1. INTRODUCTION

The Trustees of the Marylebone Cricket Club Pension and Assurance Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed their Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Details of this requirement are set out in The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (section S(S)(c)) and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (sections 3(4)(ca) and 4(3)(c)(ii)).

This Statement covers the year from 1 January 2021 to 31 December 2021, the "Scheme Year".

Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-11 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 12 below.

This Statement uses the same headings as the Scheme’s SIP dated 19 July 2021 and should be read in conjunction with the SIP.

The SIP was reviewed and updated during the Scheme Year on 19 July 2021 to reflect:

- the Trustees’ decision to replace the LGIM Managed Property Fund with the LGIM Secure Income Assets Fund in the DB Section; and

- other minor updates to bring the Scheme’s SIP up to date with the latest SIP disclosure requirements/ best practice.

No changes were made to the Trustees’ policies regarding voting and engagement. Further detail and the reasons for these changes are set out in Section 2. As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.
The Trustees have, in their opinion, followed the policies in the Scheme’s SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which they did this.

The Trustees have also, in their opinion, followed the Scheme’s voting and engagement policies during the Scheme Year, by continuing to delegate to its investment manager the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes. The Trustees took a number of steps to review the Scheme’s manager and funds over the period, as described in Section 7 below.

2. INVESTMENT OBJECTIVES

The Trustees’ primary objective for the DB Section is to ensure that the Scheme should be able to meet benefit payments as they fall as follows:

- The expected return on the Scheme’s assets is maximised whilst managing and maintaining investment risk at an appropriate level.

- The Scheme should be fully funded on a technical provisions basis (ie the asset value should be at least that of its liabilities on this basis).

The Trustees receive regular investment and funding updates from its actuarial and investment advisers to help monitor progress against these objectives. The latest quarterly investment report provided by the Scheme’s investment manager, Legal & General Investment Management Limited (“LGIM”), is reviewed at each Trustee meeting, which generally take place 3 times a year.

The Trustees’ primary objectives for the DC Section are to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile of the DC Section and the variety of ways that members can draw their benefits in retirement; and

- a default investment option that the Trustees believe to be reasonable for those members that do not wish to make their own investment decisions. The objective of the default option is to generate returns significantly above inflation whilst members are some distance from retirement, but then to switch automatically and gradually to lower risk investments as members near retirement.

The Trustees have delivered on these DC Section objectives over the Scheme Year by continuing to make available to members both a suitable default option as well as alternative lifestyle strategies and a self-select fund range covering all major assets classes as set out in SIP. In the latter case, the Trustee monitors the take up of these funds and it is limited.
3. INVESTMENT STRATEGY

The Trustees, with the help of their advisors and in consultation with the sponsoring employer, the Marylebone Cricket Club (the “Club”), reviewed the investment strategy of the DB Section in February 2021.

The outcome of this review was that the Trustees agreed to replace the Scheme’s 10% strategic allocation to UK property with a 10% strategic allocation and new investment in secure income assets (a diversified mix of illiquid credit assets). The Trustees fully disinvested from the LGIM Managed Property Fund in May 2021 with the £3.5m proceeds temporarily held in LGIM’s Dynamic Diversified Fund pending investment in LGIM’s Secure Income Assets Fund. This is because the secure income assets fund that the Trustees have chosen to invest in will gradually call for the committed £3.5m in 2022 as and when the fund manager sources underlying investments.

In respect of the DC Section, the Trustees did not review the investment strategy over the Scheme Year. The Trustees did not implement the agreed strategy changes from its 2020 review, on the basis that the Club subsequently put forward a proposal to move the DC Section to a master trust which has taken place in 2022.

In respect of the DB Section, the Trustees monitor the asset allocation at each Trustee meeting and compares this to the strategic asset allocation. The Trustees have a policy to rebalance the asset allocation back towards the strategic allocation if it moves outside of set tolerance ranges. This is monitored and implemented automatically by LGIM in line with the Trustees’ instructions.

