Akzo Nobel (CPS) Pension Scheme

Annual Implementation Statement – Scheme year ending 31 March 2021

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Section 1: Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of Akzo Nobel (CPS) Pension Scheme ("the Scheme") covering the scheme year ("the year") to 31 March 2021.

The purpose of this statement is to:

- Set out how, and the extent to which, in the opinion of the trustees, the Scheme's engagement policy within the SIP (required under regulations 23c of the Occupational Pension Schemes Investment Regulations 2005) has been followed during the year
- Describe the voting behaviour by, or on behalf of, Trustee (including the most significant votes cast by Trustee or on their behalf) during the year

This reporting is relatively new and is expected to evolve in future as precedent material becomes available.

In preparing this implementation statement, only the SIP dated September 2020 has been considered. The Trustee is satisfied that the policies described in the most recent version of the SIP dated September 2020 are the same or more rigorous than the previous version of the SIP.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

A copy of the latest implementation statement is made available on the Scheme's website

Common abbreviations used within this report:

- SIP: Statement of Investment Principles
- SI: Sustainable Investment
- ESG: Environmental, Social and Governance
- IC: Investment Committee
- SIG: Sustainable Investment Group

Section 2: Adherence to the Scheme’s engagement policy within the SIP

Company level engagement and rights attached to investments (including voting):

The Trustee has delegated the day to day ESG integration and stewardship activities with companies (including voting and engagement) to its investment managers.

The Trustee has not set any specific guidelines around manager voting. As part of the review of the Statement of Investment Principles in September 2020, the Trustee considered and reviewed its stewardship and engagement policies.

Details on voting behaviour (including most significant votes cast) is included in Section 3 of this document.

Engagement with managers.

Throughout the year, the Investment Committee regularly monitors the Scheme’s investment managers. Performance is monitored relative to an appropriate market benchmark where one is available or an appropriate return objective where a market benchmark is not available.

On a forward-looking basis, past performance is only one input into the Investment Committee’s assessment of an investment manager, which relies on research views provided by the Scheme’s investment advisors based on a range of qualitative and quantitative factors, including the consideration of SI/ESG factors as outlined below, and views of the members of the Investment Committee.

The Scheme also monitors manager performance relative to an appropriate benchmark, and no managers are terminated based on short term performance alone. Consistent with the Scheme’s long investment time horizon, the Trustee seeks to be a long-term investor and the Investment Committee has appointed managers with the expectation of a long-term relationship.

The Investment Committee oversees the Scheme’s investment strategy, including making certain decisions about investments (including asset allocation and manager selection). The committee has also been responsible for managing the sustainability of the portfolio and how Environmental, Social and Governance (“ESG”) factors are allowed for in the portfolio, including within the selection and monitoring process of investment managers (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the Scheme’s investment advisors engage with investment managers to improve their processes as part of the manager research and monitoring process.

During the Scheme year to 31 March 2021 a Sustainable Investment Group was established as a subset of the Trustee in order to ensure that the Trustee continues to meet regulatory requirements in the area of Sustainable Investment and to accelerate the pace of the Scheme’s progress towards good practice within this area. As part of this, it is expected that the SIG will improve, amongst others, Trustee engagement on the topic of Sustainable Investment. This includes inviting investment managers to SIG meetings specifically to discuss their approach to Sustainable Investment. For example, Goldman Sachs Asset Management joined the February 2021 SIG meeting to discuss their ESG processes, philosophy and capabilities for the Buy and Maintain portfolio, as well as considering ways to reduce the carbon intensity of the portfolio.

SIP Engagement Policies, Actions and Examples

1. Ensure portfolio is consistent with SIP policies

Engagement Policy:

- The Scheme may use different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also review the investment objectives and guidelines of any particular pooled vehicle for consistency with its policies, where relevant to the mandate in question. Where segregated mandates are used, the Trustee will use its discretion, where appropriate, to set explicit guidelines within the Investment Management Agreement to ensure consistency with the Trustee's policies, where relevant to the mandate.

