropriate performance
17/10/2019	Whitehaven Coal Limited	Annual	All For		
17/10/2019	Meridian Energy Limited	Annual	All For		
17/10/2019	Entertainment One Ltd.	Annual/Special	Against	3 8	Apparent failure to link pay and appropriate performance Concerns related to inappropriate membership of committees Concerns about remuneration committee performance
17/10/2019	Paychex, Inc.	Annual	Against	2 1g	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Concerns related to approach to board diversity
17/10/2019	The Renewables Infrastructure Group Ltd.	Special	All For		
17/10/2019	BHP Group Plc	Annual	Against	7 8,9 21 22	Apparent failure to link pay & appropriate performance Apparent failure to link pay and appropriate performance Fund manager or client vote SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
17/10/2019	Rank Group Plc	Annual	Against	2 7,15	Apparent failure to link pay & appropriate performance Overboarded/Too many other time commitments
17/10/2019	Watches of Switzerland Group Plc	Annual	All For		
18/10/2019	SKYCITY Entertainment Group Limited	Annual	All For		
18/10/2019	Ashmore Group Plc	Annual	Against	9	Apparent failure to link pay & appropriate performance
18/10/2019	Dacrya Pharmaceuticals PLC	Annual	All For		
21/10/2019	Stockland	Annual/Special	All For		
21/10/2019	Worley Limited	Annual	All For		
22/10/2019	Cochlear Limited	Annual	All For		
22/10/2019	IDP Education Ltd.	Annual	Against	2b	Concerns related to approach to board diversity
22/10/2019	Galapagos NV	Special	Against	5	Issue of equity raises concerns about excessive dilution of existing shareholders
23/10/2019	Wing Tai Holdings Limited	Annual	Against	10,11 9	Concerns to protect shareholder value Issue of equity raises concerns about excessive dilution of existing shareholders
23/10/2019	Auckland International Airport Ltd.	Annual	All For		
23/10/2019	SNAM SpA	Special	All For		
23/10/2019	Parker-Hannifin Corporation	Annual	Against	3 1,5 5	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Shareholder proposal promotes appropriate accountability or incentivisation
24/10/2019	Sino Land Co. Ltd.	Annual	Against	5,2,5,3 3,2,3,3,3,4 3,1	Issue of equity raises concerns about excessive dilution of existing shareholders Lack of independence on board Lack of independence on board, lack of independent representation at board committees
24/10/2019	APA Group	Annual	Against	1 2	Apparent failure to link pay & appropriate performance Concerns about remuneration committee performance
24/10/2019	Crown Resorts Limited	Annual	Against	3 2d 2b	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Lack of independence on board Concerns related to Non-audit fees
24/10/2019	Magellan Financial Group Ltd.	Annual	Against	3b	Concerns related to approach to board diversity
24/10/2019	South32 Ltd.	Annual	All For		
24/10/2019	Tobcorp Holdings Limited	Annual	Against	4 2a	Apparent failure to link pay & appropriate performance Concerns to protect shareholder value
24/10/2019	The Star Entertainment Group Limited	Annual	All For		
24/10/2019	Adevinta ASA	Special	All For		
24/10/2019	WPP Plc	Special	All For		
24/10/2019	Renishaw Plc	Annual	Against	4,5	Concerns related to shareholder value
24/10/2019	The City of London Investment Trust Plc	Annual	All For		
25/10/2019	Carsales.Com Limited	Annual	Against	2,6b 3 5	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Lack of independence on board
25/10/2019	Cleanaway Waste Management Ltd.	Annual	Against	2 3a	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity Overboarded/Too many other time commitments Concerns about remuneration committee performance
25/10/2019	Insurance Australia Group Ltd.	Annual	Against	1	Apparent failure to link pay & appropriate performance
25/10/2019	Qantas Airways Limited	Annual	Against	5,2	SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks

Meeting	Company Name	Meeting Type	Voting Action	Agenda Item Numbers	Voting Explanation
25/10/2019	L3Harris Technologies, Inc.	Annual	Against	2 10 1e	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Concerns related to approach to board diversity
28/10/2019	Domino's Pizza Enterprises Limited	Annual	Against	3	Lack of independence on board
28/10/2019	Mediobanca SpA	Annual	Against	A	Insufficient/poor disclosure
29/10/2019	Bendigo and Adelaide Bank Limited	Annual	Against	7	Apparent failure to link pay and appropriate performance
29/10/2019	Fortescue Metals Group Ltd.	Annual	Against	1,5 2	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
29/10/2019	Vocus Group Ltd.	Annual	Against	2 4	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity
29/10/2019	Melso Oyj	Special	All For		
29/10/2019	Seagate Technology Plc	Annual	Against	2 1j 1e	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Concerns related to approach to board diversity
29/10/2019	Cintas Corporation	Annual	Against	2 4	Apparent failure to link pay & appropriate performance SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes transparency
30/10/2019	Dexus	Annual	All For		
30/10/2019	BB Seguridade Participacoes SA	Special	Against	3	Insufficient basis to support a decision
30/10/2019	China Construction Bank Corporation	Special	All For		
30/10/2019	ASR Nederland NV	Special	All For		
30/10/2019	Wizz Air Holdings Plc	Special	All For		
30/10/2019	Pantheon International Plc	Annual	All For		
30/10/2019	Personal Assets Trust Plc	Special	Against	2	Issue of capital raises concerns about excessive dilution of existing shareholders
31/10/2019	Challenger Limited	Annual	Against	3,4 2a	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
31/10/2019	Foili Foili SA	Annual	All For		
31/10/2019	The Go-Ahead Group Plc	Annual	Against	2	Apparent failure to link pay and appropriate performance
04/11/2019	GrandVision NV	Special	Against	2	Apparent failure to link pay and appropriate performance
04/11/2019	Genesis Emerging Markets Fund Ltd.	Annual	All For		
04/11/2019	NB Global Floating Rate Income Fund Ltd.	Special	All For		
05/11/2019	Coty Inc.	Annual	Against	2 1,9	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity Concerns about remuneration committee performance Concerns related to inappropriate membership of committees
05/11/2019	XLA Corporation	Annual	Against	3	Apparent failure to link pay & appropriate performance
05/11/2019	Lam Research Corporation	Annual	Against	2 1,6	Apparent failure to link pay & appropriate performance Concerns about remuneration committee performance
05/11/2019	Amcor Plc	Annual	Against	3	Apparent failure to link pay & appropriate performance
06/11/2019	Boral Limited	Annual	All For		
06/11/2019	Jumbo SA	Annual	Against	6 5 10 3	Inappropriate bundling of election of directors on a single vote Insufficient/poor disclosure Insufficient/poor disclosure Concerns related to Non-audit fees Performance-related pay/awards for non-executives Apparent failure to link pay and appropriate performance
06/11/2019	Cardinal Health, Inc.	Annual	Against	3 1,10 1,2	Apparent failure to link pay & appropriate performance Concerns about candidate's experience/skills Concerns about remuneration committee performance
06/11/2019	GCP Student Living Plc	Annual	All For		
06/11/2019	Redrow Plc	Annual	Against	11 3	Apparent failure to link pay and appropriate performance Independent Chairman
07/11/2019	Sun Hung Kai Properties Limited	Annual	Against	6 7 3,1e	Concerns to protect shareholder value Issue of equity raises concerns about excessive dilution of existing shareholders Overboarded/Too many other time commitments
07/11/2019	BHP Group Limited	Annual	Against	8,9 7 21 22	Apparent failure to link pay & appropriate performance Apparent failure to link pay & appropriate performance Fund manager or client vote SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
07/11/2019	Downer EDI Limited	Annual	All For		
07/11/2019	Flight Centre Travel Group Limited	Annual	All For		
07/11/2019	Spark New Zealand Ltd.	Annual	All For		
07/11/2019	AVI Ltd.	Annual	All For		
07/11/2019	Eutelsat Communications SA	Annual/Special	All For		
07/11/2019	Kinnevik AB	Special	All For		
07/11/2019	Maxim Integrated Products, Inc.	Annual	Against	3 1d	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
07/11/2019	Tapestry, Inc.	Annual	Against	3 1E	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
08/11/2019	China Pacific Insurance (Group) Co., Ltd.	Special	All For		
08/11/2019	Pernod Ricard SA	Annual/Special	Against	9 10 21	Apparent failure to link pay & appropriate performance Apparent failure to link pay & appropriate performance Apparent failure to link pay and appropriate performance
11/11/2019	SKC Co., Ltd.	Special	All For		
11/11/2019	Domain Holdings Australia Ltd.	Annual	Against	1,4 2,3	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
12/11/2019	Newcrest Mining Ltd.	Annual	All For		
12/11/2019	Growthpoint Properties Ltd.	Annual	Abstain	1,2,3,1,4,4	
12/11/2019	Automatic Data Processing, Inc.	Annual	All For		
12/11/2019	Galliford Try Plc	Annual	All For		
13/11/2019	KCC Corp.	Special	All For		
13/11/2019	Aflerpay Limited	Annual	Against	1,5 4	Apparent failure to link pay and appropriate performance Concerns to protect shareholder value
13/11/2019	Charter Hall Group	Annual/Special	All For		
13/11/2019	Coles Group Ltd.	Annual	Against	3	Apparent failure to link pay & appropriate performance
13/11/2019	Computershare Limited	Annual	Against	4	Apparent failure to link pay & appropriate performance
13/11/2019	Contact Energy Limited	Annual	All For		
13/11/2019	Hays plc	Annual	All For		
13/11/2019	JPMorgan Emerging Markets Investment Trust Plc	Annual	All For		
13/11/2019	Smiths Group Plc	Annual	Against	13	Overboarded/Too many other time commitments
14/11/2019	Ansell Limited	Annual	All For		
14/11/2019	Medbank Private Ltd.	Annual	Against	4 3	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
14/11/2019	Northern Star Resources Ltd.	Annual	All For		
14/11/2019	Ramsay Health Care Limited	Annual	Against	2 3,1	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
14/11/2019	Sims Metal Management Limited	Annual	Against	6 5	Apparent failure to link pay & appropriate performance Apparent failure to link pay & appropriate performance
14/11/2019	Vicinity Centres	Annual/Special	Against	2	Apparent failure to link pay & appropriate performance
14/11/2019	Westfarmers Limited	Annual	Against	3	Apparent failure to link pay & appropriate performance
14/11/2019	Bld Corp. Ltd.	Annual	All For		
14/11/2019	Ford Otomotiv Sanayi AS	Special	Against	2	Lack of independence on board