4. CONSIDERATIONS IN SETTING THE INVESTMENT ARRANGEMENTS

When the Trustees reviewed the DB Section's investment strategy in February 2021 they considered the investment risks set out in Appendix 2 of the SIP. They also considered a wide range of alternative asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

When the Trustees undertook a performance and strategy review of the DC default option, they considered the investment risks set out in Appendix 2 of the SIP. They also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. As noted in the previous section, the implementation of the investment changes agreed as part of the DC strategy review carried out in February 2020 was not taken forward as the Scheme will be moving to a master trust in 2022. However, the Trustees are comfortable with retaining the current DC Section investment arrangements for the time being.

The Trustees last reviewed their investment beliefs in March 2019, to incorporate additional beliefs on ESG matters, to reflect further industry body guidance and best practice in this area.
5. IMPLEMENTATION OF THE INVESTMENT ARRANGEMENTS

The Trustees appointed LGIM in April 2021 to manage a secure income assets mandate for the DB Section of the Scheme. The Trustees obtained formal written advice from their investment adviser, LCP, before committing assets to the fund. The Trustees also received information on the investment process and philosophy, the investment team, past performance and considered the manager’s approach to responsible investment and stewardship.

The Scheme’s investment adviser, LCP, monitors the investment manager on an ongoing basis, through regular research meetings. The investment adviser monitors any manager developments and informs the Trustees promptly about any significant updates or events they become aware of with regard to the Scheme’s investment manager that may affect the manager’s ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

From time to time, the Trustees invite the Scheme’s investment manager to present at Trustee meetings.

For both the DB and DC Sections, the Trustees monitor the performance of the Scheme’s investment manager on a quarterly basis, using the quarterly performance monitoring reports provided by LGIM. The reports show the performance of each fund over the quarter, one, three and five year periods. Performance is considered in the context of each fund’s respective benchmark and objectives.

The most recent quarterly report shows that LGIM has produced performance broadly in line with expectations over the long-term for the majority of its funds.

Over the period, the value members are receiving was discussed on 24 February 2021, 19 July 2021 and 1 November 2021 as part of ongoing discussions with the Club on the master trust project. This included assessment of a range of factors, including the fees payable to the investment manager in respect of the DC Section and those that will be paid once the move to master trust goes ahead. The member charges were found to represent good value for members, particularly after the 0.30% pa subsidy from the Club in respect of the DC Section.

6. REALISATION OF INVESTMENTS

The Trustees review the Scheme’s net current and future cashflow requirements on a regular basis. The Trustees’ policy is to have access to sufficient liquid assets in order to meet any outflows by maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

For the DC Section it is the Trustees’ policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustees offer are daily priced.
As part of its advice on the selection and ongoing review of the investment manager, the Scheme’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of the manager’s approach to financially material considerations (including climate change and other ESG considerations), voting and engagement.

The Trustees reviewed their managers reports on voting and engagement activities undertaken on their behalf as part of the completion of this Statement.

The Trustees do not take into account any non-financial matters (ie matters relating to ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

Within the DC Section the Trustees recognise that some members may wish for ethical or responsible investment matters to be taken into account in their investments and therefore, as mentioned in the SIP, they have made available the LGIM Future World Fund as an investment option to members.

This is covered in Section 7 above.

As mentioned in Section 5, the Trustees assess the performance of the Scheme’s investments on an ongoing basis as part of the quarterly monitoring reports they receive.

The performance of the professional advisors is considered on an ongoing basis by the Trustees. More specifically, the Trustees have put in place formal objectives for their investment adviser and will review the adviser’s performance against these objectives on a regular basis. The next review is to take place in December 2022.

The Trustees actuarial and investment advisors’ work is charged for by an agreed fixed fee or on a “time-cost” basis while the investment manager receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the manager’s general terms for institutional clients and are considered by the Trustees to be reasonable when compared with those of other similar providers.

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustees maintain a risk register and this is reviewed annually at Trustees’ meetings.

The Trustees’ policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme’s investment adviser or information provided to the Trustees by the Scheme’s
investment manager. These include credit risk, equity risk, currency risk and counterparty risk.

