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Not to be distributed to retail investors. Capital at risk.

Q3 2021

ESG Impact Report

Global engagement to deliver positive change

LGIM

Our mission

We aim to use our influence to ensure:

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

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

In doing so, we seek to fulfil LGIM's purpose: to create a better future through responsible investing.

Our focus

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 while seeking to benefit from emerging opportunities. We aim to safeguard 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.

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 ensure companies are well-positioned for sustainable growth, and to prevent market behaviour that destroys long-term value. Our investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking. We engage directly and collaboratively with companies to highlight key challenges and opportunities, and support strategies that can deliver long-term success.

Promoting market resilience

As a long-term investor for our clients, we believe it is essential that markets are able to generate sustainable value. In doing so, we believe companies should become more resilient to change and therefore seek to benefit the whole market. We use our influence and scale to ensure that issues impacting the value of our clients' investments are recognised and appropriately managed. This includes working with key policymakers, such as governments and regulators, and collaborating with asset owners to bring about positive change.

Action and impact

In the third quarter of 2021, we continued to engage with companies on a wide range of topics, from diversity to anti-microbial resistance. This report contains details of our key activity during the period, including engagement campaigns, key votes and our ongoing collaboration with policymakers.

Environmental | Social | Governance

ESG: Environment

IPCC report

In August, the Intergovernmental Panel on Climate Change (IPCC) – the United Nations body for assessing the science related to climate change – released the first instalment of its **Sixth Assessment Report** on climate change. Released ahead of the upcoming climate summit in Glasgow, known as COP26, it served as a timely reminder that climate change is already a reality, and that recent heat waves, flash floods and wildfires can be directly linked to it. It is also going to get worse as more greenhouse gas emissions are released into the atmosphere.

However, alongside this stark message, the report establishes a clear solution that would ensure we do not have to face the worst of these climate impacts. In short, reduce emissions rapidly, and reach net-zero emissions by around 2050 in order to stabilise temperatures at 1.5°C above pre-industrial levels.

We know this is not an easy feat but the report reinforces our commitment to working with clients, investee companies, tenants and policymakers to support this goal. The cost of global inaction will rapidly become unbearable. Policymakers, investors and companies must step up – inaction is not an option.

Physical risk campaign

The Sixth Assessment Report gave a stark message that global warming is expected to exceed 1.5°C within 20 years and that we must increase planning for the physical impacts of climate change. Even if global warming is limited to 1.5°C, there would still be a tangible impact felt globally. Flooding and wildfires across Europe, the US and Australia in recent months highlight the urgency of understanding the physical risks and assessing the direct and indirect impacts on companies and investment portfolios.

That is why we joined more than 50 investors representing US$10tn in collective assets[1] to set out **expectations of companies** when it comes to addressing physical climate risks and opportunities. The group of investors wrote to 50 highly exposed companies to ask them to meet these expectations, including planning for multiple climate scenarios, integrating adaptation into business decisions, and providing enhanced Task Force on Climate-related Financial Disclosures (TCFD) reporting.

1. As of September 2021

Flooding and wildfires across Europe, the US and Australia highlight the physical risks, with direct and indirect impacts, on companies and investment portfolios.

Future World Protection List letters

LGIM has long prioritised company engagement over exclusion. However, when combined with engagement and voting, targeted exclusions can also be a very powerful tool.

Through LGIM's Future World Protection List (FWPL), we exclude from our Future World fund range and select funds – including the L&G ETF core equity range – perennial violators of UN Global Compact Principles.[2] Through engagement with UN Global Compact violators, we aim to improve standards and support them to make the changes required to come off the list.

Over the past two years we have seen nine companies reinstated into funds after having made necessary improvements to become 'UNGC compliant'. They include **Mitsubishi Motors Corporation***, **Volkswagen AG***, and **Severstal PAO***.

Following the publication of the updated FWPL earlier this year and ahead of the forthcoming half-yearly update, we have written to the chairs of 11 companies at risk of non-compliance, or already non-compliant, to communicate our expectations and request further dialogue.

Through engagement with UN Global Compact violators, we aim to improve standards and support them to make the changes required to come off the list.

2. As well as coal and controversial weapons companies.

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Environmental | Social | Governance

ESG: Social

Nasdaq ruling on diversity

In December 2020 in the US, Nasdaq proposed **a new listing rule** to require all companies on its US exchange to publicly disclose consistent, transparent, diversity statistics on their board of directors. Additionally, the rules would require companies to have, or explain why they do not have, at least two diverse directors, including:

- one who self-identifies as female
- one who self-identifies as either an underrepresented minority (based on a US-centric definition) or LGBTQ+

LGIM publicly supported the proposal as it aligns with our diversity expectations for company boards. These rules will give investors a better understanding of the approach that companies take to board diversity. The US Securities and Exchange Commission (SEC) approved the ruling in August 2021.[3]

FCA consultation on diversity on boards and executive committees

In July, the Financial Conduct Authority (FCA) released a consultation paper on '**Diversity and inclusion on company boards and executive committees**'.[4] The purpose of the consultation is to improve transparency for investors around the diversity of listed company boards and executive management teams.

Under the proposals, companies will be required to disclose in their annual financial report whether they meet specific board diversity targets on a 'comply or explain' basis.

The proposed targets are:

- at least 40% of the board should be women (including those who self-identify as women)
- at least one senior board position (chair, CEO, CFO or SID) should be a woman (including those who self-identify as women)
- at least one board member should be from a non-white ethnic minority background

Companies will also be required to publish data on the composition of their board and most senior level of executive management by gender and ethnic background. They will also need to provide detail on how any diversity policies apply to the key committees of the board, and take into account wider diversity characteristics (such as ethnicity, sexual orientation, disability and socio-economic background).