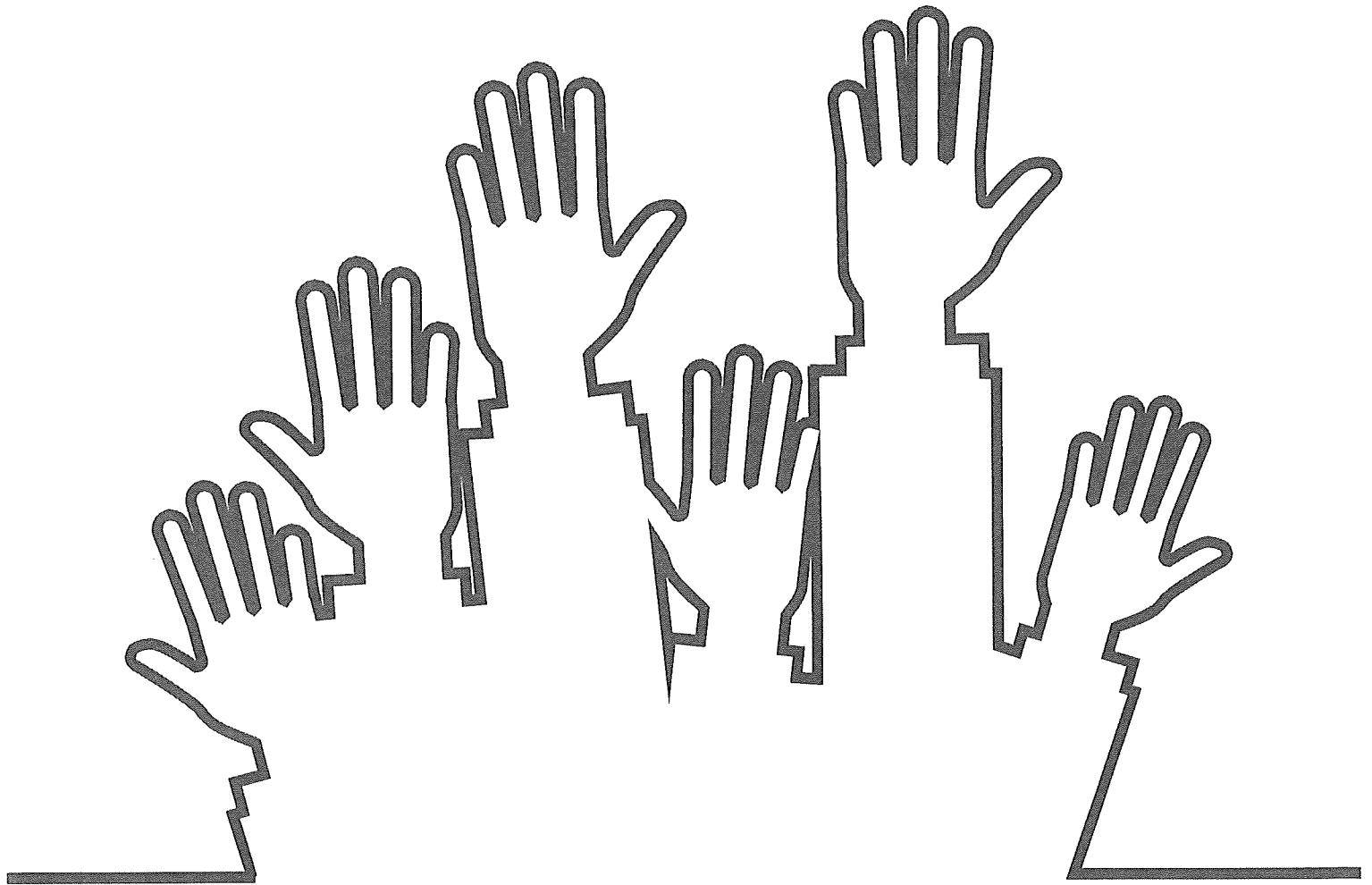
Meeting	Company Name	Meeting Type	Voting Action	Agenda Item Numbers	Voting Explanation
14/11/2019	Broadridge Financial Solutions, Inc.	Annual	All For		
14/11/2019	Fox Corporation	Annual	Against	3 1f 1g	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Concerns to protect shareholder value
14/11/2019	Western Digital Corporation	Annual	All For		
14/11/2019	European Opportunities Trust plc	Annual	All For		
14/11/2019	Genus Plc	Annual	All For		
15/11/2019	Bic Camera, Inc.	Annual	Against	2.9 2.1	Concerns about overall board structure Concerns related to approach to board diversity
15/11/2019	Fila Korea Ltd.	Special	All For		
15/11/2019	SK Networks Co., Ltd.	Special	All For		
15/11/2019	First Pacific Co. Ltd.	Special	All For		
15/11/2019	Sysco Corporation	Annual	Against	2 1e 1k 4	Apparent failure to link pay & appropriate performance Concerns related to approach to board diversity Overboarded/Too many other time commitments Shareholder proposal promotes appropriate accountability or incentivisation
15/11/2019	The Estee Lauder Companies, Inc.	Annual	Against	3.4 1.3	Apparent failure to link pay & appropriate performance Concerns related to inappropriate membership of committees
18/11/2019	NWS Holdings Limited	Annual	Against	4 5.1,5.3 3a 3d,3e	Concerns related to Non-audit fees Issue of equity raises concerns about excessive dilution of existing shareholders Overboarded/Too many other time commitments Overboarded/Too many other time commitments
18/11/2019	Gree Electric Appliances, Inc. of Zhuhai	Special	All For		
18/11/2019	Midea Group Co. Ltd.	Special	Against	1	Insufficient/poor disclosure
19/11/2019	New World Development Co. Ltd.	Annual	Against	7 3b 6 3a	Apparent failure to link pay and appropriate performance Concerns related to attendance at board or committee meetings Concerns to protect shareholder value Overboarded/Too many other time commitments
19/11/2019	Korea Gas Corp.	Special	All For		
19/11/2019	Mirvac Group	Annual/Special	Against	6	Concerns to protect shareholder value
19/11/2019	REA Group Ltd.	Annual	Against	2.4 3b	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
19/11/2019	Sonic Healthcare Limited	Annual	All For		
19/11/2019	Wisetech Global Ltd.	Annual	All For		
19/11/2019	The a2 Milk Company Limited	Annual	All For		
19/11/2019	BIM Birlasik Magazalar AS	Special	All For		
19/11/2019	Avnet, Inc.	Annual	Against	2 1h	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
19/11/2019	Oracle Corporation	Annual	Against	2 5 1.5 1.12,1.13,1.15 1.1,1.4 4	Apparent failure to link pay & appropriate performance Combined CEO/Chair Concerns about remuneration committee performance Concerns about remuneration committee performance Concerns to protect shareholder value SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes transparency
19/11/2019	Dunelm Group Plc	Annual	All For		
20/11/2019	Mapletree Logistics Trust	Special	All For		
20/11/2019	Goodman Group	Annual	Against	5 2	Apparent failure to link pay & appropriate performance Concerns about remuneration committee performance
20/11/2019	Lendlease Group	Annual/Special	Against	4 3 2a 2a,2c	Apparent failure to link pay & appropriate performance Apparent failure to link pay & appropriate performance Concerns about remuneration committee performance Lack of independence on board
20/11/2019	Platinum Asset Management Ltd.	Annual	Against	2a,2c	Lack of independence on board
20/11/2019	Seven Group Holdings Limited	Annual	All For		
20/11/2019	Shopping Centres Australasia Property Group RE Ltd.	Annual	All For		
20/11/2019	PT Unilever Indonesia Tbk	Special	All For		
20/11/2019	Alpha Bank SA	Special	All For		
20/11/2019	Campbell Soup Company	Annual	Against	3 1.8	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
20/11/2019	News Corporation	Annual	Against	1f 1e	Concerns related to attendance at board or committee meetings Poison pill anti-takeover measure not in investors interests Concerns related to inappropriate membership of committees
20/11/2019	The Clorox Company	Annual	Against	2 1.4	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
21/11/2019	CNOOC Limited	Special	All For		
21/11/2019	Bluescope Steel Limited	Annual	All For		
21/11/2019	Qube Holdings Ltd.	Annual	Against	6	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity
21/11/2019	CDK Global, Inc.	Annual	Against	2 1b	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
21/11/2019	ResMed Inc.	Annual	Against	3 1c	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
21/11/2019	Ferguson Plc	Annual	Against	2,3,1b	Apparent failure to link pay and appropriate performance
21/11/2019	Close Brothers Group Plc	Annual	All For		
21/11/2019	JD Wetherspoon Plc	Annual	Against	2 4 8,9	Apparent failure to link pay and appropriate performance, Lack of independence on board Lack of independence on board,lack of independent representation at board committees
21/11/2019	JD Wetherspoon Plc	Special	Against	1	Concerns to protect shareholder value
22/11/2019	Japan Retail Fund Investment Corp.	Special	All For		
22/11/2019	Industrial & Commercial Bank of China Ltd.	Special	All For		
22/11/2019	Signature Aviation Plc	Special	All For		
25/11/2019	argenx SE	Special	Against	3.4	Concerns about reducing shareholder rights
25/11/2019	Future Plc	Special	All For		
25/11/2019	IP Group Plc	Special	All For		
26/11/2019	Beach Energy Limited	Annual	All For		
26/11/2019	Seek Limited	Annual	Against	2.4,5 3a	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
26/11/2019	Companhia de Saneamento Basico do Estado de Sao Paulo SABESP	Special	All For		
26/11/2019	MONETA Money Bank, a.s.	Special	All For		
26/11/2019	Telia Co. AB	Special	All For		
26/11/2019	London Stock Exchange Group Plc	Special	All For		
27/11/2019	Ascendas Real Estate Investment Trust	Special	All For		
27/11/2019	Harvey Norman Holdings Ltd.	Annual	Abstain Against	7 8 2 5 4	Concerns about overall board structure Apparent failure to link pay & appropriate performance Concerns related to approach to board diversity Lack of independence on board
27/11/2019	Equatorial Energia SA	Special	All For		
27/11/2019	Sasol Ltd.	Annual	Against	1.3,6.1,6.2,6.3,6.4 1.1	Concerns about overall performance Concerns about overall performance
27/11/2019	Chr. Hansen Holding A/S	Annual	All For		