Action:

- The Scheme reviews the investment objectives and guidelines for an investment upon appointing a manager. For pooled funds these guidelines are reviewed via an "investment review" provided by the Scheme's investment advisor alongside a satisfactory investment (s36) letter. For segregated mandates, guidelines are written with support from the Scheme's investment advisors to ensure consistency with the Trustee's policies.

Examples:

- In the Scheme year to 31 March 2021 the Scheme appointed no new managers but made a top-up to the BlackRock Buy and Maintain Credit mandate. This was a segregated mandate and the guidelines were reviewed by both the IC and the Scheme's investment advisor to ensure consistency with the Trustee's policies and that they remained appropriate for the additional inflows.

2. Maintaining manager alignment

Engagement Policy

- To maintain alignment, managers are provided with the most recent version of the Scheme's Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.

Action:

- Managers are provided the SIP on an annual basis and asked to confirm consistency with policies

Examples:

- We have circulated the SIP with the Scheme's investment managers as part of the Scheme's engagement policy. We drew particular attention to the new Sustainable Investment section of the SIP and asked for their comments. All the investment managers were pleased to have sight of the SIP, and welcomed the Scheme's focus, albeit largely gave no direct comments.

3. Engaging with managers to encourage alignment

Engagement Policy:

- Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee, or its advisers, will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

Action:

- The Trustee monitors manager portfolios on a quarterly basis with detailed bespoke reporting provided by the managers to be reviewed at IC meetings. Managers are also invited to present to the IC and SIG on a regular basis. Additionally the Scheme's managers are surveyed on an annual basis with respect to sustainable investment and rated by the Scheme's investment adviser in 10 categories relating to ESG issues. Finally, the Scheme receives updates from its investment advisor's manager research team with notable updates on managers and any changes of investment rating (which includes integration of sustainable investment/ESG characteristics within the rating).

Examples:

- Bespoke manager reports are reviewed by the IC on a quarterly basis. Additionally, over the Scheme year, BlackRock, were invited to present to the IC on the Scheme's LDI and buy-and-maintain portfolios with the manager, whilst GSAM were invited to present to the SIG specifically on sustainable investment topics in February 2021.

- At the February 2021 SIG the annual sustainable investment report was considered, rating each manager on 10 ESG factors. Areas for improvement and next steps were identified. The Scheme's investment advisors conducted multiple meetings with the Scheme's managers over the year, no changes were made to manager ratings. No managers have been terminated or replaced as a result of unsatisfactory alignment.

4. Investing with a long time horizon

Engagement Policy

- For most of the Scheme's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee may from time to time invest in certain strategies (e.g. hedge fund strategies) where such engagement is not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making. The appropriateness of the Scheme's allocation to such mandates is determined in the context of the Scheme's overall objectives.

Action:

- Managers are asked to confirm their investment horizon is medium to long on an annual basis. The Scheme's asset allocation is reviewed at all investment committee meetings and approximated on a daily basis using the Scheme's advisor's asset and liability tracking software.

Examples:

- The IC sought confirmation of the long-term time horizon of the Scheme's investment managers as part of sharing the SIP. The investment managers welcomed the Scheme's long-term focus. The Scheme's asset allocation is reviewed at all investment committee meetings, with changes made as appropriate to align with the Scheme's long-term strategic objectives – for example increasing the allocation to buy-and-maintain credit in Q2 2020 to take advantage of attractive spreads at the time whilst aligning with the long term goal to build up cashflow generating assets. The Scheme's estimated funding level and asset allocation is approximately tracked on a daily basis and rebalancing is discussed on a regular basis as necessary.

5. Assessing managers on long-term outcomes

Engagement Policy

- The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

Action:

- Long-term manager performance of all managers is provided by the Scheme's Independent Performance Measurer, Northern Trust is reviewed on a quarterly basis by the investment committee. This is supplemented by regularly inviting managers to meetings and with information on other factors based on bespoke reports from all managers detailing key mandate information and portfolio changes over the quarter. Changes to manager ratings and ad-hoc updates are provided by the Scheme's advisors manager research team as necessary.

Example:

- All quarterly performance reports and bespoke manager reports were reviewed by the investment committee. Two managers were invited to IC or SIG meetings, no manager ratings were changed by the Scheme's investment advisors. No managers were terminated off the basis of short term performance.