The proposed targets align with the Hampton-Alexander review – a government-backed initiative into increasing the number of women in senior positions in FTSE 350 companies – and the Parker Review – a look at the ethnic diversity of UK boards. However, the FCA is suggesting a target of 40% women on boards, which is higher than the 30% target specified by the Hampton-Alexander review. The proposals are intended to increase transparency for investors by establishing comparable information on the diversity of boards and executive management, which can be used to assess progress.

LGIM will be submitting a response to the consultation and it is proposed that the changes will apply to accounting periods starting on or after 1 January 2022, so reporting will start to be seen in annual financial reports in early 2023. However, the FCA is encouraging companies to consider making disclosure on a voluntary basis in annual financial reports published before then.

3. US Securities and Exchange Commission as at 6 August 2021: SEC.gov | Statement on the Commission's Approval of Nasdaq's Proposal for Disclosure about Board Diversity and Proposal for Board Recruiting Service
4. Financial Conduct Authority as at 27 July 2021: CP21/24: Diversity and inclusion on company boards and executive committees | FCA

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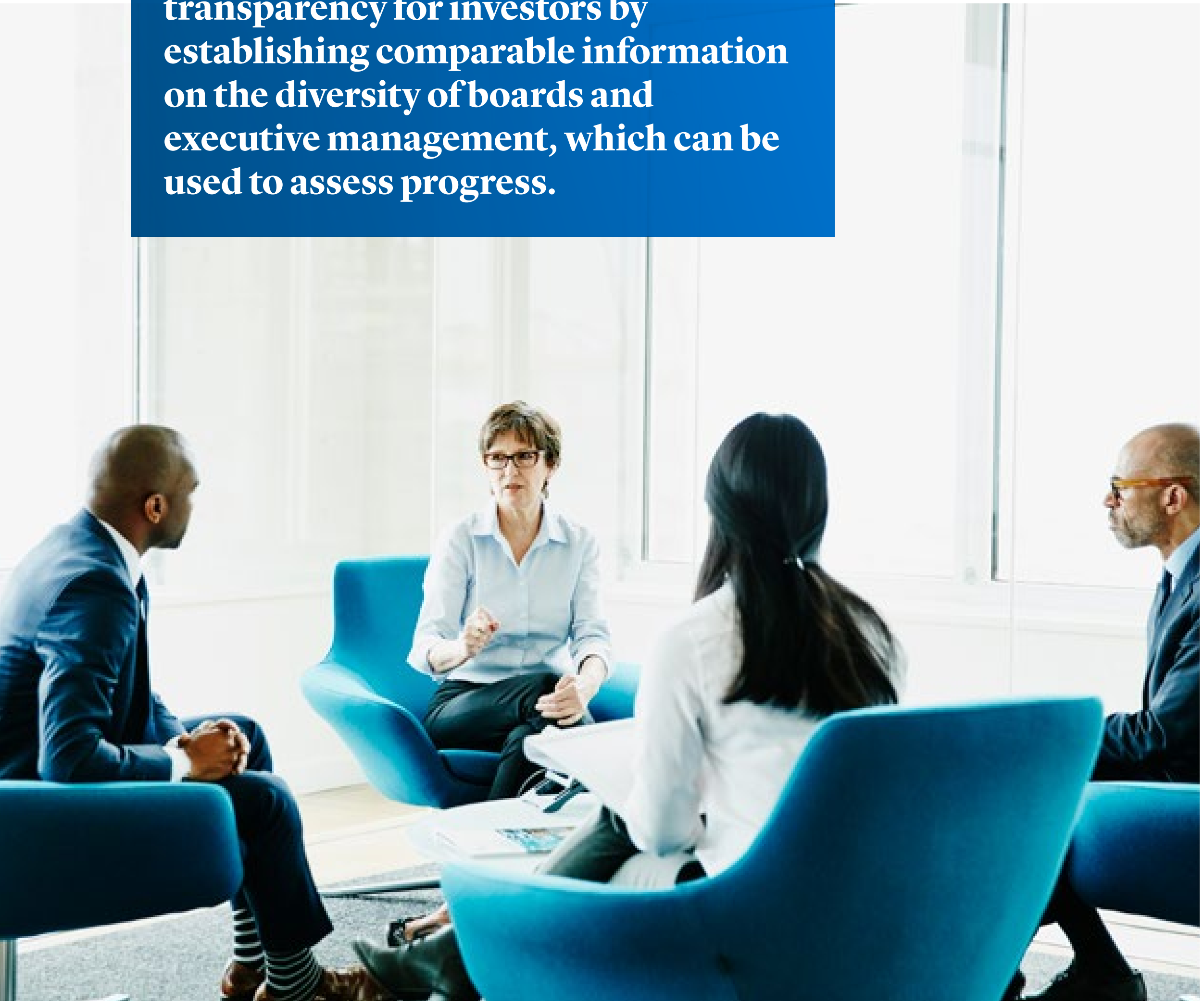

FCA/PRA/Bank of England consultation on diversity and inclusion in the financial sector

In July, the FCA, Prudential Regulation Authority and the Bank of England released a consultation paper entitled 'Diversity and inclusion in the financial sector'.[5] These organisations' aim is for the financial system to better support the economy through well run firms and sound financial markets that can meet the diverse needs of their consumers. Topics on which the consultation sought input included: data; measuring progress; accountability; policies and practices; linking diversity and inclusion to remuneration.

LGIM has responded with input from relevant parts of the business, including the Investment Stewardship team.

Transformation in the real estate sector

John Hoeppner, head of US stewardship and sustainable investments, Legal & General Investment Management America, participated in a series of meetings organised by the **Institute for Market Transformation** (IMT) to establish a framework to help transform the real estate sector to be more sustainable and resilient for all stakeholders. Our team, along with large real estate firms, regulators and advocacy groups contributed to the ambitious vision which was ultimately grounded in 10 principles for real estate leadership. See the full report **here**.