Meeting	Company Name	Meeting Type	Voting Action	Agenda Item Numbers	Voting Explanation
28/11/2019	FAST RETAILING CO., LTD.	Annual	Against	4 2.1 2.2,2.3,2.4	Apparent failure to link pay & appropriate performance Combined CEO/Chair 2- Concerns about overall board structure Concerns about overall board structure
28/11/2019	Shimachu Co., Ltd.	Annual	Against	2.1	Concerns related to inappropriate performance Concerns related to approach to board diversity
28/11/2019	Evolution Mining Limited	Annual	Against	1,4,5 2	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity
28/11/2019	IOOF Holdings Ltd.	Annual	Against	3 2a	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
28/11/2019	Fletcher Building Ltd.	Annual	All For		
28/11/2019	Discovery Ltd.	Annual	Against	1	Apparent failure to link pay and appropriate performance
29/11/2019	China Travel International Investment Hong Kong Limited	Special	Against	4,1,4.2 1	Lack of independence on board Concerns to protect shareholder value
29/11/2019	Singapore Press Holdings Ltd.	Annual	All For		
29/11/2019	HCL Technologies Limited	Special	All For		
29/11/2019	Galiford Try Plc	Court	All For		
29/11/2019	Galiford Try Plc	Special	All For		
02/12/2019	PGE Polska Grupa Energetyczna SA	Special	All For		
02/12/2019	Bovis Homes Group Plc	Special	Against	3,4	Apparent failure to link pay and appropriate performance
03/12/2019	Oil Co. LUKOIL PJSC	Special	All For		
03/12/2019	Oil Co. LUKOIL PJSC	Special	All For		
03/12/2019	Expedia Group, Inc.	Annual	Against	1g 1f	Concerns related to attendance at board or committee meetings Concerns related to inappropriate membership of committees 2- Concerns to protect shareholder value 3- Lack of independence on board
03/12/2019	Sophos Group Plc	Court	All For		
03/12/2019	Sophos Group Plc	Special	All For		
04/12/2019	TPG Telecom Limited	Annual	Against	1 2	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
04/12/2019	Telenet Group Holding NV	Special	All For		
04/12/2019	Telenet Group Holding NV	Special	All For		
04/12/2019	Pandora AS	Special	All For		
04/12/2019	Microsoft Corporation	Annual	Against	2	Apparent failure to link pay & appropriate performance
04/12/2019	Atlasian Corp. Plc	Annual	Against	3 14	Apparent failure to link pay and appropriate performance Concerns related to shareholder value
04/12/2019	Spectris Plc	Special	Against	1 2,3,4	Apparent failure to link pay & appropriate performance Apparent failure to link pay and appropriate performance
05/12/2019	Noevir Holdings Co., Ltd.	Annual	All For		
05/12/2019	Nufarm Limited	Annual	All For		
05/12/2019	Coloplast A/S	Annual	Abstain	7	Concerns related to Non-audit fees
05/12/2019	Vail Resorts, Inc.	Annual	Against	5.2	Apparent failure to link pay & appropriate performance
05/12/2019	Vinacapital Vietnam Opportunity Fund Ltd. (United Kingdom)	Annual	All For		
05/12/2019	Baillie Gifford Japan Trust Plc	Annual	All For		
05/12/2019	NMC Health Plc	Special	All For		
05/12/2019	Soficat Plc	Annual	All For		
06/12/2019	Altium Limited	Annual	Against	2	Apparent failure to link pay and appropriate performance
06/12/2019	Washington H. Soul Pattinson and Company Limited	Annual	Against	2,4 3a,3b	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity Concerns about remuneration committee performance
06/12/2019	FIH Mobile Ltd.	Special	All For		
06/12/2019	Medtronic Plc	Annual	All For		
06/12/2019	Adyen NV	Special	All For		
06/12/2019	Copart, Inc.	Annual	Against	2	Apparent failure to link pay & appropriate performance
06/12/2019	Associated British Foods Plc	Annual	All For		
06/12/2019	Whitbread Plc	Special	Against	1 2	Apparent failure to link pay and appropriate performance Apparent failure to link pay and appropriate performance
09/12/2019	PT Bank Mandiri (Persero) Tbk	Special	Against	1	Insufficient/poor disclosure
09/12/2019	Palo Alto Networks, Inc.	Annual	Against	3 1b 1a	Apparent failure to link pay and appropriate performance Concerns related to approach to board diversity Concerns related to approach to board diversity Concerns about remuneration committee performance
10/12/2019	Bank of Queensland Ltd.	Annual	Against	4	Apparent failure to link pay & appropriate performance
10/12/2019	Ping An Insurance (Group) Co. of China Ltd.	Special	All For		
10/12/2019	Vanguard FTSE All-World UCITS ETF	Annual	All For		
10/12/2019	Cisco Systems, Inc.	Annual	Against	4	Shareholder proposal promotes appropriate accountability or incentivisation
10/12/2019	Belway Plc	Annual	Against	2	Apparent failure to link pay & appropriate performance
11/12/2019	Barry Callebaut AG	Annual	Against	3,2,7,3 6,3,4 8	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Insufficient/poor disclosure
12/12/2019	AMADA HOLDINGS Co., Ltd.	Special	All For		
12/12/2019	Westpac Banking Corp.	Annual	Against	4 2d 6b	Apparent failure to link pay and appropriate performance Concerns to protect shareholder value SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
12/12/2019	Schroder Oriental Income Fund Ltd.	Annual	All For		
12/12/2019	Fidelity Special Values Plc	Annual	All For		
13/12/2019	CyberAgent, Inc.	Annual	Against	2,1,2,12,3,3	Concerns about overall board structure
13/12/2019	Greek Organisation of Football Prognostics SA	Special	All For		
15/12/2019	GMO Payment Gateway, Inc.	Annual	Against	3,10,3,11 3,1	Concerns about overall board structure Concerns related to approach to board diversity Concerns about overall board structure
16/12/2019	Woolworths Group Ltd.	Annual/Special	All For		
16/12/2019	First Pacific Co. Ltd.	Special	All For		
16/12/2019	MMC Norilsk Nickel PJSC	Special	All For		
16/12/2019	Aroundtown SA	Special	Against	1	Issue of equity raises concerns about excessive dilution of existing shareholders
16/12/2019	Aroundtown SA	Special	Against	1,3,4,5	Lack of independence on board
16/12/2019	Fraser's Group Plc	Special	All For		
17/12/2019	Australia & New Zealand Banking Group Ltd.	Annual	Against	3 7,8	Apparent failure to link pay & appropriate performance SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
17/12/2019	Orica Ltd.	Annual	Against	3	Apparent failure to link pay & appropriate performance
17/12/2019	Ambu A/S	Annual	Abstain	7	Overboarded/Too many other time commitments
17/12/2019	ABN AMRO Bank NV	Special	All For	11	Apparent failure to link pay & appropriate performance
18/12/2019	Champion Real Estate Investment Trust	Special	All For		
18/12/2019	Open House Co., Ltd.	Annual	All For		
18/12/2019	National Australia Bank Limited	Annual	Against	2 6b,7	Apparent failure to link pay & appropriate performance SH: For shareholder resolution, against management recommendation / Shareholder proposal promotes better management of ESG opportunities and risks
18/12/2019	Folli Follie SA	Special	Against	1,3 2	Insufficient/poor disclosure Insufficient/poor disclosure
18/12/2019	AutoZone, Inc.	Annual	Against	3 1.8	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance
18/12/2019	WH Smith Plc	Special	All For		

Meeting	Company Name	Meeting Type	Voting Action	Agenda Item Numbers	Voting Explanation
19/12/2019	Beijing Capital International Airport Co., Ltd.	Special	All For		
19/12/2019	KGHM Polska Miedz SA	Special	Against	6.4	
19/12/2019	Tatneft PJSC	Special	All For		
19/12/2019	Infrastruttura Wireless Italiana SpA	Special	Against	2	Concerns about reducing shareholder rights
19/12/2019	NortonLifeLock Inc.	Annual	Against	3 1d 4	Apparent failure to link pay and appropriate performance Concerns about remuneration committee performance Shareholder proposal promotes appropriate accountability or incentivisation
19/12/2019	Playtech Plc	Special	Against	1	Apparent failure to link pay and appropriate performance
19/12/2019	AVI Global Trust Plc	Annual	All For		
20/12/2019	Hamamatsu Photonics KK	Annual	Against	2,13	Concerns about overall board structure
20/12/2019	Incitec Pivot Limited	Annual	Against	3,4	Apparent failure to link pay and appropriate performance
20/12/2019	Novolipetsk Steel	Special	All For		
20/12/2019	Ifrad SA	Special	All For		
20/12/2019	Heferic Petroleum SA	Special	Against	3 2	Insufficient/poor disclosure Insufficient/poor disclosure
20/12/2019	Yandex NV	Special	All For		
23/12/2019	SIG Plc	Special	All For		
24/12/2019	FIT Hon Teng Limited	Special	All For		
24/12/2019	Magrit PJSC	Special	All For		
30/12/2019	Companhia Brasileira de Distribucao	Special	Abstain	1	
30/12/2019	Companhia Brasileira de Distribucao	Special	All For		
30/12/2019	Mobilia TeleSystems PJSC	Special	All For		
31/12/2019	iShares MSCI UK Small Cap UCITS ETF	Annual	Against	8	Overboarded/Too many other time commitments

Active ownership

Q4 2019 ESG Impact Report

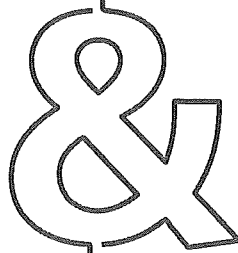


Active ownership means using our scale and influence to bring about **real, positive change to create sustainable investor value.**

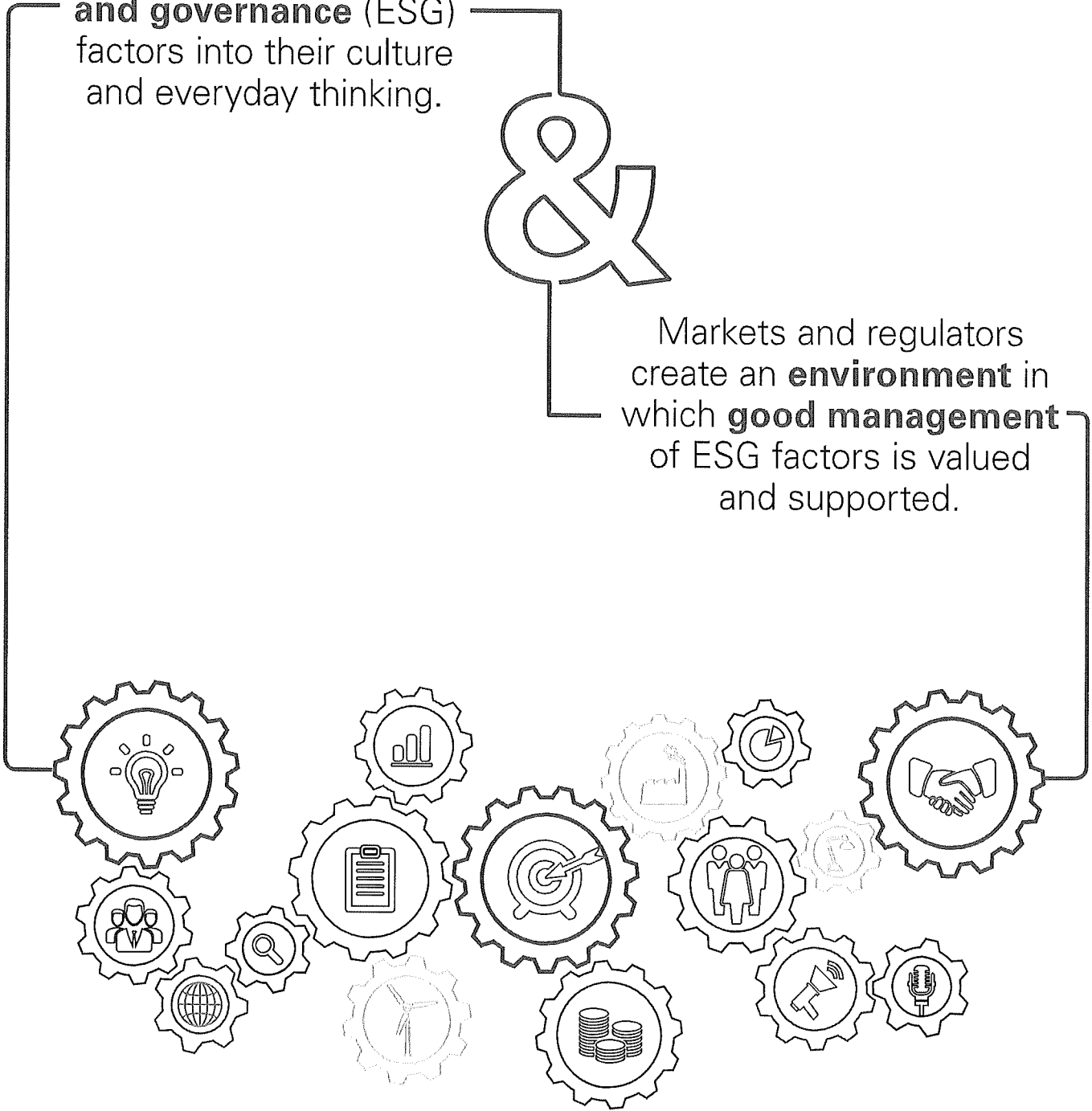
Our mission

To use our influence to ensure that:

Companies integrate **environmental, social and governance (ESG)** factors into their culture and everyday thinking.



Markets and regulators create an **environment** in which **good management** of ESG factors is valued and supported.



Our focus

1 Holding boards to account

To be successful, companies need to have people at the helm who are well equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks and benefit from emerging opportunities.

We seek to protect and enhance our clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which we use extensively.

2 Creating sustainable value

We believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to prevent market behaviour that destroys long-term value creation.