6. Manager fees structures

Engagement policy

- Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. It is the Trustee's view that fees linked to investment performance increase complexity and in most cases do not materially improve alignment with long-term objectives. Such fee structures would therefore only be used in a limited number of cases.

Action:

- Manager fees are included on a quarterly basis as part of the bespoke reporting provided by managers. Fees negotiated on appointment and on an ad-hoc basis

Examples:

- Tiered fees have been negotiated for the Scheme's buy-and-maintain credit mandates, with the Scheme thus benefiting from lower fees as the mandates have grown in size. Performance-related fees are only included in a sub-set of secure income strategies.

7. Reviewing costs (including turnover costs)

Engagement Policy:

- The Trustee reviews the costs incurred in managing the Scheme's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

Action:

- Manager asset management chargers are reviewed on a quarterly basis. Other costs, including turnover costs, are reviewed on an annual basis as part of an annual review of fees and costs and/or MiFID reporting. For segregated mandates turnover ranges are considered as part of the manager selection process and in manager guidelines.

Examples:

- Costs, including turnover costs, were reviewed in the Scheme year as part of the MiFID II reporting process. Additionally, annual management charges are reviewed on a quarterly basis. Expected portfolio turnover (and thus transaction costs) is considered as a key factor when the investment committee assesses the performance of the Scheme's buy-and-maintain credit mandate relative to its peer group on an annual basis.

8. ESG Factors, including climate change

Engagement Policy

- The Trustee is further exploring ESG factors with its investment managers with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings, in order to understand how they exercise these duties, with a view to monitoring the Scheme's managers' internal policies and processes in relation to ESG factors, and how these are practically implemented into the investment strategy at a fund level. The consideration of climate-related risks will be covered explicitly within this review.

Action:

- The Scheme's managers are surveyed on an annual basis with respect to sustainable investment and rated by the Scheme's investment adviser in 10 categories relating to ESG issues. Additionally, the Scheme receives updates from its investment advisor's manager research team with notable updates on managers and any changes of investment rating (which includes integration of sustainable investment/ESG characteristics within the rating).The Scheme's advisors also engage with managers on ESG issues on the Scheme's behalf, as well as policy makers and the industry as a whole.

- The introduction of the Sustainable Investment Group has materially increased the level of resource that can be afforded to the Trustees in order to assess the ESG credentials of the Scheme's managers, including factors related to climate change.

Examples:

- At the December 2020 SIG the Trustees agreed a set of sustainable investment beliefs, which included policies to guide their engagement with managers on ESG factors, including climate change

- At the February 2021 SIG the annual SI/ESG report was considered, rating each manager on 10 ESG factors. Areas for improvement and next steps were identified.

- In February 2021 GSAM also attended the SIG meeting and discussed their ESG processes, philosophy and capabilities for the Buy and Maintain portfolio, as well as discussing ways to reduce the carbon intensity of the portfolio.

- Subsequent to the end of the Scheme year, the SIG agreed to undertake bespoke ESG reporting both on the portfolio as a whole and individual mandates, and put in place a plan to meet TCFD requirements, including climate scenario analysis and reporting.

- The Scheme's investment advisors conducted multiple meetings with the Scheme's managers over the year, no changes were made to manager ratings.

- Examples of industry engagement by the Scheme's investment adviser include:
    - Tier 1 signatory of the UK Stewardship Code

- A signatory of the Principles for Responsible Investment (PRI) and active member of their working group for ESG / Sustainable Development Goals in Strategic Asset Allocations
- A member of the Institutional Investors Group on Climate Change (IIGCC)
- A founder of the Coalition for Climate Resilient Investment (with the World Economic Forum)

Section 3: Voting behaviour (including most significant votes)

Voting

The Scheme's equity holdings are held within pooled investment vehicles and are managed on a passive basis relative to a defined index, with the exception of the standalone emerging market mandate with Genesis. The Trustee delegates voting rights and the execution of those rights to the underlying managers for the securities they hold.

The Scheme's investment advisors engage managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements.