5. Financial Conduct Authority as at 8 October 2021: DP 21/2: Diversity and inclusion in the financial sector – working together to drive change | FCA

We seek to address AMR with our investee companies in sectors that can play a key role. We have started by focusing on the often-overlooked water utility companies.

AMR - Water utilities

In our first **blog** on anti-microbial resistance (AMR), we highlighted the phenomenon as an increasingly material issue for investors. We continue to believe that without coordinated action today, AMR may be the next global health event and the financial impact could be significant. As such, we seek to address this issue with our investee companies in sectors that can play a key role. We have started by focusing on the often-overlooked water utility companies.

The overuse and inappropriate use of many antimicrobials (including antibiotics) in human and veterinary medicine, animal agriculture and aquaculture, as well as discharges from pharmaceutical production facilities are often associated with an uncontrolled release and disposal of antimicrobial agents. These include antibiotics into our water systems, be that our clean water, wastewater, or rivers and seas. This process leads to the extensive presence of agents, which can persist for extended periods of time and, if not treated correctly, can reappear in the water systems that provide our drinking water. In other words, there needs to be a monitoring system in place. While the infrastructure of, for example, wastewater treatment plants has improved over the last century, waste sanitation and management systems have not been designed to manage AMR concerns. We believe a first step is to ensure that water utility companies have effective monitoring systems in place to detect agents such as antibiotic resistant bacteria and antibiotic resistant genes.

In order to better understand standard global market practices, we sent an open letter to over 20 investee companies in the regions of Asia, Europe (including UK), North and South America, setting out our concerns and seeking dialogue. We have met and had open and frank discussions with several of these companies. We were disappointed to learn that very little monitoring is currently undertaken in this area, mainly because there are no national (or international) regulatory requirements or incentive to do so. Going forward, we will look at how we might influence the regulatory landscape in his area. We are also working together with our peers within the Investor Action on AMR **initiative** on this area.

Solving the AMR challenge within water systems is complex and is a challenge that will require collaboration and knowledge-sharing across the water sector itself, but also across other sectors and stakeholders. As we learn more about AMR and ways to address it, the window of opportunity in which to act remains open, but we must act soon.

Nutrition – Access to Nutrition Initiative

LGIM signed up to the **Access to Nutrition Initiative** (ATNI) in February 2021. ATNI aims to drive change by tracking and guiding the food industry's attempts to tackle undernutrition, obesity and diet-related chronic diseases at the local and global levels. ATNI publishes a global Access to Nutrition index (the Global Index) every two to three years. The purpose of the Global Index is to track the contribution of the world's largest food and beverage manufacturers to address the interrelated global nutrition challenges of undernutrition, micro-nutrient deficiencies, obesity and diet-related diseases. The 2021 Global Index is its fourth iteration. The companies included are assessed on their commitments, practices, and disclosures with regards to governance and management; the production and distribution of healthy, affordable, accessible products; and how they influence consumer choices and behaviour.

Following the launch of ATNI's 2021 Global Index we are now actively involved in the 2021-2022 collaborative investor engagement programme that engages with 20 global food companies. We have participated in the first round of initial contact with all companies via written communications and have now started to have one-to-one meetings with investee companies, challenging them on their current scores and how they can improve.

Medical oxygen roundtables – a follow-up

In the second quarter of 2021 we highlighted our participation in and support to the Access to Medical Oxygen roundtables, organised by the Access to Medicine Foundation and Every Breath Counts Coalition. Following the latest roundtable in June and the announcement of the world's largest medical oxygen suppliers to collaborate with the COVID-19 'Oxygen Emergency Taskforce' we decided to write to all of those investee companies who participated to clearly confirm our support for actions they are taking. We have been encouraged by the responses we received.

Significant votes

Company name: Frasers Group plc*		
ISIN: GB00B1QH8P22	**Market cap:** £3.2bn as at 18 October 2021 (Refinitiv)	**Sector:** General retail

Issue identified:	Frasers did not meet the requirements of the Modern Slavery Act 2015. LGIM views this as a failure of governance.
Summary of the resolution:	To receive and adopt the report & accounts (Resolution 1). 29 September 2021.
How LGIM voted:	LGIM voted against.
Rationale for the decision:	LGIM's corporate governance policy requires all UK-listed companies to meet the requirements of the Modern Slavery Act 2015. Section 54 of the Act requires companies to provide a statement setting out the steps they have taken to ensure that slavery and human trafficking is not taking place in their own operations or within their supply chain. In addition, the statement should be signed by the board of directors. LGIM will sanction any company that has failed to meet the requirements of the Act for two consecutive years. Not only do we consider this to be serious governance failing, we see this as both a humanitarian crisis and a risk to a company's operating model. In 2016, it is estimated that there were more than 40 million cases of modern slavery globally; the true figure today is thought to be significantly higher, LGIM is part of a collaborative engagement group that is trying to ensure UK companies comply with this legislation.
Outcome:	While engagement with the company suggests it will be compliant with the requirements of section 54 by the end of this year, we considered this to be insufficient cause to change our vote. Only 0.41% of the shareholders voted against this resolution. That said, over 64% of the company's issued share capital is owned by the founder of the company.[6]
Why is this vote significant?	This vote was significant because it relates to one of LGIM's engagement themes: Human Rights/Inequality.

6. Frasers Group PLC, 9 September 2021

Environmental | Social | Governance

ESG: Governance

LGIM again acknowledged as UK Stewardship Code signatory

LGIM has been a signatory to the UK Stewardship Code since the Code's inception in 2012. We were involved in the consultation ahead of the publication of the 2020 UK Stewardship Code, to improve stewardship disclosures in the industry to the benefit of clients and, more broadly, to ensure an effective market.

In our response to the 2020 Code, this year we again provided full disclosures of our stewardship activities for the year, underlying policies and outcomes on behalf of our clients and stakeholders. We did so via the publication of our **2020 Active Ownership Report**, which is provided – alongside additional case studies – on our website **landing page** and is updated annually.