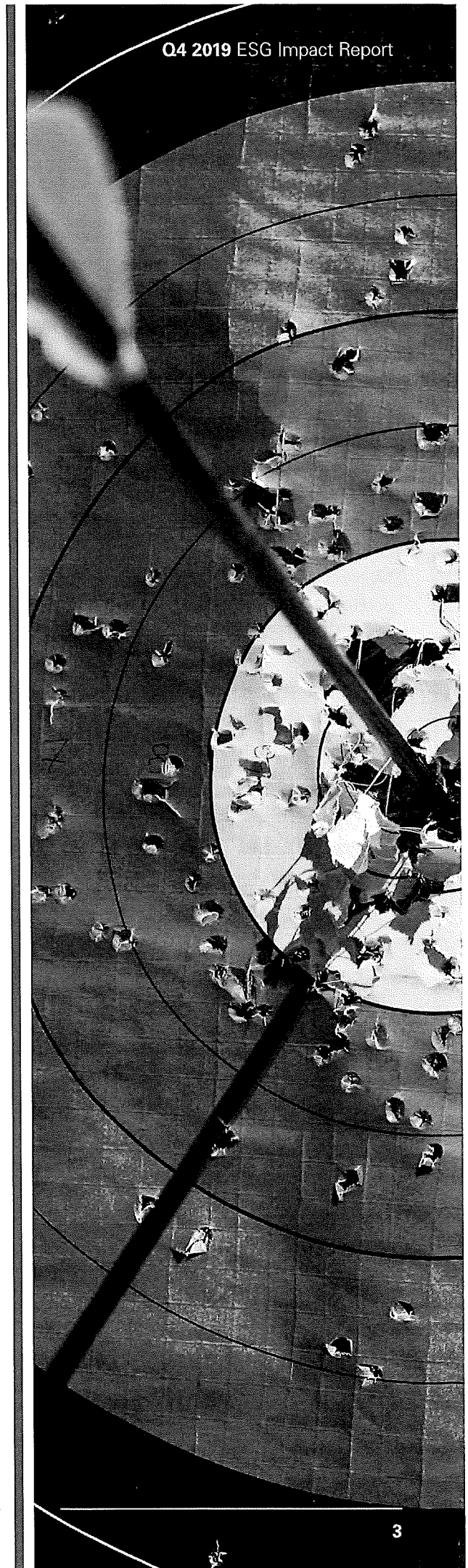
At LGIM, we want to safeguard and grow our clients' assets by ensuring that companies are well positioned for sustainable growth. Our active and enhanced index mandates incorporate ESG factors in the investment process and we consider ESG factors when voting on our holdings in all strategies.

We engage directly and collaboratively with companies to highlight key challenges and opportunities, and to support strategies that can deliver long-term success.

3 Promoting market resilience

As a long-term investor for our clients, it is essential that markets are able to generate sustainable value. In doing so, companies should become more resilient to change and therefore benefit the whole market.

We use our scale and influence to ensure that issues impacting the value of our clients' investments are recognised and appropriately managed. This includes working with key decision-makers such as governments and regulators, and collaborating with asset owners to bring about positive change.



Action and impact

NAVIGATING THE ENERGY TRANSITION

The International Energy Agency (IEA) invited LGIM to its Paris headquarters to speak to representatives of the largest listed and national oil companies, senior academics and investors.

We presented the results of our recent research, warning the energy industry against complacency as it faces an existential challenge with climate policy implementation and the rise in electric vehicle use. We continue to engage with the IEA on the energy transition, including contributing to one of its upcoming reports in 2020.

We are also helping our clients navigate the energy transition, publishing a short [guide](#) to climate for UK government pension schemes¹. Alongside this, we published blog posts explaining why regulators and investors are acting², [why large-scale divestment is not a climate panacea](#)³, and [how to check if asset managers are engaging effectively](#)⁴.

EMPLOYEE-RELATED ENGAGEMENTS

We have been a supporter of the **Workforce Disclosure Initiative** since its inception in 2017. We believe greater transparency can lead to improvements in the adoption of better workplace culture and inclusion. We also **wrote to eight companies** to encourage them to provide **greater disclosure regarding labour practices**.

We publicly **supported the Living Wage Foundation's efforts** and have assisted the foundation by **co-signing a letter** to a number of UK companies calling on them to pay a living wage and to become accredited.

RECOGNITION FOR LEADING ENGAGEMENT

We have recently been described by The Guardian as “one of the most outspoken fund managers over the climate crisis”⁵, and our pragmatic approach to engaging on climate change continued to receive external recognition. Independent think tank InfluenceMap reviewed the 15 largest asset managers and found LGIM to be “leading in robust engagement with companies”⁶, further backed by support of climate shareholder proposals.

LGIM is the only fund manager in the top 15 to receive an A+ score for our climate engagement and voting.

“Legal and General exhibited best practice [...] through its Climate Impact Pledge”
- InfluenceMap

The same view was echoed in the Financial Times (FT), which noted that our stance on climate “is much tougher than across the rest of the industry”⁷.



1. <https://www.lgim.com/files/document-library/knowledge/thought-leadership-content/lgps-intelligence/lgps-intelligence-nov-2019-final.pdf>

2. <https://futureworldblog.lgim.com/categories/themes/changing-climate-changing-investments/>

3. <https://futureworldblog.lgim.com/categories/themes/using-a-sledgehammer-to-crack-a-nut/>

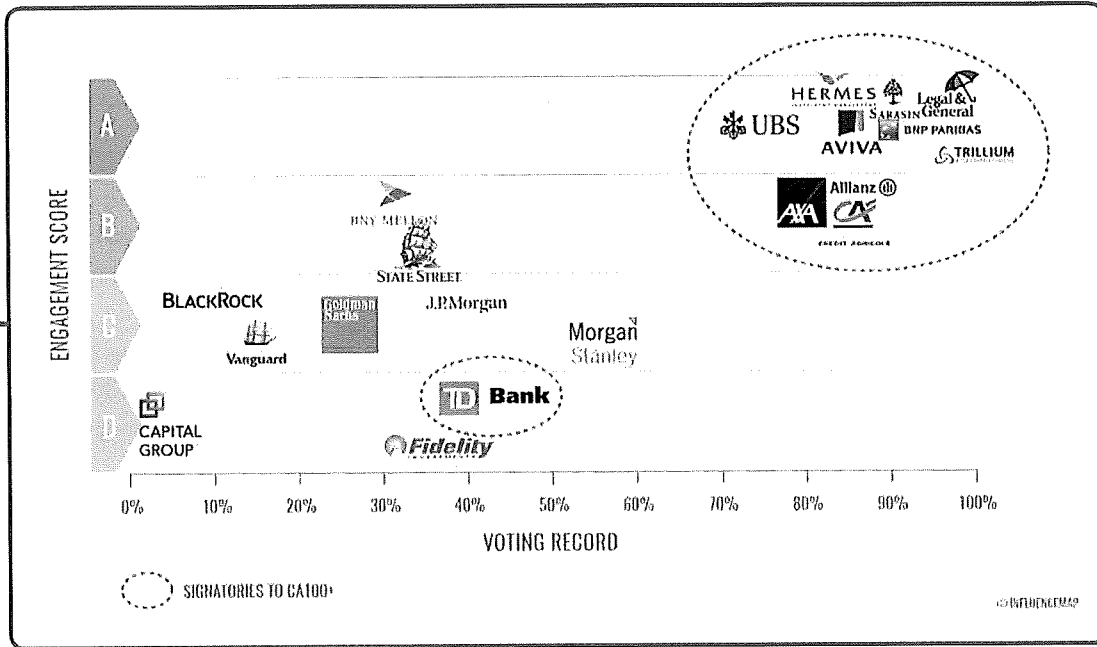
4. <https://futureworldblog.lgim.com/categories/themes/three-steps-for-gauging-your-asset-managers-corporate-engagement/>

5. The Guardian, 22 Nov 2019

6. InfluenceMap – Asset Managers and Climate Change (2019), available at: <https://influencemap.org/report/FinanceMap-Launch-Report-f80b653f6a631cec947a07e44ae4a4a7>

7. FinancialTimes, *Big investors turn screw over climate pollution disclosure*, 12 Dec 2019

HOW ASSET MANAGERS SCORE ON CLIMATE ENGAGEMENT & RESOLUTIONS



Addressing environmental, social and governance issues (ESG) issues is in the financial interest of companies and of our clients. Therefore, our engagements are not driven by any particular ethical agenda. That is why our efforts have support from the top of LGIM: in an op-ed for the FT, Michelle Scrimgeour, our Chief Executive, noted that “the success of companies over the long term is inseparable from the sustainability of the societies in which they operate”, issuing a rallying cry to investors for more forceful engagement and collaboration⁸.

But we recognise the long road ahead. The latest blog from Sacha Sadan, our Director of Corporate Governance, explains that “asset managers can do more – and not just on climate change”⁹

STAKEHOLDER EVENT IN LONDON

We held our third annual stakeholder roundtable at our London offices. Following from past years’ events, we implemented many of the suggestions put forward by participants, including providing reasons behind our votes against, applying our minimum standards globally and also proposing and supporting shareholder resolutions.

This year, our clients, representatives from investor engagement groups and other stakeholders from across the industry provided feedback on five key themes we are planning to work on in the future: accountability of directors, audit, income inequality, privacy and security and health. We shall continue to take into account these comments and suggestions for action when framing our engagements.

NEW JOINERS

Our corporate governance team expanded this quarter with two new recruits:

- Aina Fukuda, ESG Manager, has joined our Japan office, strengthening our international ESG capabilities. She has responsibility for Japan stewardship and sustainable investments.
- Maria Zhivitskaya, Sustainability and Responsible Investment Manager, has joined our London office during Catherine Ogden’s maternity leave.

⁸ FinancialTimes, *Index investors should not be passive owners when it comes to ESG*, 12 Dec 2019
⁹ <https://futureworldblog.lgim.com/categories/themes/asset-managers-must-do-more-and-not-just-on-climate-change/>

Engagement on social and governance scores

Following the development of LGIM’s proprietary ESG score, we have launched our first engagement campaign to push some of the world’s biggest companies to improve their social and governance practices.

We recognise that ESG factors could play an increasingly important role in determining the performance of certain assets. As a result, we developed the LGIM ESG score, a proprietary and rules-based approach to scoring many of the companies we invest in on the basis of their ESG profile. The LGIM ESG score combines an environmental score, a social score and a governance score, with adjustments made for a company’s overall levels of transparency with regards to ESG issues.