Further information on the voting and engagement activities of the managers is provided below. All commentary is provided directly by the managers, references to "us" or "we" refers to the managers themselves rather than the Scheme.

BlackRock - Aquila Life World (Ex UK) Equity Index Fund

Total fund size: *£1,870,000,000*

Akzo Nobel's proportion of total fund: *2.6%*

Voting Statistics (over the year to 31 March 2021)

How many meetings were you eligible to vote at?	2,152
How many resolutions were you eligible to vote on?	25,744
What % of resolutions did you vote on for which you were eligible?	100% | 25,743 proposals
Of the resolutions on which you voted, what % did you vote with management?	93% | 24,106 proposals*
Of the resolutions on which you voted, what % did you vote against management?	6% | 1,637 proposals*
Of the resolutions on which you voted, what % did you abstain from voting?	0% | 128 proposals*
In what % of meetings, for which you did vote, did you vote at least once against management?	29% | 636 meetings
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	0% | 83 proposals
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	
We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.	

* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Voting Policies (over the year to 31 March 2021)

What is your policy on consulting with clients before voting?
BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws. *Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through*
Please provide an overview of your process for deciding how to vote
The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets. We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly

based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.
How, if at all, have you made use of proxy voting services?
BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. *While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.* *In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations* • *BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed* • *We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial* • *We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis* • *We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision* • *The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.*
What process did you follow for determining the "most significant" votes?
BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies. *We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.*

Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer 5) There are differences between the stewardship policies of managers and their clients
As an investment manager, BlackRock has a duty of care to its clients. BlackRock's duty extends to all of its employees and is critical to our reputation and business relationships, and to meeting the requirements of our various regulators worldwide. Employees are held responsible by BlackRock to seek to avoid any activity that might create potential or actual conflicts with the interests of clients. *BlackRock maintains a compliance program for identifying, escalating, avoiding and/or managing potential or actual conflicts of interest. The program is carried out through our employees' adherence to relevant policies and procedures, a governance and oversight structure and employee training.* *Among the various policies and procedures that address conflicts of interest is BlackRock's Global Conflicts of Interest Policy. This policy governs the responsibility of BlackRock and its employees to place our clients' interests first and to identify and manage any conflicts of interest that may arise in the course of our business. In order to mitigate potential and actual conflicts of interest, each BlackRock employee must, among other things:* • *Identify potential or actual conflicts of interest both in relation to existing arrangements and when considering changes to, or making new, business arrangements;* • *Report any conflicts of interest promptly to his/her supervisor and Legal & Compliance;* • *Avoid (where possible) or otherwise take appropriate steps to mitigate a conflict to protect our clients' interests; and* • *Where appropriate, disclose conflicts of interest to clients prior to proceeding with a proposed arrangement* *BlackRock Legal & Compliance conducts mandatory annual compliance training, which includes a discussion of the Global Conflicts of Interest Policy.* *Read more about how we manage conflicts of interest in our Global Corporate Governance and Engagement Principles found here https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf, and in our stand alone statement found here https://www.blackrock.com/corporate/literature/publication/blk-statement-conflicts-of-interest.pdf* *For more information about securities lending, please see our commentary, Securities Lending Viewed through the Sustainability Lens here https://www.blackrock.com/corporate/literature/publication/securities-lending-viewed-through-the-sustainability-lens.pdf*
Please include here any additional comments which you believe are relevant to your voting activities or processes
On behalf of our clients we intend to vote at all shareholder meetings of companies in which our clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote certain proxies, as well as the desirability of doing so. We do not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where we experience impediments in relation to a specific shareholder meeting, we will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment. For example, we currently do not vote at shareholder meetings that require share blocking: the restriction that is imposed when a vote is cast represents a liquidity constraint on the portfolio managers and increases the risk of failed trades, which can be costly to clients. BlackRock may in its discretion determine that the value of voting outweighs the costs of blocking shares from trading, and thus cast the vote and block the shares in that instance. *With regards to US assets, we have approximately a 100% success rate in voting our funds' assets, with the exception of certain portfolios that utilize a long/short strategy whereby the funds leverage may prevent us from voting.* *With regards to non-U.S. assets generally, we have approximately a 90% success rate in voting our funds' assets. Of the remaining: 8% were uninstructed due to share blocking, and 2% of the votes go unexecuted result from either the*

fund's leverage or market-based impediments such as ballots received post cut-off date or post meeting date, meeting specific power of attorney requirements, special documentation, etc.