On 6 September 2021, the Financial Reporting Council (FRC) published the **list** of confirmed signatories to the UK Stewardship Code, which included LGIM alongside a much-reduced cadre of asset managers, asset owners and service providers. We are proud to again be nominated a signatory and will seek to continually improve our disclosures to clients and the market ahead of next year's application.

A summary table showing how LGIM applies the 12 Principles of the Stewardship Code is available on our website, **here**.

We are proud to again be nominated a signatory and will seek to continually improve our disclosures to clients and the market ahead of next year's application.

Updated Japan Stewardship Code statement

LGIM is an active proponent of the benefits of stewardship codes globally to improve the quality of stewardship and ownership across the markets in which we invest. For example, we have been a strong supporter of the Japan Stewardship Code since its inception in 2014. LGIM's statement on how Legal & General Investment Management (Holdings) and its subsidiary companies in the institutional investment and/or asset management business comply with the principles and guidance of the Code is updated annually. The most recent update was made this summer and is available on the LGIM and LGIM Japan websites.

Changes to pay principles

Every year, in the third quarter, LGIM publishes its revised **principles on executive pay** for the UK market. This year, we also updated the standalone principles on executive pay for North America.

Income inequality is a material ESG theme for LGIM because we believe there is a real opportunity for companies to help employees feel more valued, lead healthier lives and be more productive if they are paid fairly.

This year, both the UK and North American principles on executive pay emphasise the importance remuneration committee being aware of the real living wage rates in the regions in which the majority of their employees are located and to question management if the company is not meeting these expectations. Similarly, they should question management whether all employees are offered the opportunity to work at least 15 hours per week. These are small but important steps to help lift low paid employees out of in-work poverty.

In the UK policy, we expanded the section on ESG and pay to help those companies that were looking to introduce an ESG metric into their executive compensation.

The shareholding requirement section of the UK policy was simplified by removing all aspirational targets and any disincentive for companies to set meaningful and high shareholding guidelines because of concerns of having to set equally high post exit shareholding requirements.

The North American policy makes clear that LGIM will no longer support compensation payments being made when the total shareholder return is below the company's median peer benchmark. In addition, we want companies to stop the annual release of share options; these should be held for a longer period to ensure they are considered a long-term incentive. We have also asked for performance-based pay to represent 65% of the total long-term incentive pay.

Non-executive director event

We held our annual non-executive event in September, where almost 200 non-executive directors from the UK, EU and US heard our views on the hot ESG topics that top of our agenda going into 2022. We covered a range of topics including climate strategies and disclosures, future ESG regulation, the importance of paying a living wage, as well as areas such as biodiversity, tax and political donations.

Significant votes

Company name: Volkswagen AG*		
ISIN: DE0007664039	**Market cap:** EUR 122bn, as at 18 October 2021	**Sector:** Automobiles

Issue identified:	Continued engagement regarding the diesel emissions scandal.
Summary of the resolution:	Resolution 3.1 to 4.21 – approve discharge of management board and supervisory board members.
How LGIM voted:	Against.
Rationale for the decision:	We voted against the annual formal discharge of the management board and supervisory board. While LGIM notes the progress made by the company in its strategy towards the transition to a lower emission world, we remain concerned about the company's handling of the diesel emissions scandal of 2015 and its overall governance structure. In particular, we note a lack of transparency regarding the handling of the crisis, including any lessons learnt by the boards, how sufficient internal control mechanisms have been put in place, and any progress made around improvement of corporate culture.
Outcome:	99.5% of shareholders supported the resolutions. LGIM will continue to monitor and engage with the company.
Why is this vote significant?	A vote against the discharge of responsibility of both the management and supervisory boards is a rare step in LGIM's escalation policy.

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M&A – Vectura Group plc* & Philip Morris International*

This is a very controversial deal. At the end of May the board of Vectura Group plc (Vectura) disclosed that The Carlyle Group **(Carlyle)***, a private equity firm, had put in a bid for the company, which the board had accepted. In July, the board was surprised to receive a higher bid from Philip Morris International (PMI), the tobacco company. Carlyle increased its bid a month later and received unequivocal support from some of Vectura's top 10 shareholders. A few days later PMI increased its bid further. Following PMI's increase, the UK Takeover Panel announced a five-day auction. The last time this happened was in 2018 during the **Comcast*** and **Walt Disney*** bidding war for **Sky plc***. The auction was called off a day later when Carlyle indicated that their bid was final.

During this highly sensitive bid process, LGIM spent considerable time reviewing the competing ESG factors and financials, while engaging with the senior management at both Vectura and PMI. We came to the conclusion that, based on the information available to us, the sale of our shares was the optimal result for our clients, investors and the futures of both companies. Furthermore, we have consistently engaged with PMI up to this point to encourage it to broaden the business and to diversify its interests away from tobacco.

We will continue to monitor, engage and hold the PMI board to account on the execution of its global transition strategy, including Beyond Nicotine and moving towards a smoke-free future.

