

General Mills UK Pension Plan

Implementation Statement

October 2023

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Section 1: Introduction

This document is the annual Implementation Statement (“the Statement”) prepared by the Trustee of the General Mills UK Pension Plan (“the Plan”) covering the “Scheme Year” from 6 April 2022 to 5 April 2023.

The purpose of this Statement is to set out:

- The extent to which the Trustee has followed the Statement of Investment Principles (“the SIP”) during the Scheme Year, describing any statutory and/or other review and explaining any changes made and why; and
- Details of how and the extent to which, in the opinion of the Trustee, the Plan’s policy on engagement and voting (as set out in the SIP) has been followed during the Scheme Year; and
- A description of voting behaviour (including the “most significant” votes made on behalf of the Trustee) and any use of a proxy voter during the year.

A copy of this implementation statement has been made available on the following website <https://www.generalmills.co.uk/en-GB/Company/investment-principles> and included in the Trustee’s annual report and scheme accounts for the year to 5 April 2023.

Section 2: SIP review / changes

Following a DB investment strategy review during 2021, it was agreed that the Scheme's equity and corporate bond allocations would be disinvested and transferred to LGIM's diversified growth fund.

The agreed changes were implemented in January 2022, with the SIP subsequently updated and finalised in June 2022. No further changes were made to the SIP during the year.

Section 3: Adherence to the SIP

The Trustee considers that all policies outlined in the SIP have been adhered to during the Scheme Year. The remainder of this Statement sets out details of how this has been achieved and these details relate to those parts of the SIP which set out the Trustee's policies, and not those which are statements of fact.

Policies specifically in relation to the Defined Benefit Section

Further de-risking of the investment strategy

The Trustee most recently completed a full investment strategy review in June 2021 and agreed to transfer the Scheme's equity and corporate bond allocations to a diversified growth fund, to further reduce risk while maintaining similar levels of expected returns. Following a selection exercise in September 2021 the Trustee chose LGIM's diversified growth fund and implemented the change in strategy during January 2022.

No further strategic portfolio changes have occurred since this date, as the Trustee previously agreed that considering the significant de-risking that has occurred in recent years, the current portfolio would be maintained.

The Trustee monitored the portfolio over the year and rebalanced the portfolio in November 2022 and after the year end to which this Statement relates, in July 2023. This was necessary as a result of rising gilt yields that reduced the value of the Plan's LDI portfolio, resulting in the Plan becoming overweight in the Diversified Fund ('DGF') compared to its strategic target.

Policies specifically in relation to the Defined Contribution Section

Review of investment options and default strategy

Following the outcome of the previous DC investment review, the Trustee implemented a new Universal Lifestyle investment strategy as membership analysis indicated it is less likely that members will choose an annuity at retirement and will instead opt for a more flexible income approach or take a cash lump sum. In addition, a new fund was introduced into the self-select fund range – Future World Global Equity Index Fund for members who wish to select their own investments. Research has shown that pension savers are increasingly becoming aware of how their savings are invested and believe that investing should be done responsibly, with consideration to the environmental and social impact investing may have. The Trustee also shares this view and believes members should have the option of investing in a fund that takes this into account and has a greater focus on these aspects. The new fund is an environmental, social and governance (ESG) focused fund and meets this objective.

Further reviews were not conducted during this Plan year as it was agreed that the assets of the DC Section would be transferred to a separate master trust arrangement. This was implemented after the year end to which this Statement relates.

Investment options available and use of default strategy

The Trustee has ensured a variety of options are available to members to enable them to access multiple asset classes including three funds to access equity investments (covering different geographic regions including an ESG option), a fund to access government bonds, a fund to access cash as well as a diversified growth fund. The Trustee offers a default investment option as well for those members who do not wish to make the investment decisions themselves. The default investment option utilises a lifestyle strategy to automatically switch assets into lower risk funds as members approach retirement. During the growth phase the lifestyle strategy invests in a combination of two of the equity funds and the diversified growth fund, and as members approach their normal or selected retirement date, assets automatically transition to a combination of equities, bonds and cash, targeting flexible income at retirement.