Most Significant Votes (over the year to 31 March 2021)

Please provide the company name and date of the vote
Santos Limited., 3rd April 2020.
Please provide an approximate size of the holding as at the date of the vote
Not provided
Please provide a summary of the resolution
Approve Climate Related Lobbying
How did you vote?
Against
If voting against management, did you communicate your intent to the company ahead of the vote?
Not provided
Please provide a brief rationale for your voting decision
Upon serious engagement and discussion, conditional support of management.
What was the outcome of the vote?
Withdrawn
What are the implications of the outcome? Were there any lessons learned? What steps will you take in response?
Not provided
On which criteria have you assessed this vote to be "most significant"?
Vote Bulletin

Genesis - MFO GENESIS EMERGING MKTS INV - B

Total fund size:	*£1,961,454,842*
Akzo Nobel's proportion of total fund:	*2.4%*

<u>Voting Statistics (over the year to 31 March 2021)</u>

How many meetings were you eligible to vote at?	*143*
How many resolutions were you eligible to vote on?	*1,317*
What % of resolutions did you vote on for which you were eligible?	*100%*
Of the resolutions on which you voted, what % did you vote with management?	*87%**
Of the resolutions on which you voted, what % did you vote against management?	*11%**
Of the resolutions on which you voted, what % did you abstain from voting?	*3%**
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	*8%*
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	
We use Institutional Shareholder Services, Inc. ("ISS") to execute votes, keep various records necessary for tracking proxy voting materials and provide proxy research and recommendations. Although ISS executes our proxy voting, the voting decisions are made by our PMs, independent from company management or external recommendations.	

*Figures may not sum to 100% due to rounding

<u>Voting Policies (over the year to 31 March 2021)</u>

What is your policy on consulting with clients before voting?
In all voting decisions, our objective is to protect and enhance long-term shareholder value. Proxy voting decisions are based on our set of corporate governance principles and in the best interests of clients but we are mindful of the varied market practices across emerging market countries and we recognise that more than one governance model may be effective.
Please provide an overview of your process for deciding how to vote
We view proxy voting as an investment function and in evaluating a proposal, our investment team draw on a variety of resources including their many years of experience as investment analysts. We are long-term investors and our detailed knowledge and internal assessment of a company's business, performance and management is supplemented by the results of our ongoing engagement efforts, company disclosures and external research.
How, if at all, have you made use of proxy voting services?
Genesis has contracted with Institutional Shareholder Services, Inc. (ISS), an independent third-party provider of proxy voting and corporate governance services. Specifically, ISS has been retained to provide proxy research and recommendations, execute votes as instructed by Genesis and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for our clients' accounts. ISS services, performance and potential conflicts of interest are reviewed on a periodic basis.
What process did you follow for determining the "most significant" votes?
Genesis considers any vote significant that is against the management recommendation.
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer 5) There are differences between the stewardship policies of managers and their clients
No
Please include here any additional comments which you believe are relevant to your voting activities or processes

Our proxy voting guidelines are based on a core set of corporate governance principles and we assess each proxy proposal in light of these principles and the particular circumstances of the company.

Most Significant Vote (over the year to 31 March 2021)

Please provide the company name and date of the vote
58.com Inc., 7th September 2020
Please provide an approximate size of the holding as at the date of the vote
1.37%
Please provide a summary of the resolution
Approve Merger Agreement
How did you vote?
Against Management
If voting against management, did you communicate your intent to the company ahead of the vote?
No
Please provide a brief rationale for your voting decision
Material concerns regarding the offer price (which we belive is insufficient) and the inherent conflicts of interest and poor corporate governance relating to the transaction.
What was the outcome of the vote?
The going private offer was approved at the EGM over the objections and negative votes of the minority shareholders.
What are the implications of the outcome? Were there any lessons learned? What steps will you take in response?
We have recommended that our clients pursue their right for a fair value assessment of their shares in a dissent litigation. This is an ongoing.
On which criteria have you assessed this vote to be "most significant"?
Genesis considers any vote significant that is against the management recommendation.