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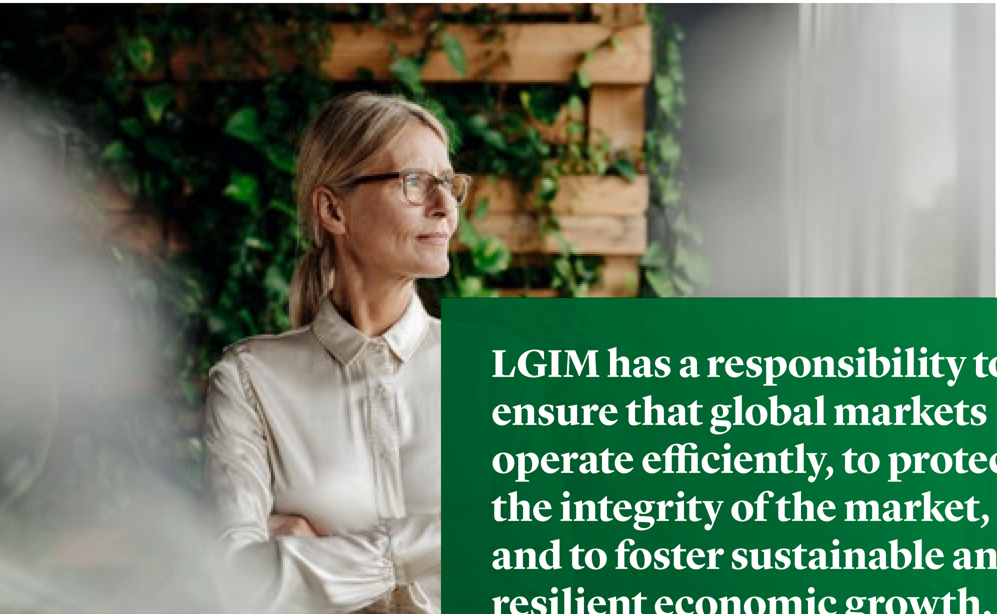
Public policy update

As a long-term investor, LGIM has a responsibility to ensure that global markets operate efficiently, to protect the integrity of the market, and to foster sustainable and resilient economic growth. LGIM helps to identify key systemic failures and providing practical advice in the early stages of policymaking. In this regard, LGIM focuses its ESG policy engagements on three key pillars that we believe are of greatest importance to the market and the global economy: i) Corporate governance and stewardship standards; ii) Achieving Paris Agreement and net-zero targets; and iii) Green and sustainable finance policy and regulation. Below is a summary of key engagements over the past quarter.



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United Kingdom

Over the past quarter, LGIM has engaged with the UK government on some key ESG issues. For example, we contributed to the Department for Business, Energy & Industrial Strategy's (BEIS) long-awaited **consultation** on 'Restoring trust in audit and corporate governance'. Overall, we are supportive of the intentions of the government's consultation and share its desire to make the UK an attractive market for shareholders, investors and broader stakeholders through high quality and transparent audit and corporate governance activities. Our view is that the approach and timelines that are adopted for their implementation are critical to success, and that the early establishment and empowerment of the Audit, Reporting and Governance Authority (ARGA) is crucial to ensure the reforms and the associated standards are suitably embedded in the relevant professional and corporate bodies.

LGIM has been engaging with the various ESG-related workstreams and consultations that the FCA have launched. For example, LGIM recently inputted into two consultations relating to the expansion of reporting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Overall, we welcome these proposals and the direction of travel the FCA is taking, although, we have highlighted some areas of concerns. One particular area of concern is the availability of reliable, consistent, and comparable ESG data from corporates across the both public and private markets.

LGIM, both independently and in collaboration with partners, is also engaging on other ESG topics in the UK, including but not limited to: next steps in the Lord Hill review e.g. the FCA's **CP21/21**: Primary Markets Effectiveness Review (that is looking at limited dual class share structures and free float requirements); the UK Taxonomy; say on climate; sustainability labelling; green and sustainable bond standards; ESG data providers; and broader sustainability disclosure requirements.

European Union

Over the last quarter, LGIM has been engaging the European Commission (EC) on various ESG policy related topics. For example, we have collaboratively engaged with other investors on the EU Taxonomy, particularly in relation the agricultural sector, alignment on net zero, and ensuring that the original independent scientific-based recommendations are not weakened through political processes.

We have also **engaged** through the UN's Principles for Responsible Investment team on ensuring the EC develops a robust Corporate Sustainability Reporting Directive (CRSD). We outlined six important areas which the EU should consider when taking their proposal forward, specifically on: extension of scope; double materiality and integrated reporting; assurance; standard setting and harmonisation; single electronic formatting; and the timeline for development.

In July, we also provided **some thoughts** on the release of the EU's new sustainable finance strategy.

Japan

LGIM was invited to participate in a one-on-one interview earlier this year to provide input for a study commissioned by the Ministry of Economy, Trade and Industry (METI) on corporate governance and stewardship in Japan. The **final report** is now available on the METI website with additional **details** provided by **PwC*** Japan.

Separately, LGIM responded to a Tokyo Stock Exchange **survey** on institutional investor perceptions of English disclosures by Japanese companies. We stated our expectation for English disclosures and audited financial statements to be made available to investors before the AGM. We also emphasised that companies that move the AGM to later in the year will have our support, which is consistent with our past **messaging**.

LGIM also took part in a **public consultation** on the draft Sixth Strategic Energy Plan. LGIM's submission presented views on the share of renewables in the power mix, the phasing out of coal-fired power plants regardless of efficiency, the need for a transparent and inclusive discussion on nuclear power, the addition of intensity targets, and our support for science-based carbon pricing, while also endorsing the **public statement** from the Japan Climate Leaders' Partnership.

United States

In July, LGIM America and the Environmental Defense Fund (EDF) **announced** a partnership to activate business leadership to net zero. The two organisations will collaborate on policy and corporate engagements and leverage each other's expertise and influence.