Policies across both DB and DC Sections

Assessment of performance of investment managers

The Trustee monitors the Plan's investment arrangements on a quarterly basis, which includes monitoring the performance of investment managers.

Assets in both the DB and DC sections are primarily passive investments and the majority of investments have broadly performed in line with benchmarks. The Trustee continues to monitor the performance of the DGF that has fallen behind its notional benchmark and has discussed performance with the investment manager.

Engagement with investment managers

The Trustee's sole investment manager is currently Legal & General Investment Management (LGIM). The Trustee did not meet with LGIM during the current Scheme Year but did so shortly afterwards in June 2023. The most recent meeting was on 19 June 2023 and LGIM provided an update on performance of Plan assets, developments in the LDI market, their market outlook and their approach to Environmental, Social and Governance (ESG) matters.

Exercising of voting rights

Given the use of pooled investments the Trustee has delegated the voting and engagement activities to the underlying manager (Legal & General Investment Management), but they nevertheless expect effective activities in these areas to form part of their processes. The Trustee asked their investment adviser to review both the managers' voting and engagement policy while the Trustee reviewed a sample of voting information provided by the investment managers while preparing the Statement.

Sustainable Investments

Given the use of pooled investments the Trustee has delegated the consideration of ESG issues, where these have a financial implication, to the investment manager. However, the Trustee has undertaken training to understand more information about the impact of ESG on investments and the

options the Trustee has readily available given the small size of the Plan to increase its ESG influence. The Trustee also discussed LGIM's approach towards ESG at their meeting in June 2023.

The previous triennial investment strategy review of the DC Section resulted in the introduction of an ESG fund option available for selection by members.

Risk management

The Trustee manages risk at an aggregate level through a risk register.

In relation to the investment related risks relevant to the DC Section, the Trustee's objective is to make available to members of the DC Section an appropriate range of investment options, with a suitable range of expected risk and return attributes. This ensures overarching risks such as capital risk or inflation risk can be mitigated by virtue of a default strategy and a diversified range of self-select options that considers the needs of the membership at various points in their retirement journey.

Section 4: Voting and engagement

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

- The responsibility of exercising and directing voting rights acquired through Fund investments is delegated to the Manager, as the equity assets are invested in pooled funds. The Manager shall provide a copy of the Manager's voting rights policy, and any amendments thereto, to the Trustee.
- The Manager shall maintain a record of how Fund voting rights have been exercised and shall, no less frequently than annually, affirm to the Trustee that they have complied with their voting rights policy. Where the Manager has voted in a manner different from their voting rights policy, the Manager shall provide the Trustee with an explanation regarding the rationale for departing from said policy.
- The Trustee takes account of financially material risks and opportunities in consultation with its advisers. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of the Plan's (and for the DC Section, the members') investment time horizons and objectives. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in the context of this broader risk management framework. The Trustee recognises the risk that if companies or governments in which the Plan (or members) invests fail to appropriately manage environmental, social and governance risks this may harm long term returns.
- The Trustee policy is that day-to-day decisions relating to the selection, retention, and realisation of the Plan's assets is left to the discretion of the investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its advisers to understand how the investment managers exercise these duties in practice.
- Given the size of the Plan and its use of mainly passive management, the Trustee believes that shareholder engagement is the most effective approach through which it can best effect positive change and enhance long-term financial performance to the benefit of members. The Trustee has delegated responsibility for active shareholder engagement to the Plan's investment managers. The Trustee will review the investment managers' approach to shareholder engagement and voting records as part of their overall investment monitoring.

The Trustee invests in pooled investment funds and as set out in the SIP, the Trustee's policy is to delegate the day to day ESG integration and stewardship activities (including voting and engagement) to the investment managers.

The Plan's investment funds cover a range of asset classes; however, this section focuses on the equity investments managed by Legal & General Investment Management (LGIM) which have voting rights attached. LGIM has their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. LGIM's voting policy can be seen in appendix 1.