From time to time the Trustees monitor the Scheme's risk of inadequate returns to ensure that there is a sufficient allocation to growth assets, as well as sufficient interest rate and inflation hedging.

Together, the investment and non-investment risks (set out in Appendix 2 of the SIP) give rise generally to funding risk. The Trustees formally review the Scheme's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustees review the funding position allowing for membership and other experience. The Trustees also informally monitor the funding position more regularly, for example at Trustee meetings.

The following risks are covered earlier in this Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, liquidity/marketability risk in Section 6 and ESG risks in Section 7.

With regard to the risk of inadequate returns in the DC Section, the Trustees make use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

There are no specific policies in this section of the Scheme's SIP.

11. INVESTMENT MANAGER ARRANGEMENTS

12. DESCRIPTION OF VOTING BEHAVIOUR DURING THE SCHEME YEAR

All of the Trustees' holdings in listed equities are within pooled funds managed by LGIM, and the Trustees have delegated to LGIM the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Scheme Year.

In this section we have sought to include voting data on the Scheme's funds that hold equities as follows:

**DB Section**

- LGIM UK Equity Index Fund
- LGIM North America Equity Index Fund
- LGIM Europe (ex UK) Equity Index Fund
- LGIM Japan Equity Index Fund
- LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund
- LGIM World Emerging Markets Equity Index Fund
- LGIM Dynamic Diversified Fund

In addition to the above, the Trustees contacted LGIM to ask if any of the other funds held by the Scheme had voting opportunities over the period. No commentary was provided on these funds.
LGIM Global Equity Fixed Weights (50:50) Index Fund
LGIM Dynamic Diversified Fund
LGIM Future World Fund

For the DC Section we have only included the funds with equity holdings which:

- are used in the default option - given the high proportion of total DC Section assets invested in these funds, and
- incorporate responsible investment factors - recognising that members choosing to invest in these funds may be interested in this information.

**Description of the voting processes**

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 its clients. LGIM’s voting policies are reviewed annually and take into account feedback from their 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 LGIM’s Investment Stewardship team. The views expressed by attendees during this event form a key consideration in developing LGIM’s voting and engagement policies. LGIM also takes into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.

All voting decisions are made by LGIM’s Investment Stewardship team and in accordance with its 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 helps ensure LGIM’s stewardship approach is consistent throughout the engagement and voting process, and that engagement is fully integrated into the voting decision process, which aims to provide consistent messaging to companies.

LGIM’s Investment Stewardship team uses Institutional Shareholder Services’ (“ISS”) ‘ProxyExchange’ electronic voting platform to electronically vote. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. ISS’ recommendations are used to augment LGIM’s own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports received from ISS for UK companies when making specific voting decisions.

To ensure LGIM’s proxy provider votes are in accordance with its position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards that all companies globally should observe, irrespective of local regulation or practice.
LGIM retains the ability in all markets to override any vote decisions, which are based on its 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 LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by the service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

**Summary of voting behaviour over the Scheme Year**

**DB Section**

A summary of voting behaviour in respect of the DB Section over the period is provided in the table below.