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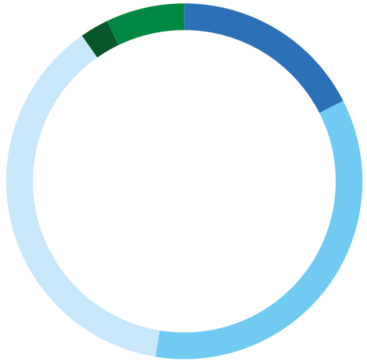
Regional updates

UK - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	100	0	0
Capitalisation	533	27	0
Directors related	988	54	0
Non-Salary compensation	169	58	0
Reorganisation and mergers	40	4	0
Routine/Business	665	11	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate governance	0	0	0
Shareholder Proposal - Directors related	0	0	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	0	0	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	2495	154	0
Total resolutions	2649		
No. AGMs	146		
No. EGMs	50		
No. of companies voted on	181		
No. of companies where voted against management/abstained on at least one resolution	77		
% of companies where at least one vote against management (includes abstentions)	43%		

Votes against management



- Anti-takeover related - 0
- Capitalisation - 27
- Directors related - 54
- Remuneration-related - 58
- Reorganisation and mergers - 4
- Routine/Business - 11
- Shareholder Proposal - Compensation - 0
- Shareholder Proposal - Corporate governance - 0
- Shareholder Proposal - Directors related - 0
- Shareholder Proposal - General economic issues - 0
- Shareholder Proposal - Health/Environment - 0
- Shareholder Proposal - Other/Miscellaneous - 0
- Shareholder Proposal - Routine/Business - 0
- Shareholder Proposal - Social/Human Rights - 0
- Shareholder Proposal - Social - 0

Number of companies voted for/against management

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

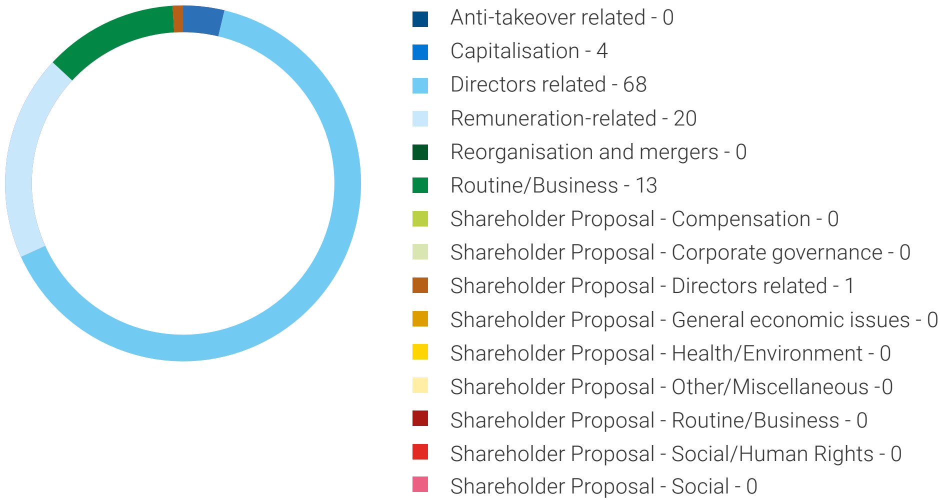
LGIM voted against at least one resolution at 43% of UK companies over the quarter.

Source for all data: LGIM as at 30 September 2021. The votes on this page and in the pages that follow represent voting instructions for our main FTSE pooled index funds.

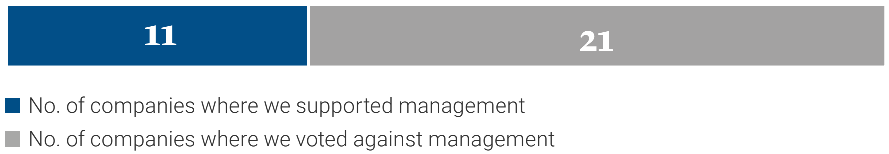
Europe - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	0	0	0
Capitalisation	37	4	0
Directors related	96	68	1
Non-Salary compensation	44	20	0
Reorganisation and mergers	4	0	0
Routine/Business	117	13	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate governance	0	0	0
Shareholder Proposal - Directors related	0	1	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	1	0	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	299	106	1
Total resolutions	406		
No. AGMs	20		
No. EGMs	13		
No. of companies voted on	32		
No. of companies where voted against management/abstained on at least one resolution	21		
% of companies where at least one vote against management (includes abstentions)	66%		

Votes against management



Number of companies voted for/against management

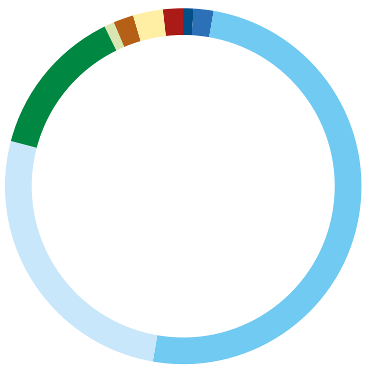


LGIM voted against at least one resolution at 66% of European companies over the quarter.

North America - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	7	1	0
Capitalisation	8	2	0
Directors related	195	55	0
Non-Salary compensation	13	29	0
Reorganisation and mergers	4	0	0
Routine/Business	17	15	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate governance	0	1	0
Shareholder Proposal - Directors related	3	2	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	3	0
Shareholder Proposal - Routine/Business	0	2	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	247	110	0
Total resolutions	357		
No. AGMs	28		
No. EGMs	6		
No. of companies voted on	33		
No. of companies where voted against management/abstained on at least one resolution	28		
% of companies where at least one vote against management (includes abstentions)	85%		

Votes against management



- Anti-takeover related - 1
- Capitalisation - 2
- Directors related - 55
- Remuneration-related - 29
- Reorganisation and mergers - 0
- Routine/Business - 15
- Shareholder Proposal - Compensation - 0
- Shareholder Proposal - Corporate governance - 1
- Shareholder Proposal - Directors related - 2
- Shareholder Proposal - General economic issues - 0
- Shareholder Proposal - Health/Environment - 0
- Shareholder Proposal - Other/Miscellaneous - 3
- Shareholder Proposal - Routine/Business - 2
- Shareholder Proposal - Social/Human Rights - 0
- Shareholder Proposal - Social - 0