The LGIM ESG score has principally been created and is used for the following purposes:

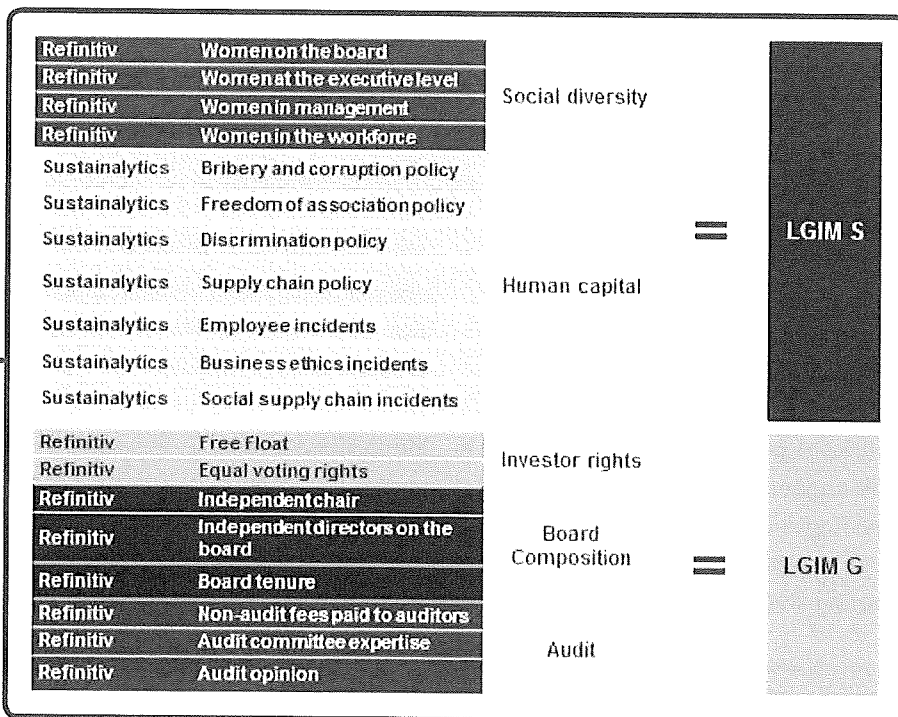
1. To improve market standards globally and monitor ESG developments of our entire investment universe using quantitative measures;
2. To incentivise companies to improve their ESG profile through a transparent methodology;
3. To create investment solutions for our clients.

Focused on assessing companies’ performance against common market-wide ESG issues and themes which can potentially affect long-term returns, the LGIM ESG scores utilises a total of **28 key ESG data points**.

For example, a company may receive a low social score because women account for less than 30% of its employee base. This score would be made using data provided by market leading provider Refinitiv.

All companies are assessed using the same indicators. We acknowledge a given issue might not be as important to every company’s short-term bottom line, however, it can have an enormous impact on the market as a whole if not addressed. This focus on the overall market health differentiates our ESG scores from others in the market.

SOCIAL AND GOVERNANCE DATA POINTS:



The overall company scores are made public on our [website](#)¹ and are updated biannually. We believe this will contribute to incentivise companies to improve their ESG profile.

LGIM'S GLOBAL ESG SCORE

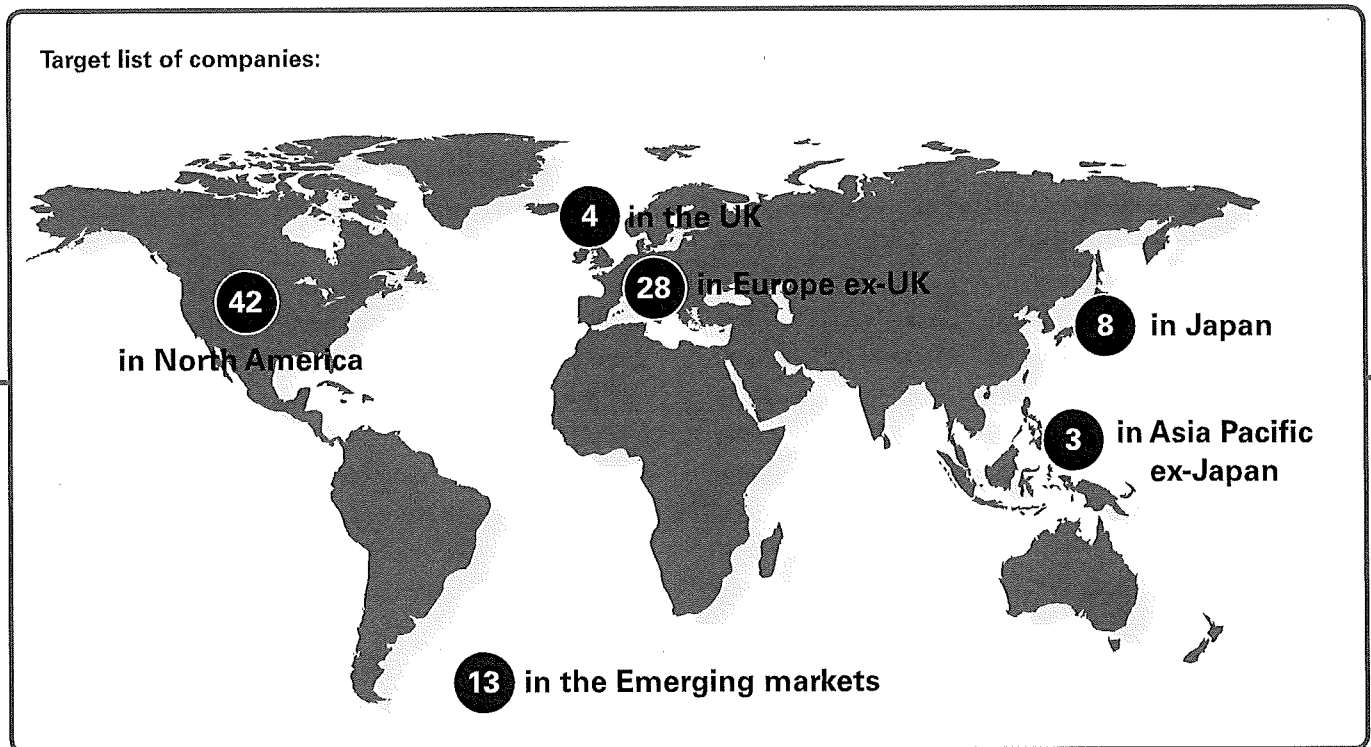
September 2019

COMPANY NAME	LGIM ESG SCORE
1&1 DRILLISCH AG	32
360 SECURITY TECHNOLOGY IN-A	19
3I GROUP PLC	74
3M CO	43
3SBIO INC	44
51JOB INC-ADR	37
58.COM INC-ADR	34
A2 MILK CO LTD	46
AAC TECHNOLOGIES HOLDINGS IN	38

As a long-term and active investor, we are extensively engaging with the world's biggest companies on climate change and the below 2°C transition through our Climate Impact Pledge engagement, using third party provider data and a (qualitative) engagement overlay.

Under this campaign, we have focused our current engagement efforts on the biggest companies we are invested in through our equity and fixed income offerings, which also have the lowest LGIM social and/or governance score(s). This resulted in a target list of 98 companies across many regions. In the past, the lack of reliable data meant our approach in these engagement areas was largely qualitative in nature. The creation of the LGIM ESG scores enables us to use reliable, available and consistent data on key social and governance issues.

We sent a letter to the board chair of each of these companies. Many companies have already contacted us to better understand how to improve their score(s).



1. <https://www.lgim.com/uk/en/capabilities/corporate-governance/gender-diversity-scores/>

Diversity campaigns

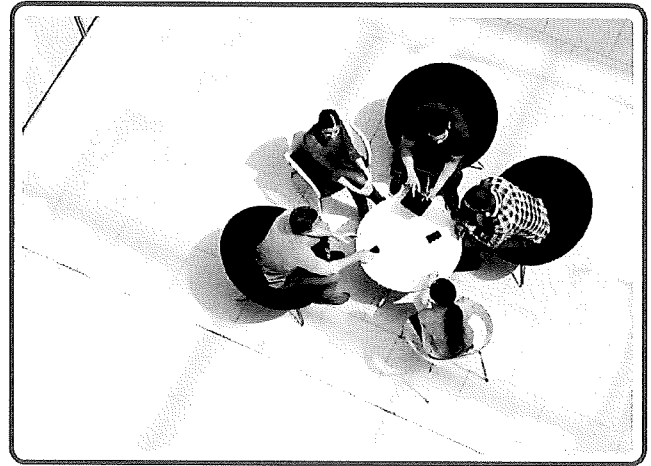
UK GENDER DIVERSITY SCORES

We place significant emphasis on companies' board and leadership team composition. This is to ensure they are equipped to deliver in the future for the benefit of our clients. We believe that groups with a diverse set of views and perspectives can deliver better decisions. Therefore, since 2011 we have been engaging with UK companies on the benefits of having gender diverse boards and leadership teams.

Our commitment to this issue culminated in the development of **LGIM's gender diversity score** in 2018, to analyse the largest UK companies on their gender diversity throughout the organisation. These scores are also a data source for our index fund, the L&G Future World Gender in Leadership UK Index Fund. It gives greater weight to companies that have higher gender diversity scores and less weight to companies that have lower scores. The scores are an input into the index which is tracked by the fund.

When we launched these scores, **we wrote to the companies in the bottom 10%** from a gender diversity perspective. The objective was to help these companies understand our expectations and incentivise them to improve their approach to gender diversity. The scores are updated every six months and are published on our [website](#)¹ to provide full transparency. Our aim is to encourage companies to disclose clearly in their annual reports a breakdown of their gender diversity beyond board level to include their executive committee, management level and across their workforce. By not disclosing this information alongside their diversity policies, we may be underestimating their current progress; therefore we are encouraging better transparency.

We renewed our engagement this quarter by sending letters to 30 laggard companies. Given the importance of these gender diversity scores, we commit to **writing to the laggards annually** to push further the diversity



agenda. We will also track the progress in their scores over time. We have already seen progress, as **between April 2018 and April 2019, 50% of companies we wrote to have improved their score by three points or more.**

EUROPE GENDER DIVERSITY CAMPAIGN

Globally our aspiration is to have a minimum of 30% women representation on boards and executive committees. Whilst we recognise that some European countries have quotas in place for board level representation, we are consistently pushing for a minimum threshold of 25% women on the board in these markets from 2020, and we will look to strengthen this in the coming years.

As part of these efforts, **we wrote to 20 of the largest European companies that have poor gender balance at board level.** Our letter set out the importance we place on gender balance within companies at all levels, and that we expect companies to have a minimum of 30% women as an aspirational target for all seniority levels. We also stressed the importance of clearly disclosing the gender split of the board, executives, management and the workforce, and ensuring that this data is publically available.

We shall continue to assess the progress of the companies we engaged with and to push for improvement.

1. <https://www.lgim.com/uk/en/capabilities/corporate-governance/gender-diversity-scores/>

Climate Impact Pledge: third engagement cycle underway

We conducted our annual review of the frameworks we use to assess companies' strategy on climate change. This is an effective way of understanding how their businesses are adapting to the risks and opportunities presented by a low-carbon transition. Our reviews ensure that our analysis accurately reflects evolving sector best practice across industries, and that our ambitions are escalated in response to the financial threat of accelerating climate change.