The Plan's investment managers are signed up to the UK FRC Stewardship Code and the Trustee monitors the Plan's investment manager's adherence to the Code. The latest statements of compliance for LGIM can be found via the link below:

www.lgim.com/uk/en/capabilities/investment-stewardship

Summary of voting over the year to 31 March 2023

The tables below set out the voting activities of the Plan's equity investment manager (LGIM do not produce voting data for cash and fixed income funds) held in the current portfolio over the year, including details of the investment manager's use of proxy voting.

Note that the Plan year-end is 5 April 2023, but voting records are to 31 March 2023, in line with the reporting schedule of the investment manager.

DB Section

Manager and strategy¹	Number of meetings at which the manager was eligible to vote	Number of resolutions on which manager was eligible to vote	Percentage of eligible votes cast	Percentage of votes with management	Percentage of votes against management	Percentage of votes abstained from	Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management	Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser
LGIM Diversified Fund	9,541	99,252	99.82%	77.36%	21.96%	0.70%	72.78%	12.51%

DC Section

Manager and strategy	Number of meetings at which the manager was eligible to vote	Number of resolutions on which manager was eligible to vote	Percentage of eligible votes cast	Percentage of votes with management	Percentage of votes against management	Percentage of votes abstained from	Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management	Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser
LGIM Global Equity Fixed Weights(50:50) Index Fund	3,197	41,009	99.84%	81.85%	18.02%	0.13%	70.13%	12.21%
LGIM UK Equity Index	733	10,870	99.94%	94.46%	5.54%	0.00%	37.89%	4.23%
LGIM Diversified Fund	9,541	99,252	99.82%	77.36%	21.96%	0.70%	72.78%	12.51%
LGIM Future World Global Equity Index Fund	5,067	54,368	99.88%	80.37%	18.60%	1.03%	63.26%	10.47%

¹ Percentage of votes total may not sum exactly to 100% due to interim rounding.
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Significant votes

The following table demonstrates a sample of significant votes cast on behalf of the Plan over the year to 31 March 2023 and LGIM's rationale for their approach towards each vote, which the Trustee has considered and believes to be reasonable.