Legal and General Investment Managers - FTSE RAFI All World 3000 Equity

Total fund size:	*£6,375,794,981*
Akzo Nobel's proportion of total fund:	0.7*%*

Voting Statistics (over the year to 31 March 2021)

How many meetings were you eligible to vote at?	*4,160*
How many resolutions were you eligible to vote on?	*49,156*
What % of resolutions did you vote on for which you were eligible?	*100%*
Of the resolutions on which you voted, what % did you vote with management?	*82%**
Of the resolutions on which you voted, what % did you vote against management?	*18%**
Of the resolutions on which you voted, what % did you abstain from voting?	*0%**
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	*0%*

Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?
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. 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. For more details, please refer to the Voting Policies section of this document.

*Figures may not sum to 100% due to rounding

Voting Policies (over the year to 31 March 2021)

What is your policy on consulting with clients before voting?
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.*
Please provide an overview of your 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.
How, if at all, have you made 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.
What process did you follow for determining the "most significant" votes?
As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. *For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.* *In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:* • *High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;* • *Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;* • *Sanction vote as a result of a direct or collaborative engagement;* • *Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.* *We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.* *The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.* *If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website*
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer 5) There are differences between the stewardship policies of managers and their clients
Please refer to the LGIM investment stewardship conflict of interest document at the following link: https://www.lgim.com/api/epi/documentlibrary/view?id=1116980ea5bf43fa9801c212be73f487&old=literature.html?cid=
Please include here any additional comments which you believe are relevant to your voting activities or processes
It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting. *LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.*

Most Significant Vote (over the year to 31 March 2021)

Please provide the company name and date of the vote
Qantas Airways Limited, 23rd October 2020
Please provide an approximate size of the holding as at the date of the vote
Not provided
Please provide a summary of the resolution
Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.
How did you vote?
LGIM voted against resolution 3 and supported resolution 4.
If voting against management, did you communicate your intent to the company ahead of the vote?
Given our engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.
Please provide a brief rationale for your voting decision
The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.
What was the outcome of the vote?
About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.
What are the implications of the outcome? Were there any lessons learned? What steps will you take in response?
We will continue our engagement with the company.
On which criteria have you assessed this vote to be "most significant"?
It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.

Legal and General Investment Managers - MSCI World Adaptive Capped 2x Index Fund

Total fund size:	*£1,789,910,536*
Akzo Nobel's proportion of total fund:	2.6*%*

Voting Statistics (over the year to 31 March 2021)

How many meetings were you eligible to vote at?	*1,923*
How many resolutions were you eligible to vote on?	*25,454*
What % of resolutions did you vote on for which you were eligible?	*100%*
Of the resolutions on which you voted, what % did you vote with management?	*81%**
Of the resolutions on which you voted, what % did you vote against management?	*19%**
Of the resolutions on which you voted, what % did you abstain from voting?	*0%**
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	*0%*

Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?
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*Figures may not sum to 100% due to rounding

Voting Policies (over the year to 31 March 2021)

What is your policy on consulting with clients before voting?
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.*
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How, if at all, have you made use of proxy voting services?
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What process did you follow for determining the "most significant" votes?
As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. *For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.* *In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:* • *High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;* • *Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;* • *Sanction vote as a result of a direct or collaborative engagement;* • *Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.* *We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.* *The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.* *If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website*
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings? 1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer 5) There are differences between the stewardship policies of managers and their clients
Please refer to the LGIM investment stewardship conflict of interest document at the following link: https://www.lgim.com/api/epi/documentlibrary/view?id=1116980ea5bf43fa9801c212be73f487&old=literature.html?cid=
Please include here any additional comments which you believe are relevant to your voting activities or processes
It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting. *LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations.*

Most Significant Vote (over the year to 31 March 2021)

Please provide the company name and date of the vote
Qantas Airways Limited, 23rd October 2020
Please provide an approximate size of the holding as at the date of the vote
Not provided
Please provide a summary of the resolution
Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.
How did you vote?
LGIM voted against resolution 3 and supported resolution 4.
If voting against management, did you communicate your intent to the company ahead of the vote?
Given our engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.
Please provide a brief rationale for your voting decision
The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.
What was the outcome of the vote?
About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.
What are the implications of the outcome? Were there any lessons learned? What steps will you take in response?
We will continue our engagement with the company.
On which criteria have you assessed this vote to be "most significant"?
It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.