We are explicitly asking companies to make changes to their 'business as usual' by adapting to the constraints of a low-carbon transition and ensure that they are well-positioned to meet the objectives of the Paris Agreement of limiting temperature rise to well-below 2°C. Some of the key topics which we are discussing across the targeted sectors are highlighted below:

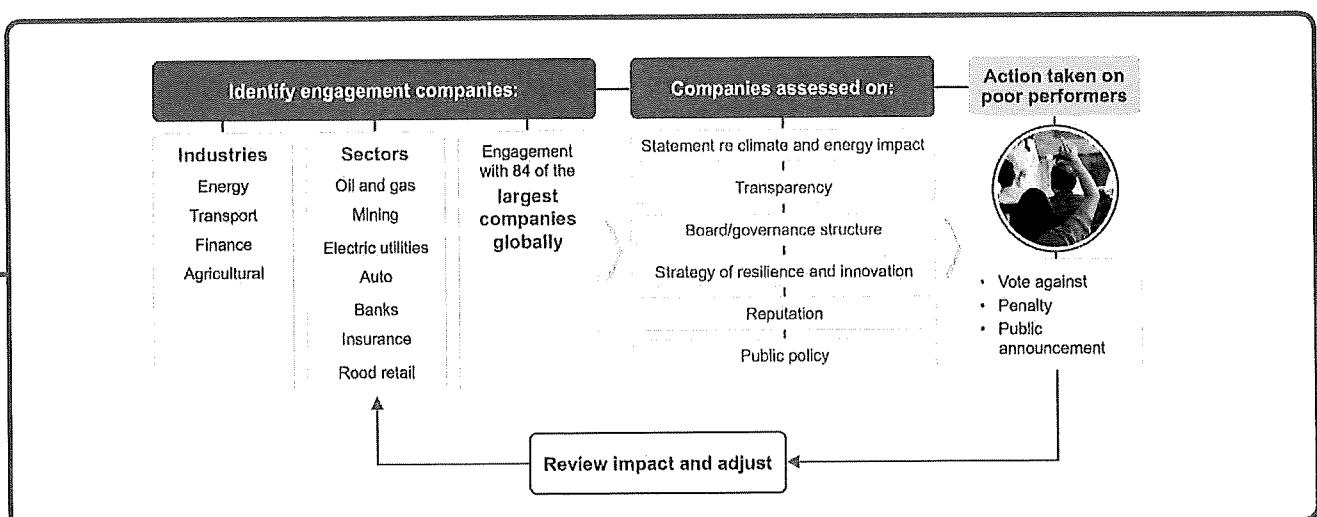
- **Food** – is the company setting targets to transition portfolios towards less emissions-intensive products? Is it engaging with its supply chain to improve soil health, eliminate deforestation and reduce agricultural emissions?
- **Oil & gas and mining** – is the company disclosing what percentage of its assets that would be viable if the world's energy consumption transitions in line with a 2°C scenario?

- **Financials** – is the company setting targets to reduce the emissions associated with its financing activities in line with a trajectory to keep temperature rise well-below 2°C?
- **Autos and electric utilities** – is the company setting targets to reduce the greenhouse gas emissions from its vehicle fleet or electricity generation line with a well-below 2°C trajectory?

RESULTS OF ENGAGEMENT

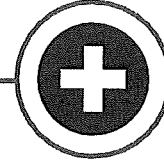
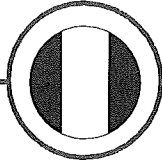
Following the methodology review, we began the third yearly cycle of Climate Impact Pledge engagements in September. To date, we have sent **almost 60 letters** to some of the world's largest companies, highlighting the areas related to climate change where we want them to improve or go further. The team has held **around 50 meetings** with companies to date, and since then we have seen some significant progress.

For example, Hong Kong-based electric utility **CLP** announced in December that it will not invest in any additional coal-fired generation capacity and will phase out its existing coal-plants by 2050. Additionally, **Commonwealth Bank of Australia** announced earlier this year that it will only finance new oil & gas projects if they are demonstrated to be compatible with the goals of the Paris Agreement.



Engagements in Europe

A summary of the corporate governance team's engagements in the European (ex-UK) market this quarter.



ITALY

We participated in a conference on ESG in Rome and also met with four companies with headquarters in the city:

- With **Poste Italiane** we discussed strategy, including its extensive national coverage as well its relationship/competition with Amazon. We also engaged on Poste Italiane's sustainability programme and its digital educational initiative for older customers.
- With **Eni** we discussed its remuneration structure and stressed the importance of transparency.
- With **Enel** we discussed its diversity programme. Enel's board is 33% female and is led by a woman. The company has a public target for shortlisting in recruitment and we encouraged it to go further and have public targets in general. Enel works with universities and high schools to increase the pool of female recruits.
- We also discussed diversity with **Terna** where the level of gender diversity on the board is at a high 44% but below the board level the numbers drop significantly. We encouraged the company to widen its recruitment pool.

SWITZERLAND

We participated in the Swiss Corporate Governance Dialog conference in Zurich where investors and corporates gathered to discuss the state of corporate governance in Switzerland. This was also an opportunity to have a direct and open discussion with board members and high-level representatives of many Swiss companies.

Diversity on the board but also at various seniority levels was a key topic of our discussions with Swiss companies. A revision of the Swiss corporate law could soon see the introduction of a rule to have 30% of positions on the board of directors and 20% of positions on executive boards to be held by women.

Industrials company **Kardex** does not have a woman on its board and presented the challenges it faces in recruiting talented women on its board. This contrasted with construction company **Implenia** which, despite operating in a sector with generally lower rates of female participation, managed to achieve 29% diversity at board level and 22% at executive committee level.

We also noted that Swiss boards could benefit from a better understanding of the role of **board effectiveness reviews**, especially given their importance¹ for boards and investors. Only 8% of Swiss Market Index (SMI) companies underwent an externally facilitated board review in 2018 and two-thirds of SMI Mid companies did not refer to board assessment practices in their annual report.² We asked the board of financial services company **Baloise Holdings** to consider undertaking external board effectiveness reviews. This allows for an independent assessment of the board to be made by a fresh pair of eyes with experience in assessing many other boards.

1. <https://www.lgini.com/uk/en/capabilities/corporate-governance/influencing-the-debate/>

2. Source: 2018 Switzerland, Spencer Stuart Board Index

Case study

Case study:

Novartis

Market cap:

£176 billion

Sector:

Pharmaceuticals

Country:

Switzerland

What is the issue? Novartis received approval from the US Food and Drug Administration (FDA) for a drug called Zolgensma, which was developed by its subsidiary, AveXis, in May 2019. The drug is approved for children up to two years of age suffering from the deadly muscle wasting disease spinal muscular atrophy. It is to date the world's most expensive drug (USD 2.1 million).

In mid-March of 2019, Novartis via AveXis, was alerted to allegations of data manipulation in a subset of data. An internal investigation was undertaken. Novartis did not alert the FDA of its initial findings until the end of June. The FDA conducted on-site inspections in July/August, following which it issued a so-called 483 form³ which outlined concerns over the timing of self-disclosure to the FDA. It is to be noted that the FDA has continued to support the use of the drug.

Why is it an issue? We are concerned that Novartis did not consider it necessary to immediately alert the FDA when it discovered the internal data manipulation. We believe this sends the wrong message from the very top to the rest of the organisation, especially in light of the chief executive's commitment that Novartis must hold itself to the "highest ethical standards and always aim to win and maintain the trust of society and [its] many stakeholders".

What did LGIM do? Soon after the publication of the FDA letter, we met with Novartis together with our Active Equities team.

We clearly communicated our disappointment that the company had not immediately contacted the FDA. We also shared our concerns that this showed poor judgement from management and sent the wrong signals throughout the organisation.

We recently followed this up with another meeting, and shared our expectation for this issue to be reflected in executive pay.

What was the outcome? The company has publicly committed to the FDA that it will, going forward, notify the authority within five business days after receipt of "any credible allegation" related to data integrity during a filing.

We will monitor the publication of Novartis' annual report and will analyse the remuneration report and pay awards granted for financial year 2019 and take into account any actions taken in this regard when voting at the 2020 annual general meeting.

3. An FDA Form 483 is issued to firm management at the conclusion of an inspection when an investigator(s) has observed any conditions that in its judgment may constitute violations of the Food Drug and Cosmetic (FD&C) Act and related Acts.

Public policy update

Over the past quarter we have been actively engaged, and closely following, a wide variety of policy and regulatory developments around the world. The corporate governance team has a new dedicated ESG Public Policy Analyst, Alexander Burr, who joined our London office in September.



UNITED KINGDOM

New and improved UK Stewardship Code:

In October, the much-anticipated revised UK Stewardship Code was officially released¹. The new code is the culmination of over two years of consultation from the UK's Financial Reporting Council (FRC) and comes into effect this year. We sought fundamental reform to the Stewardship Code in four key areas:

- what the code covers;
- how signatories disclose against it;
- assurance of reporting; and
- enforcement or oversight mechanism.

We were delighted that three of our four key asks have been embedded into the revised 2020 Stewardship Code. With respect to the content of the code, this has been importantly **extended to all global asset classes and funds that we manage**. This increases the code's relevance to our clients and provides that stewardship ought to be embedded within the signatories' investment culture, rather than selectively applied to certain regions, funds or investment styles.

The **disclosure requirements of signatories** for the 2020 Stewardship Code have been transformed. Instead of a tick box compliance process, Stewardship Code signatories will have to **evidence** how the code is applied through a public annual Outcome and Activities report. The reporting requirements are detailed, and we believe ought to provide the right level of information to assist stakeholders in assessing the quality of stewardship being undertaken.

Finally, the FRC will be **assessing compliance** with the code and its reporting against its own assessment framework. Potential signatories will be refused if reporting expectations are not met. This provides an important mechanism to ensure stewardship activities are undertaken by signatories.

We will continue to work with the FRC to develop an assessment framework that is sufficiently robust. From 2020 you should also expect to see expanded reporting of our stewardship activities across asset classes to better reflect best practice as set out in the code.

Audit:

In December the FRC announced new rules that would **prohibit audit firms from providing almost any non-audit activity for their audit clients**, including the provision of recruitment and remuneration services. In recent years we have strengthened our voting policy on the provision of non-audit work having received feedback from clients in previous year's stakeholder events. We have also highlighted the risk of the provision of non-audit work to auditors independence in various consultations on the audit sector in the last two years, including the Competitions & Market Authority. We are pleased the FRC has acted so strongly to address this conflict.

Sustainable Development Goals (SDGs):

We provided input for a consultation on a proposal to establish a framework for recommended SDGs disclosures. This was produced by chartered accountant groups in the UK, Australia and New Zealand.

We fully support the objectives set out by the SDGs and recognise that reporting against the SDGs can be a challenging task for organisations. We are therefore greatly supportive of efforts to develop a framework that helps organisations to report transparently and consistently against their SDG contributions.

1. <https://www.frc.org.uk/investors/uk-stewardship-code>



UNITED STATES

In the US we have been working together with Legal & General Investment Management America (LGIMA) to engage with the Securities Exchange Commission (SEC) on several important points.

In October we, alongside 28 global institutional investors (part of the 'Human Capital Management Coalition') wrote² to the SEC with regards to the modernisation of regulation on human capital disclosures. It is our view that a combination of rules-based disclosures and more open-ended principles-based disclosures is necessary to accurately assess how companies are managing their human capital.

Over the past months we have also been working with LGIMA as well as The Council of Institutional Investors³ (CII) and the UN PRI⁴ to voice concerns⁵ on two proposals on proxy voting advice. The SEC's proposed rules on shareholder proposals and proxy advisers would introduce a major impediment to ESG integration, which has traditionally depended on dedicated investors engaging with management and access to unbiased and efficient proxy voting advice. If adopted, these would be the most significant changes to the voting rights of shareholders in decades and in our view would severely jeopardise the interests of individual and institutional investors.

EUROPEAN UNION

At a European Union level, we have continued to closely follow the important and in-depth technical work outlined in the Commission's action plan on sustainable finance. Specific areas of interest for us over the past few months have been the finalisation of:

- 1) the **EU Taxonomy**, a clear and detailed EU classification system for sustainable activities. It creates a common language for all actors in the financial system and aims to stop 'greenwashing';
- 2) **Climate Change Benchmark regulation**; and
- 3) **Sustainable-related disclosure regulation**. The benchmark and disclosure regulations have now been finalised and the taxonomy is going through the final stages of political approval.

We are delighted to see that tackling climate and environmental-related challenges continues to be at the top of the political agenda for the EU. This has been highlighted by the European Commission's recent paper on the European Green Deal – an ambitious strategy that aims to transform the EU into a net-zero emissions economy by 2050, where economic growth is decoupled from resource use.

At the United Nations' climate change conference, we, as part of the Institutional Investors Group on Climate Change (IIGCC), showed our strong support for the establishment of a **2050 net-zero emissions target for the EU** in an open letter to EU leaders.