<table>
<thead>
<tr>
<th>Manager name</th>
<th>FUND 1</th>
<th>FUND 2</th>
<th>FUND 3</th>
<th>FUND 4</th>
<th>FUND 5</th>
<th>FUND 6</th>
<th>FUND 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund name</td>
<td>UK Equity Index Fund</td>
<td>North America Equity Index Fund</td>
<td>Europe (ex UK) Equity Index Fund</td>
<td>Japan Equity Index Fund</td>
<td>Asia Pacific Equity Index Fund</td>
<td>World Emerging Markets Equity Fund</td>
<td>Dynamic Diversified Fund</td>
</tr>
<tr>
<td>Total size of fund at end of reporting period</td>
<td>£20,461M</td>
<td>£39,540M</td>
<td>£12,959M</td>
<td>£6,577M</td>
<td>£4,926M</td>
<td>£7,331M</td>
<td>£2,808M</td>
</tr>
<tr>
<td>Value of DB Section assets at end of reporting period</td>
<td>£6.62M</td>
<td>£2.09M</td>
<td>£1.98M</td>
<td>£1.26M</td>
<td>£0.65M</td>
<td>£0.60M</td>
<td>£11.71M</td>
</tr>
<tr>
<td>Number of equity holdings at end of reporting period</td>
<td>572</td>
<td>642</td>
<td>488</td>
<td>513</td>
<td>406</td>
<td>1,618</td>
<td>6,669</td>
</tr>
<tr>
<td>Number of meetings eligible to vote</td>
<td>707</td>
<td>638</td>
<td>463</td>
<td>442</td>
<td>329</td>
<td>3,627</td>
<td>5,834</td>
</tr>
<tr>
<td>Number of resolutions eligible to vote</td>
<td>9,923</td>
<td>7,846</td>
<td>7,665</td>
<td>5,306</td>
<td>2,308</td>
<td>31,303</td>
<td>59,616</td>
</tr>
<tr>
<td>% of resolutions voted</td>
<td>100.0</td>
<td>99.7</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>99.8</td>
<td>99.8</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % voted with management</td>
<td>92.8</td>
<td>71.0</td>
<td>82.2</td>
<td>86.3</td>
<td>72.4</td>
<td>81.8</td>
<td>80.8</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % voted against management</td>
<td>7.2</td>
<td>29.0</td>
<td>17.5</td>
<td>13.7</td>
<td>27.3</td>
<td>16.3</td>
<td>18.3</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % abstained from voting</td>
<td>0.0</td>
<td>0.1</td>
<td>0.4</td>
<td>0.0</td>
<td>0.3</td>
<td>1.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Of the meetings in which the manager voted, % with at least one vote against management</td>
<td>45.7</td>
<td>94.2</td>
<td>75.4</td>
<td>75.3</td>
<td>66.6</td>
<td>49.2</td>
<td>62.4</td>
</tr>
<tr>
<td>Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy adviser</td>
<td>5.5</td>
<td>22.9</td>
<td>8.1</td>
<td>11.0</td>
<td>15.9</td>
<td>6.2</td>
<td>10.8</td>
</tr>
</tbody>
</table>

Figures may not sum to 100% due to rounding.
DC Section

A summary of voting behaviour in respect of the DC Section over the period is provided in the table below. Figures may not sum to 100% due to rounding.

<table>
<thead>
<tr>
<th>Manager name</th>
<th>FUND 1</th>
<th>FUND 2</th>
<th>FUND 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund name</td>
<td>LCIM</td>
<td>LCIM</td>
<td>LCIM</td>
</tr>
<tr>
<td>Total size of fund at end of reporting period</td>
<td>£4,093M</td>
<td>£2,808M</td>
<td>£6,930M</td>
</tr>
<tr>
<td>Value of DC Scheme assets at end of reporting period</td>
<td>£2.90M</td>
<td>£1.16M</td>
<td>£0.02M</td>
</tr>
<tr>
<td>Number of holdings at end of reporting period</td>
<td>2,769</td>
<td>6,669</td>
<td>1,688</td>
</tr>
<tr>
<td>Number of meetings eligible to vote</td>
<td>2,764</td>
<td>5,834</td>
<td>2,373</td>
</tr>
<tr>
<td>Number of resolutions eligible to vote</td>
<td>34,597</td>
<td>59,616</td>
<td>28,964</td>
</tr>
<tr>
<td>% of resolutions voted</td>
<td>99.9</td>
<td>99.8</td>
<td>99.8</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % voted with management</td>
<td>82.9</td>
<td>80.8</td>
<td>81.0</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % voted against management</td>
<td>17.0</td>
<td>18.3</td>
<td>18.2</td>
</tr>
<tr>
<td>Of the resolutions on which voted, % abstained from voting</td>
<td>0.1</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Of the meetings in which the manager voted, % with at least one vote against management</td>
<td>68.6</td>
<td>62.4</td>
<td>69.8</td>
</tr>
<tr>
<td>Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor</td>
<td>11.7</td>
<td>10.8</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Figures may not sum to 100% due to rounding.