State Street Global Advisors - MPF All World Equity Low Volatility / High Quality Screened Fund

Total fund size:	*£46,639,976*
Akzo Nobel's proportion of total fund:	*100%*

Voting Statistics (over the year to 31 March 2021)

How many meetings were you eligible to vote at?	*1,182*
How many resolutions were you eligible to vote on?	*14,399*
What % of resolutions did you vote on for which you were eligible?	*100%*
Of the resolutions on which you voted, what % did you vote with management?	*90%**
Of the resolutions on which you voted, what % did you vote against management?	*10%**
Of the resolutions on which you voted, what % did you abstain from voting?	*1%**
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	*7%*
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	
ISS	

*Figures may not sum to 100% due to rounding

Voting Policies (over the year to 31 March 2021)

What is your policy on consulting with clients before voting?
All voting decisions are exercised in accordance with our in-house guidelines or specific client instructions.
Please provide an overview of your process for deciding how to vote

In order to facilitate SSGA's proxy voting process, SSGA retains Institutional Shareholder Services Inc. (ISS), a firm with expertise in proxy voting and corporate governance. SSGA utilizes ISS's services in three ways. First, as SSGA's proxy voting agent, ISS provides SSGA with vote execution and administration services. Second, ISS applies SSGA's Proxy Voting Guidelines where appropriate. Lastly, ISS provides the highest level of research and analysis related to general corporate governance issues and specific proxy items.

The Stewardship team reviews its Proxy Voting Guidelines with ISS on an annual basis or on a case- by-case basis as needed. ISS affects the proxy votes in accordance with SSGA's Proxy Voting Guidelines. Voting matters that are nuanced or that require additional analysis are referred to and reviewed by members of the Stewardship team. Members of the Stewardship team evaluate the proxy solicitation to determine how to vote based on facts and circumstances consistent with SSGA's Proxy Voting Guidelines, which seek to maximize the value of our client accounts.

As an extra precaution, the Stewardship team will refer significant issues to the PRC for a determination of the proxy vote. In addition, other measures are put in place in terms of when and whether or not to refer a proxy vote to the PRC. For instance, the Stewardship team takes seriously whether a material conflict of interest exists between our client and those of SSGA or its affiliates. If such a case occurs, there are detailed guidelines for how to address this concern (i.e., please refer to our Mitigating Conflict of Interest Guidelines for additional details).

SSGA votes in all markets where it is feasible. However, when SSGA deems appropriate, it could refrain from voting meetings in cases as listed below:

1. *Where power of attorney documentation is required,*
2. *Voting will have a material impact on our ability to trade the security,*
3. *Voting is not permissible due to sanctions affecting a company or individual, or*
4. *Issuer-specific special documentation is required or various market or issuer certifications are required.*
5. *SSGA is unable to vote proxies when certain custodians, used by our clients, do not offer proxy voting in a jurisdiction or when they charge a meeting specific fee in excess of the typical custody service agreement.*

SSGA's Vote Prioritization Process:

SSGA votes at over 17,000 meetings on an annual basis and prioritizes companies for review based on factors including the size of our holdings, past engagement, corporate performance, and voting items identified as areas of potential concern. Based on this assessment, SSGA will not only allocate appropriate time and resources to

shareholder meetings, but will also assign specific ballot items of interest to ensure maximization of value for our clients. *All voting decisions are exercised exclusively in accordance with SSGA's in-house policies and/or specific client instructions. SSGA has established robust controls and auditing procedures to ensure that votes cast are executed in accordance with SSGA instructions. Transparency on these key issues is vital at SSGA. In this regard, SSGA publishes a record of its global voting activity on the Asset Stewardship section of the website.* *Please refer to SSGA's Standard Proxy Voting Guidelines.*
How, if at all, have you made use of proxy voting services?
State Street Global Advisors has contracted the services of a third party provider - Institutional Shareholder Services ("ISS") - to assist us with the management of the voting process and provide inputs into our research of shareholder meetings. We use ISS as: • *a proxy voting agent providing us with vote execution and administration services;* • *our trusted resource for applying Proxy Voting Guidelines; and* • *our provider of research and analysis relating to general corporate governance issues and specific proxy items.* *In addition to ISS, State Street Global Advisors has access to proxy research from a number of global and regional providers including Glass Lewis & Co. and the Institutional Voting Information Service.* *Research and data provided by these third parties complement our in-house analysis of companies and individual ballot items. All final voting decisions are based on State Street Global Advisor's proxy voting policies and in-house operational guidelines.*
What process did you follow for determining the "most significant" votes?
State Street Global Advisors identifies "significant votes" for the purposes of Shareholder Rights Directive II as follows: *1. All votes on environmental related shareholder proposals.* *2. All votes on compensation proposals where we voted against the company management's recommendation.* *3. All against votes on the re-election of board members due to poor ESG performance of their companies (as measured by their R-Factor ESG score*).* *4. All against votes on the re-election of board members due to poor compliance with the local corporate governance score of their companies (as measured by their R-Factor CorpGov score**).* *5. All against votes on the re-election of board members due to a lack of gender diversity on board.* *In the report our clients have the option to apply all or some of the criteria listed above to their portfolios (using filters) depending on their requirements. In addition, our reports offer the option to apply a market cap data filter to further reduce the population of significant votes when required.* **In 2019, we created an engagement and voting screen that leverages R-Factor, our proprietary scoring system. R-Factor measures the performance of a company's business operations and governance as it relates to financially material and industry-specific ESG risk factors, as defined by the Sustainability Accounting Standards Board (SASB). Beginning in the 2020 proxy season, we started taking action against board members at companies in the S&P 500, FTSE 350, ASX 100, TOPIX 100, DAX 30 and CAC 40 indices that are laggards based on their R-Factor scores and that cannot articulate how they plan to improve their score.* ***In 2020, our team implemented a proactive screen to identify portfolio companies in our key markets that do not comply with their country-specific governance codes. The screen's methodology centers around the R-Factor Corporate Governance score component (CorpGov), leveraging our proprietary framework to develop insights and drive our engagements with companies identified as laggards based on their low-ranking scores relative to their domestic and global peers. Laggard companies score in the bottom 10% relative to their local peers, and belong to one of the major indices where we applied the screen. Since most governance codes are implemented on a comply-or-explain basis, we engaged with these companies to understand their reasons for the laggard score status. In the event companies were unable to provide effective explanations for their noncompliance or have not made evident progress to improve their practices, we held them accountable by taking voting action against the independent leader of the board standing for election.*
Are you currently affected by any of the following five conflicts, or any other conflicts, across any of your holdings?

1) The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding; 2) Senior staff at the asset management firm hold roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings 3) The asset management firm's stewardship staff have a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding 4) There is a situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer 5) There are differences between the stewardship policies of managers and their clients
No answer provided.
Please include here any additional comments which you believe are relevant to your voting activities or processes
No answer provided.

Most Significant Vote (over the year to 31 March 2021)

Please provide the company name and date of the vote
Alphabet Inc., 3rd June 2020
Please provide an approximate size of the holding as at the date of the vote
1.4%
Please provide a summary of the resolution
Advisory Vote to Ratify Named Executive Officers'Compensation
How did you vote?
Against
If voting against management, did you communicate your intent to the company ahead of the vote?
We do not publicly communicate our vote in advance.
Please provide a brief rationale for your voting decision
This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.
What was the outcome of the vote?
75% for, 25% against
What are the implications of the outcome? Were there any lessons learned? What steps will you take in response?
Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
On which criteria have you assessed this vote to be "most significant"?
Compensation