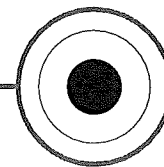
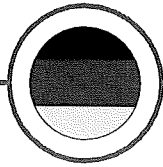
2. <https://www.sec.gov/comments/s7-11-19/s71119.htm>

3. <https://www.cii.org/correspondence>

4. <https://www.unpri.org/sustainable-markets/briefings-and-consultations>

5. <https://www.sec.gov/comments/4-725/4-725.htm>

Public policy update (cont.)



GERMANY

As a major long-term investor in German equity and bonds, we have engaged with the German government and Parliament on the transposition of the **EU Shareholder Rights Directive II**, aimed at strengthening shareholder rights, into German law. Two focus areas for us have been:

- 1) **Remuneration of the management board** – we expressed our strong preference for the government's proposal to introduce a binding shareholder vote on the remuneration policy. We believe this would strengthen Germany's corporate governance system and align it with other European member states, reinforce the protection of its minority shareholders and ultimately improve market standards. The German Parliament adopted the final piece of legislation in November, with an advisory vote for both the remuneration policy and report. Whilst this is not our preferred approach, we welcome the introduction of the say-on-pay system in Germany, which was only optional until this point.
- 2) **Related party transactions** - we encouraged the government to review the proposed threshold for disclosure and approval of related party transactions that was set out in the draft law. We asked for a more stringent threshold to be set to allow for a greater amount of related party transactions to be put under the scrutiny of minority shareholders. We believed this would better ensure their protection, mitigate the risk of a related party taking advantage of its position and help the market cost of capital. A more stringent threshold of 1.5% of assets was put in place by the law adopted in November.

JAPAN

We have closely followed the **Amendment to the Foreign Exchange and Foreign Trade Act**. The amendment requires foreign investors to file a 'pre-acquisition notification' to the government if they intend to acquire 1% or more of a listed company in a restricted sector. It also requires foreign investors intending to influence management on a range of governance or business issues to file a pre-notification of their intentions. We have been supportive of the efforts of the Asian Corporate Governance Association (ACGA) and the International Corporate Governance Network (ICGN) to seek clarification from the Japanese government on whether this applies to asset managers and have also met with the Japanese Financial Services Agency in this regard. For now, it would appear asset managers are exempt.

Regional updates

UK

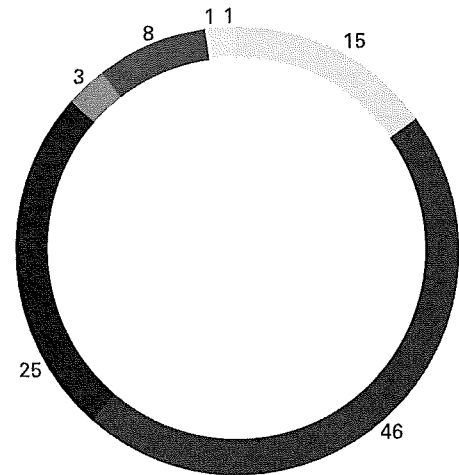
Q4 2019 VOTING SUMMARY UK

Proposal category	UK		
	For	Against	Abstain
Anti-takeover Related	46		
Capitalisation	252	15	
Directors Related	439	46	
Non-salary Compensation	95	25	
Reorganisation and Mergers	28	3	
Routine/Business	339	8	
Shareholder Proposal - Compensation			
Shareholder Proposal - Corporate Governance			
Shareholder Proposal - Directors Related			
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment			
Shareholder Proposal - Other/Miscellaneous			
Shareholder Proposal - Routine/Business		1	
Shareholder Proposal - Social/Human Rights			
Shareholder Proposal - Social		1	
Total	1199	99	
Total resolutions	1298		
No. AGMs	78		
No. EGMs	43		
No. of companies voted	113		
No. of companies where voted against management on at least one resolution	45		
% no. of companies where at least one vote against	40%		

'LGIM voted against at least one resolution at 40% of UK companies over the quarter.'

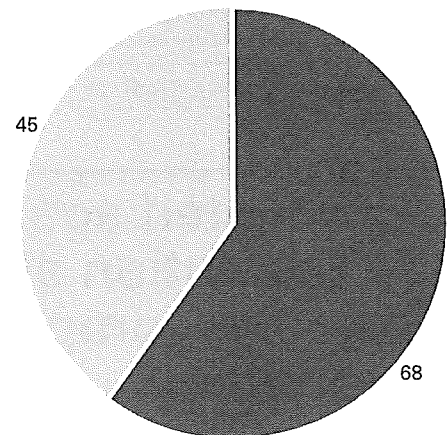
Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

Votes against management



- Capitalisation
- Directors Related
- Non-salary Compensation
- Reorganisation and Mergers
- Routine/Business
- Shareholder Proposal - Routine/Business
- Shareholder Proposal - Social

Number of companies voted for/against



- No. of companies supported
- No. of companies where voted against management

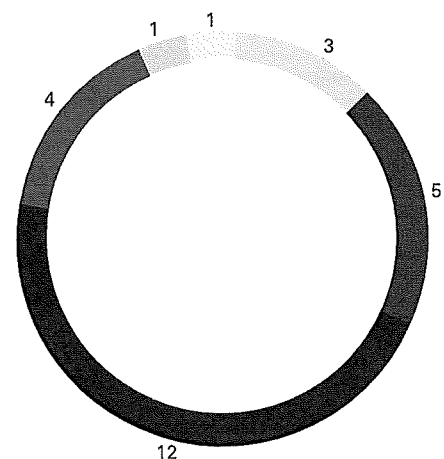
Regional updates

Europe

Q4 2019 VOTING SUMMARY EUROPE

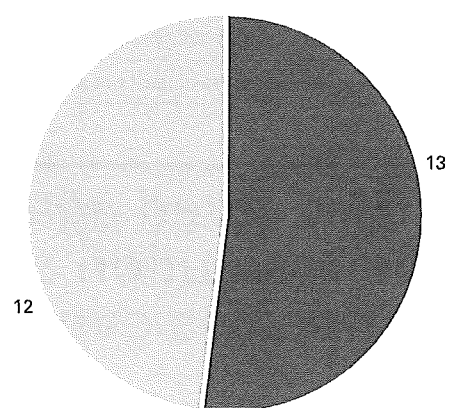
Proposal category	EUROPE		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	37	3	
Directors related	55	3	2
Non-salary Compensation	19	12	
Reorganisations and Mergers	2		
Routine/Business	58	2	2
Shareholder Proposal - Compensation			
Shareholder Proposal - Corporate Governance		1	
Shareholder Proposal - Directors Related			
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment			
Shareholder Proposal - Other/Miscellaneous	4	1	
Shareholder Proposal - Routine/Business			
Shareholder Proposal - Social/Human Rights			
Shareholder Proposal - Social			
Total	175	22	4
Total resolutions	201		
No. AGMs	8		
No. EGMs	17		
No. of companies voted	25		
No. of companies where voted against management on at least one resolution	12		
% no. of companies where at least one vote against	48%		

Votes against management and abstentions



- Capitalisation
- Directors Related
- Non-salary Compensation
- Routine/Business
- Shareholder Proposal - Corporate Governance
- Shareholder Proposal - Other/Miscellaneous

Number of companies voted for/against abstentions



- No. of companies where supported management
- No. of companies where voted against management (including abstentions)

'LGIM voted against at least one resolution at 48% of European companies over the quarter.'

Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

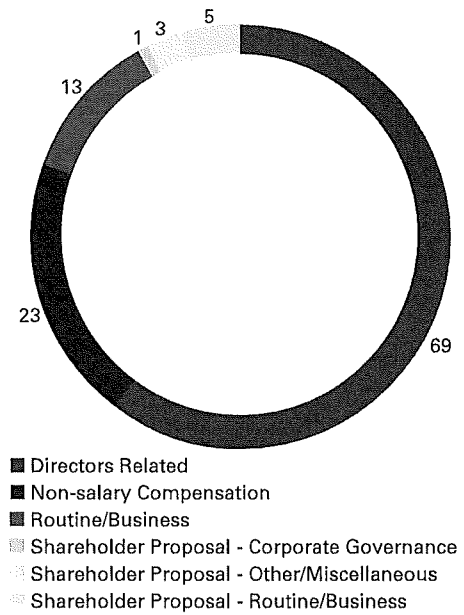
Regional updates

North America

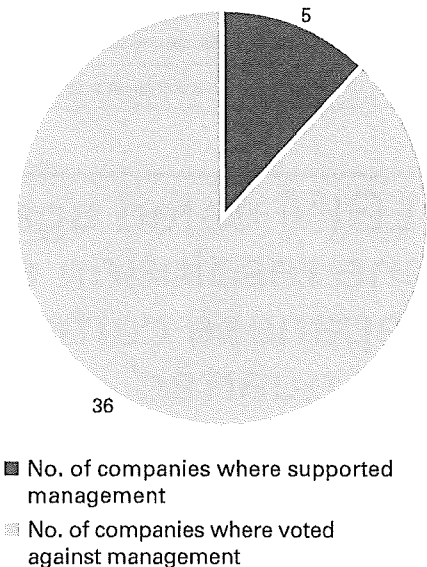
Q4 2019 VOTING SUMMARY NORTH AMERICA

Proposal category	NORTH AMERICA		
	For	Against	Abstain
Anti-takeover Related	4		
Capitalisation	13		
Directors Related	273	69	
Non-salary Compensation	23	23	
Reorganisations and Mergers	4		
Routine/Business	26	13	
Shareholder Proposal - Compensation			
Shareholder Proposal - Corporate Governance		1	
Shareholder Proposal - Directors Related	1		
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment			
Shareholder Proposal - Other/Miscellaneous		3	
Shareholder Proposal - Routine/Business		5	
Shareholder Proposal - Social/Human Rights			
Shareholder Proposal - Social			
Total	344	114	
Total resolutions	458		
No. AGMs	35		
No. EGMs	6		
No. of companies voted	41		
No. of companies where voted against management on at least one resolution	36		
% no. of companies where at least one vote against	88%		

Votes against management



Number of companies voted for/against



'LGIM voted against at least one resolution at 88% of North American companies over the quarter.'

Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

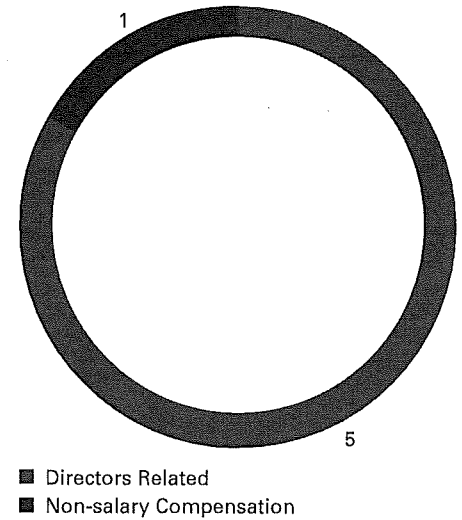
Regional updates

Japan

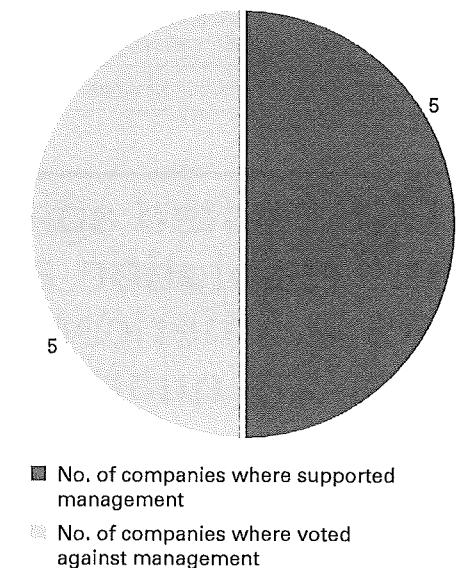
Q4 2019 VOTING SUMMARY JAPAN

Proposal category	JAPAN		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation			
Directors Related	79	5	
Non-salary Compensation	2	1	
Reorganisations and Mergers	4		
Routine/Business	8		
Shareholder Proposal - Compensation			
Shareholder Proposal - Corporate Governance			
Shareholder Proposal - Directors Related			
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment			
Shareholder Proposal - Other/Miscellaneous			
Shareholder Proposal - Routine/Business			
Shareholder Proposal - Social/Human Rights			
Shareholder Proposal - Social			
Total	93	6	
Total resolutions		99	
No. AGMs		9	
No. EGMs		1	
No. of companies voted		10	
No. of companies where voted against management on at least one resolution		5	
% no. of companies where at least one vote against		50%	

Votes against management



Number of companies voted for/against



'LGIM voted against at least one resolution at 50% of Japanese companies over the quarter.'

Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

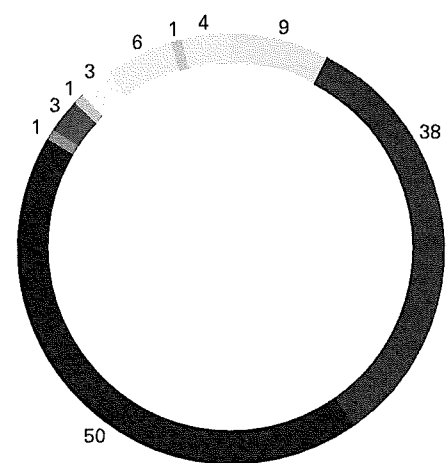
Regional updates

Asia Pacific

Q4 2019 VOTING SUMMARY ASIA PACIFIC

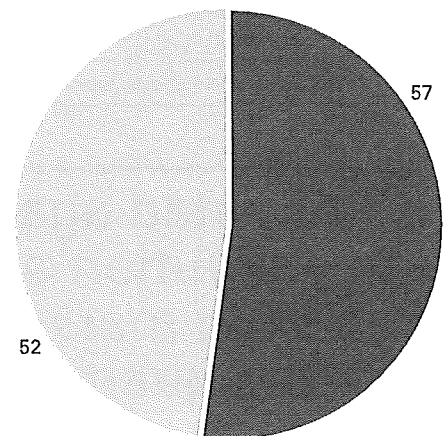
Proposal category	ASIA PACIFIC		
	For	Against	Abstain
Anti-takeover Related	9		
Capitalisation	24	9	
Directors Related	251	38	
Non-salary Compensation	136	50	
Reorganisations and Mergers	31	1	
Routine/Business	54	3	
Shareholder Proposal - Compensation			
Shareholder Proposal - Corporate Governance			
Shareholder Proposal - Directors Related		1	
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment	1	3	
Shareholder Proposal - Other/Miscellaneous			
Shareholder Proposal - Routine/Business	4	6	
Shareholder Proposal - Social/Human Rights	1	1	
Shareholder Proposal - Social	2	4	
Total	513	116	
Total resolutions		629	
No. AGMs		92	
No. EGMs		17	
No. of companies voted		109	
No. of companies where voted against management on at least one resolution		52	
% no. of companies where at least one vote against		48%	

Votes against management



- Capitalisation
- Directors Related
- Non-Salary Compensation
- Reorganisation and Mergers
- Routine/Business
- Shareholder Proposal - Directors Related
- Shareholder Proposal - Health/Environment
- Shareholder Proposal - Routine/Business
- Shareholder Proposal - Social/Human Rights
- Shareholder Proposal - Social

Number of companies voted for/against



- No. of companies where supported management
- No. of companies where voted against management

'LGIM voted against at least one resolution at 48% of Asia Pacific companies over the quarter.'

Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

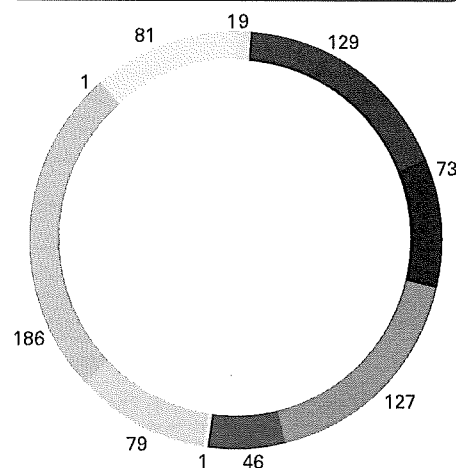
Regional updates

Emerging markets

Q4 2019 VOTING SUMMARY EMERGING MARKETS

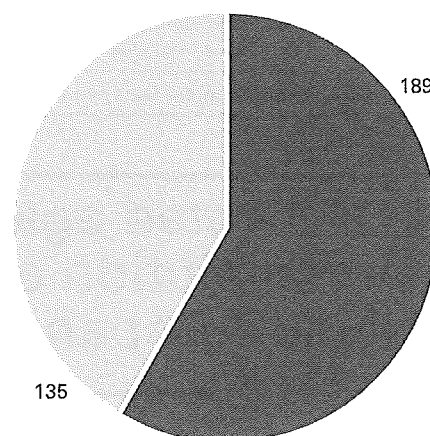
Proposal category	EMERGING MARKETS		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	358	9	
Directors Related	735	75	54
Non-salary Compensation	64	73	
Reorganisations and Mergers	371	127	
Routine/Business	390	46	
Shareholder Proposal - Compensation	6	1	
Shareholder Proposal - Corporate Governance		79	
Shareholder Proposal - Directors Related	14	186	
Shareholder Proposal - General Economic Issues			
Shareholder Proposal - Health/Environment		1	
Shareholder Proposal - Other/Miscellaneous			
Shareholder Proposal - Routine/Business	5	81	
Shareholder Proposal - Social/Human Rights			
Shareholder Proposal - Social		1	
Total	1943	679	54
Total resolutions	2676		
No. AGMs	50		
No. EGMs	278		
No. of companies voted	324		
No. of companies where voted against management /abstained on at least one resolution	135		
% no. of companies where at least one vote against	42%		

Votes against management and abstentions



- Capitalisation
- Directors Related
- Non-salary Compensation
- Reorganisations and Mergers
- Routine/Business
- Shareholder Proposal - Compensation
- Shareholder Proposal - Corporate Governance
- Shareholder Proposal - Directors Related
- Shareholder Proposal - Health/Environment
- Shareholder Proposal - Routine/Business
- Shareholder Proposal - Social

Number of companies voted for/against/abstentions



- No. of companies where supported management
- No. of companies where voted against management (includes abstentions)

‘LGIM voted against at least one resolution at 42% of emerging markets companies over the quarter.’

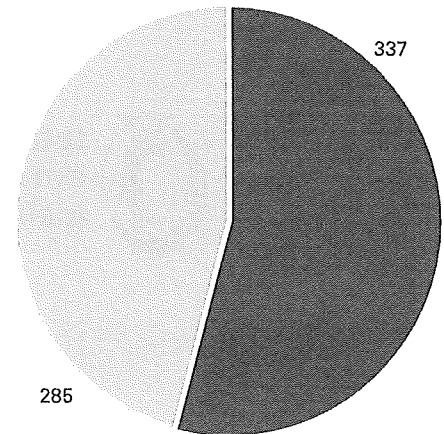
Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

Global Voting summary

VOTING TOTALS

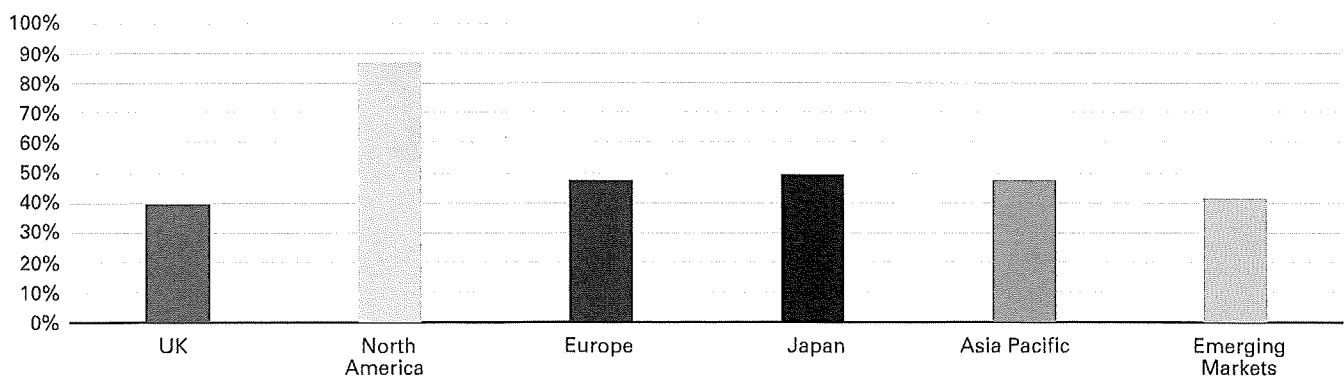
Proposal category	For	Against	Abstain	Total
Anti-takeover Related	59			59
Capitalisation	684	36		720
Directors Related	1832	236	56	2124
Non-salary Compensation	339	184		523
Reorganisations and Mergers	440	131		571
Routine/Business	875	72	2	949
Shareholder Proposal - Compensation	6	1		7
Shareholder Proposal - Corporate Governance		81		81
Shareholder Proposal - Directors Related	15	187		202
Shareholder Proposal - General Economic Issues				
Shareholder Proposal - Health/Environment	1	4		5
Shareholder Proposal - Other/Miscellaneous	4	4		8
Shareholder Proposal - Routine/Business	9	93		102
Shareholder Proposal - Social/Human Rights	1	1		2
Shareholder Proposal - Social	2	6		8
Total resolutions	4267	1036	58	5361
No. AGMs	272			
No. EGMs	362			
No. of companies voted	622			
No. of companies where voted against management /abstained on at least one resolution	285			
% no. of companies where at least one vote against	46%			

Number of companies voted for/against/abstentions



- No. of companies where supported management
- No. of companies where voted against management (includes abstention)

% of companies with at least one vote against (includes abstentions)



Global Engagement Summary

Number of companies engaged with **267**

330 total engagements during the quarter including:

146 engagement meetings or calls

184 engagement emails or letters

Number of engagements on environmental topics:

96

Number of engagements on social topics:

138

Number of engagements on governance topics:

164

Number of engagements on other topics (e.g. financial and strategy):

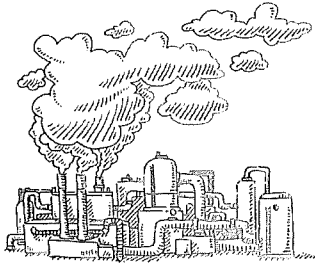
47

% of engagements on environmental and social topics:

67%

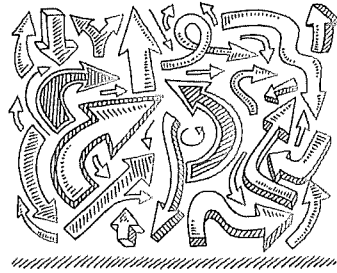
Top five engagement topics:

1



Climate Change

2



Diversity

3



Governance Score

4



Social Score

5



Remuneration

CONTACT US FOR MORE INFORMATION

For further information on anything you have read in this report or to provide feedback, please contact us at corporategovernance@lgim.com. Please visit our website www.lgim.com/corporategovernance where you will also find more information including frequently asked questions.

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