Number of companies voted for/against management

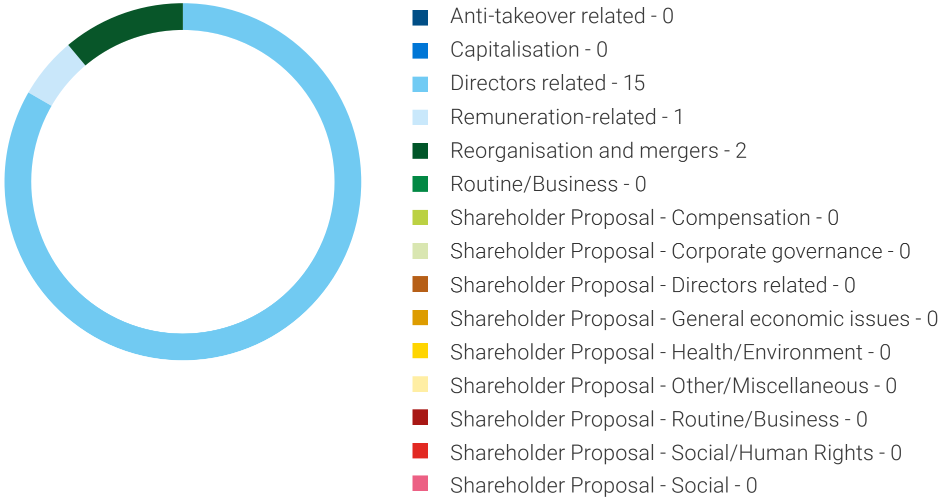
- No. of companies where we supported management
- No. of companies where we voted against management

LGIM voted against at least one resolution at 85% of North American companies over the quarter.

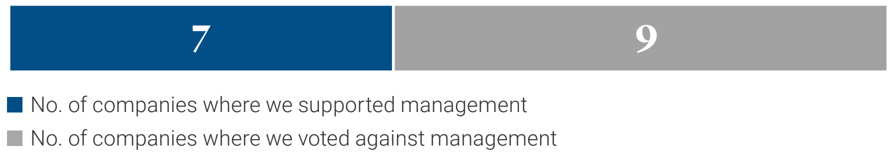
Japan - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	0	0	0
Capitalisation	0	0	0
Directors related	108	15	0
Non-Salary compensation	7	1	0
Reorganisation and mergers	6	2	0
Routine/Business	10	0	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate governance	0	0	0
Shareholder Proposal - Directors related	0	0	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	0	0	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	131	18	0
Total resolutions	149		
No. AGMs	13		
No. EGMs	3		
No. of companies voted on	16		
No. of companies where voted against management/abstained on at least one resolution	9		
% of companies where at least one vote against management (includes abstentions)	56%		

Votes against management



Number of companies voted for/against management

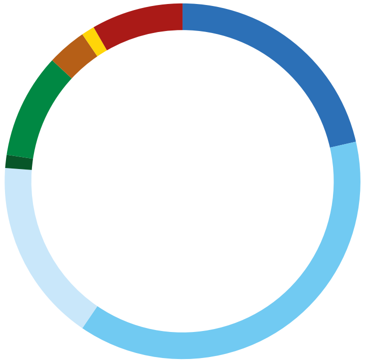


LGIM voted against at least one resolution at 56% of Japanese companies over the quarter.

Asia Pacific - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	0	0	0
Capitalisation	35	18	0
Directors related	113	32	0
Non-Salary compensation	28	14	0
Reorganisation and mergers	11	1	0
Routine/Business	72	8	0
Shareholder Proposal - Compensation	0	0	0
Shareholder Proposal - Corporate governance	0	0	0
Shareholder Proposal - Directors related	4	3	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	1	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	3	7	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	266	84	0
Total resolutions	350		
No. AGMs	35		
No. EGMs	14		
No. of companies voted on	48		
No. of companies where voted against management/abstained on at least one resolution	29		
% of companies where at least one vote against management (includes abstentions)	60%		

Votes against management



- Anti-takeover related - 0
- Capitalisation - 18
- Directors related - 32
- Remuneration-related - 14
- Reorganisation and mergers - 1
- Routine/Business - 8
- Shareholder Proposal - Compensation - 0
- Shareholder Proposal - Corporate governance - 0
- Shareholder Proposal - Directors related - 3
- Shareholder Proposal - General economic issues - 0
- Shareholder Proposal - Health/Environment - 1
- Shareholder Proposal - Other/Miscellaneous - 0
- Shareholder Proposal - Routine/Business - 7
- Shareholder Proposal - Social/Human Rights - 0
- Shareholder Proposal - Social - 0

Number of companies voted for/against management

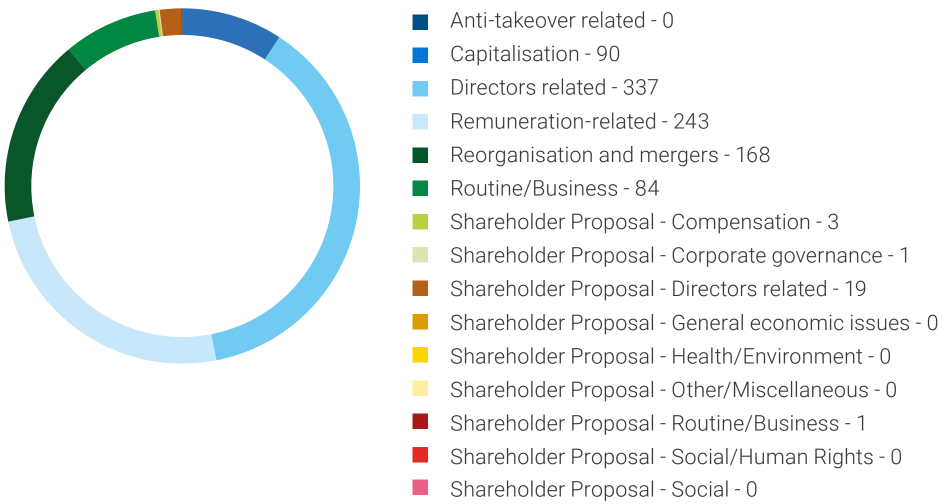
- No. of companies where we supported management
- No. of companies where we voted against management

LGIM voted against at least one resolution at 60% of Asia Pacific companies over the quarter.