Significant votes cast	Coverage in portfolio
<p><u>Company: Prologis, Inc.</u></p> <p><u>Meeting date: 4 May 2022</u></p> <p>Resolution: Resolution 1a - Elect Director Hamid R. Moghadam</p> <p>Summary: Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p> <p>How the manager voted: Against Resolution 1a.</p> <p>Rationale for being considered a significant vote: LGIM considers this vote to be significant as it is an application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined boardchair/CEO roles.</p> <p>Outcome of the vote: Resolution 1a received 92.9% support.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>
<p><u>Company: NextEra Energy, Inc.</u></p> <p><u>Meeting date: 19 May 2022</u></p> <p>Resolution: Resolution 1j - Elect Director Rudy E. Schupp</p> <p>Summary: Diversity: A vote against is applied as LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. Independence: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: This vote demonstrates that LGIM views diversity as a financially material issue for clients, with implications for the assets they manage on the Trustee's behalf.</p> <p>Outcome of the vote: Resolutions 1j received 85.9% support.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p>Company: Royal Dutch Shell Plc</p> <p>Meeting date: 24 May 2022</p> <p>Resolution: Resolution 20 - Approve the Shell Energy Transition Progress Update</p> <p>Summary: Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned about the disclosed plans for oil and gas production and would benefit from further disclosure of targets associated with the upstream and downstream businesses.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote. The summary demonstrates LGIM's active, detailed consideration of the company's commitment towards its carbon reduction targets.</p> <p>Outcome of the vote: Resolution 20 received 79.9% shareholder support.</p>	<p>LGIM UK Equity Index Fund</p> <p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>
<p>Company: Rio Tinto Plc</p> <p>Meeting date: 8 April 2022</p> <p>Resolution: Resolution 17 - Approve Climate Action Plan</p> <p>Summary: Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Outcome of the vote: Resolution 17 received 84.3% shareholder support.</p>	<p>LGIM UK Equity Index Fund</p> <p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p>Company: Meituan</p> <p>Meeting date: 18 May 2022</p> <p>Resolution: Resolution 2 - Elect Wang Xing as Director</p> <p>Summary: Diversity: A vote against is applied as LGIM expects a company to have at least one female on the board. Joint Chair/CEO: A vote against is applied as LGIM expects the roles of Chair and CEO to be separate. These two roles are substantially different and a division of responsibilities ensures there is a proper balance of authority and responsibility on the board. A vote AGAINST the election of Xing Wang is warranted given that their failure to ensure the company's compliance with relevant rules and regulations raise serious concerns on their ability to fulfil fiduciary duties in the company.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. LGIM also considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles. The summary also demonstrates LGIM holding the company Directors accountable for compliance with the relevant Rules and regulations.</p> <p>Outcome of the vote: Resolution 2 - Elect Wang Xing as Director received 91.8% shareholder support.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p><u>Company: JPMorgan Chase & Co.</u></p> <p><u>Meeting date: 17 May 2022</u></p> <p>Resolution: Resolution 1c - Elect Director Todd A. Combs</p> <p>Summary: Accountability: Joint Chair/CEO: A vote against the relevant director is applied as LGIM expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair. Remuneration: Escalation: A vote against the re-election of Todd Combs is applied in light of the one-off time-based award and our persistent concerns about pay structures at the Company. As members of the Compensation Committee, these directors are deemed accountable for the Company's pay practices.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM considers this vote to be significant and pre-declared our vote intention as an escalation of our concerns regarding remuneration. LGIM also considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote). LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 we have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 we have voted against all combined board chair/CEO roles.</p> <p>Outcome of the vote: 95.3% of shareholders supported the election of the director.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>
<p><u>Company: Oversea-Chinese Banking Corporation Limited</u></p> <p><u>Meeting date: 22 April 2022</u></p> <p>Resolution: Resolution 2a - Elect Ooi Sang Kuang as Director</p> <p>Summary: Climate change: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Audit Committee: A vote against is applied as LGIM expects the Committee to be comprised of independent directors. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors. Lead Independent Director: A vote against the elections of Sang Kuang Ooi, Kwee Fong Hon (Christina Ong), and Joo Yeow Wee is warranted given that they serve on the nominating committee and the company, under the leadership of a non-independent chairman, is not considered to have appointed an independent lead director (LID). Beng Seng Koh, the company's lead independent director, is not considered independent.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.</p> <p>Outcome of the vote: 74.8% of shareholders supported the election of the director.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p><u>Company: McDonald's Corporation</u></p> <p><u>Meeting date: 26 May 2022</u></p> <p>Resolution: Resolution 6 - Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders</p> <p>Summary: Shareholder proposal - Health - Antibiotic use - As last year, we voted in favour of the proposal as we believe the proposed report will contribute to informing shareholders and other stakeholders of the negative externalities created by the sustained use of antibiotics in the company's supply chain and its impact on global health, with a particular focus on the systemic implications. Antimicrobial resistance (AMR) continues to be a key focus of the LGIM Investment Stewardship team's engagement strategy. We believe that, without coordinated action today, AMR could prompt the next global health crisis, with a potentially dramatic impact on the planet, people and global GDP. This is unfortunately further substantiated through the recent study published in the Lancet at the beginning of 2022 by the Global Research on AntiMicrobial resistance (GRAM) project: Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis. While we note the company's past efforts to reduce the use of antibiotics in its supply chain for chicken, beef and pork, we believe AMR is a financially material issue for the company and other stakeholders, and that concerted action is needed sooner rather than later. By supporting this proposal, we want to signal to the company's board of directors the importance of this topic and the need for action.