Emerging markets - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions
Anti-takeover related	1	0	0
Capitalisation	837	90	0
Directors related	1008	337	32
Non-Salary compensation	108	243	0
Reorganisation and mergers	467	168	0
Routine/Business	889	84	0
Shareholder Proposal - Compensation	0	3	0
Shareholder Proposal - Corporate governance	3	1	0
Shareholder Proposal - Directors related	130	19	0
Shareholder Proposal - General economic issues	0	0	0
Shareholder Proposal - Health/Environment	0	0	0
Shareholder Proposal - Other/Miscellaneous	0	0	0
Shareholder Proposal - Routine/Business	21	1	0
Shareholder Proposal - Social/Human rights	0	0	0
Shareholder Proposal - Social	0	0	0
Total	3464	946	32
Total resolutions	4442		
No. AGMs	209		
No. EGMs	393		
No. of companies voted on	569		
No. of companies where voted against management/abstained on at least one resolution	292		
% of companies where at least one vote against management (includes abstentions)	51%		

Votes against management



Number of companies voted for/against management

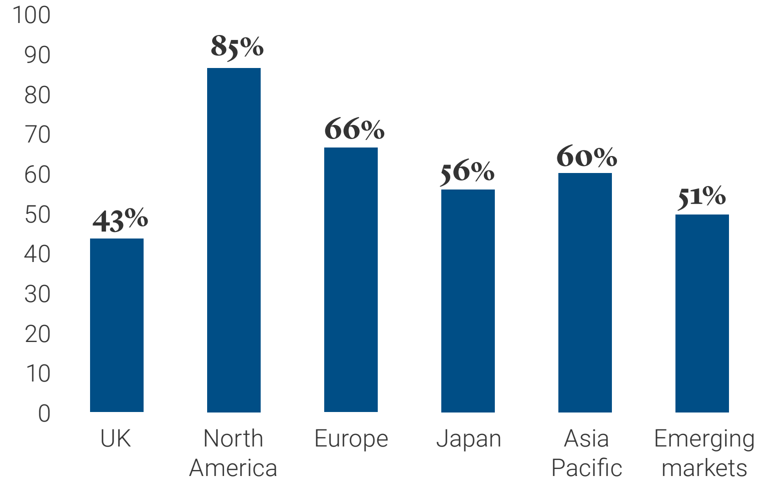
No. of companies where we supported management
No. of companies where we voted against management

LGIM voted against at least one resolution at 51% of emerging market companies over the quarter.

Global - Q3 2021 voting summary

Proposal category	Total for	Total against	Total abstentions	Total
Anti-takeover related	108	1	0	109
Capitalisation	1450	141	0	1591
Directors related	2508	561	33	3102
Non-Salary compensation	369	365	0	734
Reorganisation and mergers	532	175	0	707
Routine/Business	1770	131	0	1901
Shareholder Proposal - Compensation	0	3	0	3
Shareholder Proposal - Corporate governance	3	2	0	5
Shareholder Proposal - Directors related	137	25	0	162
Shareholder Proposal - General economic issues	0	0	0	0
Shareholder Proposal - Health/Environment	0	1	0	1
Shareholder Proposal - Other/Miscellaneous	0	3	0	3
Shareholder Proposal - Routine/Business	25	10	0	35
Shareholder Proposal - Social/Human rights	0	0	0	0
Shareholder Proposal - Social	0	0	0	0
Total resolutions	6902	1418	33	8353
No. AGMs				451
No. EGMs				479
No. of companies voted on				879
No. of companies where voted against management/abstained on at least one resolution				456
% of companies where at least one vote against management (includes abstentions)				52%

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



Number of companies voted for/against management

Global engagement summary

In Q3 2021, the Investment Stewardship team held

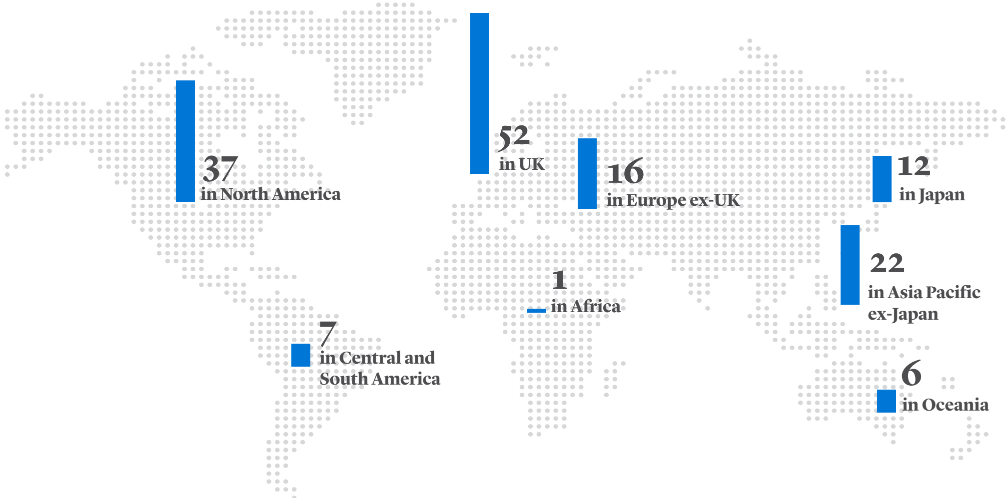
153 engagements with **143 companies**

(vs. 112 engagements with 91 companies last quarter)

Breaking down the engagement numbers

Breakdown of engagement by themes

Regional breakdown of engagements



Top five engagement topics*

57 Public health

44 Remuneration

29 Water

25 Climate change

14 Board composition

Engagement type

52 Company meetings

101 Emails / letters

*Note: an engagement can cover more than a single topic

Contact us

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