</p> <p>How the manager voted: For</p> <p>Rationale for being considered a significant vote: LGIM pre-declared its vote intention for this resolution, demonstrating its significance. The vote demonstrates LGIM supporting the reporting of issues that could have an impact on public health.</p> <p>Outcome of the vote: Resolution 6- Report on Public Health Costs of Antibiotic Use and Impact on Diversified Shareholders received 13.2% shareholder support.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p>Company: Informa Plc</p> <p>Meeting date: 16 June 2022</p> <p>Resolution: Resolution 9 – Re-elect Helen Owers as Director Resolution 11 – Re-elect Stephen Davidson as Director Resolution 14 – Approve Remuneration Report Resolution 19 – Approve Remuneration Policy</p> <p>Summary: LGIM has noted concerns about the company’s remuneration practices for many years, both individually and collaboratively. Due to continued dissatisfaction, we voted against the company’s pay proposals at its December 2020 and June 2021 meetings. The company’s prior three Remuneration Policy votes – in 2018, June 2020 and December 2020 – each received high levels of dissent, with 35% or more of votes cast against. At the June 2021 meeting, more than 60% of votes were cast against the Remuneration Report, meaning it did not pass. At the same meeting, Remuneration Committee Chair Stephen Davidson only closely avoided being unseated from the board. Despite significant shareholder dissent at the 2018 and 2020 meetings, and the failed Remuneration Report vote at the 2021 AGM, the company nonetheless implemented the awards under the plan and continued its practice of making in-flight changes to the existing Long-Term Incentive Plan (‘LTIP’) awards’ performance measures. Since the 2021 AGM, the company has made various changes, with Stephen Davidson stepping down as Remuneration Committee Chair, replaced by Louise Smalley. However, he continues to sit on the Remuneration Committee. There have also been changes to the members of the Remuneration Committee, with Mary McDowell stepping down, and Zheng Yin, a new board member, being appointed to the committee. The Remuneration Policy is being put to a vote again at this AGM, with the main changes being the re-introduction of the performance-based LTIP, which is to be approved through a separate resolution, and will come into force from 2024, after the ERP has run its course. Although this is a positive change, the post-exit shareholding requirements under the policy do not meet LGIM’s minimum standards and with regard to pensions, it is unclear whether reductions will align with the wider workforce. Given previous and continuing dissatisfaction as outlined above, LGIM also intends to vote against incumbent Remuneration Committee members, Helen Owers and Stephen Davidson.</p> <p>How the manager voted: Against all four resolutions (9, 11, 14, 19)</p> <p>Rationale for being considered a significant vote: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of Remuneration (escalation of engagement by vote).</p> <p>Outcome of the vote: More than 70% of shareholders voted against the Remuneration Report. The Remuneration Policy was approved by 93.5% of shareholders, and 20% of shareholders voted against the re-election of Helen Owers, incumbent member of the remuneration committee. The resolution to re-elect Stephen Davidson, former Chair of the Remuneration Committee, was withdrawn due to him stepping down from the board entirely. NB: 93.5% support and dissent against the company’s Remuneration Committee chair, Helen Owers, also declined slightly, from 21.9% in 2021 to 20.2% in 2022.</p>	<p>LGIM UK Equity Index Fund</p> <p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Significant votes cast	Coverage in portfolio
<p><u>Company: Universal Health Services, Inc.</u></p> <p><u>Meeting date: 18 May 2022</u></p> <p>Resolution: Resolution 1 - Elect Director Maria R. Singer</p> <p>Summary: Ethnic diversity - Following an 18-month engagement campaign, a vote against is applied because of a lack of progress on ethnic diversity on the board. LGIM expects the boards of the largest US companies to include a minimum of one ethnically diverse director. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, gender, ethnicity, sexual orientation, and social and economic background – is a crucial step towards building a better economy and society.</p> <p>How the manager voted: Against</p> <p>Rationale for being considered a significant vote: LGIM views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.</p> <p>Outcome of the vote: 63% of shareholders voted against the Board. The Board acknowledged that Singer had not been re-elected by shareholders but that she brings diversity and relevant expertise to the board and therefore states that she will remain on the board.</p>	<p>LGIM Diversified Fund</p> <p>LGIM Global Equity Fixed Weights (50:50) Index Fund</p> <p>LGIM Future World Global Equity Index Fund</p>

Section 5: Appendix 1 – Manager voting policies

LGIM's voting policy is provided below

“Policy on consulting clients:

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

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Process for deciding how to vote:

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

Use of proxy voting services:

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

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

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our

votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

For more information on how we use the services of proxy providers, please refer to the following document available on our website: <https://www.lgim.com/landg-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf>"