12.1 Most significant votes over the Scheme Year

Commentary on the most significant votes over the period, from LGIM for the funds that hold listed equities, is set out below. We have interpreted "most significant votes" to mean those provided by LGIM, the investment manager, following the PLSA guidance provided.

Due to the number of votes provided by LGIM, the Trustees have chosen a subset of votes to report on in this Statement. The votes selected are those which relate to environmental, social or corporate governance factors. If members wish to obtain more investment manager voting information, this is available upon request.
TOTAL SE, MAY 2021

Summary of resolution: Re-elect Patrick Pouyanne as Director

Vote: Against

Rationale: LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM has supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 it has been voting against all combined board chair/CEO roles. Furthermore, LGIM has published a guide for boards on the separation of the roles of chair and CEO (available on its website), and it has reinforced its position on leadership structures across its stewardship activities - eg via individual corporate engagements and director conferences.

MITSUBISHI UFJ FINANCIAL GROUP, INC., JUNE 2021

Summary of resolution: Resolution to Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement

Vote: For

Rationale: LGIM expects companies to be taking sufficient action on the key issue of climate change. While LGIM positively notes the company's recent announcements around net-zero targets and exclusion policies, LGIM thinks that these commitments could be further strengthened and it believes the shareholder proposal provides a good directional push.

MCDONALD'S CORPORATION, MAY 2021

Summary of resolution: Resolution to Report on Antibiotics and Public Health Costs

Vote: For

Rationale: LGIM voted in favour as it believes the proposed study will contribute to informing shareholders and other stakeholders of the negative externalities created by the sustained use of antibiotics in the company's supply chain and its impact on global health, with a particular focus on the systemic implications. Antimicrobial resistance (AMR) is a key focus of the engagement strategy of LGIM's Investment Stewardship team. LGIM believes that, without coordinated action today, AMR could prompt the next global health crisis, with a potentially dramatic impact on the planet, its people, and global GDP. Whilst LGIM applauds the company's efforts over the past few years on reducing the use of antibiotics in its supply chain for chicken and beef as well as pork, LGIM believes AMR is a financially material issue for the company and other stakeholders, and it wants to signal the importance of this topic to the company's board of directors.

CIGNA CORPORATION, APRIL 2021

Summary of resolution: Resolution to Report on Gender Pay Gap

Vote: For

Rationale: LGIM voted in favour as it expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. LGIM views gender diversity as a financially material issue for clients, and their assets. For 10 years, LGIM has been using its position to engage with companies on this issue. As part of LGIM's efforts to influence investee companies on having greater gender balance, LGIM expects all companies in which it invests globally to have at least one female on their board. Stronger requirements are in place in the UK, North American, European and Japanese markets, in line with
LGIM’s engagement in these markets.

WALGREENS BOOTS ALLIANCE, INC., JANUARY 2021

Summary of resolution: Advisory vote to ratify named executive officer’s compensation

Vote: Against

Rationale: The company’s compensation committee applied discretion to allow a long-term incentive plan award to vest when the company had not even achieved a threshold level of performance. This is an issue because investors expect pay and performance to be aligned. Exercising discretion in such a way during a year in which the company’s earnings per share (EPS) declined by 88% caused a significant misalignment between pay and performance. LGIM had a constructive engagement with the company in November 2020; however, it failed to mention the application of discretion during that call. LGIM found this surprising given the significant impact it had on compensation, which was discussed, giving the company an opportunity to raise this. LGIM does not generally support the application of retrospective changes to performance conditions. Although the company was impacted by COVID, many of its shops remained open as they were considered an essential retailer.

The company did not provide sufficient justification for the level of discretion applied which resulted in the payment of 94,539 shares or approximately $3.5m to the CEO in respect of the 2018-2020 award, which would otherwise have resulted in zero shares vesting.

ALIBABA GROUP HOLDING LIMITED, SEPTEMBER 2021

Summary of resolution: Election of Joseph C. Tsai as director.

Vote: Against

Rationale: LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM has supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 it has voted against all combined board chair/CEO roles. Furthermore, LGIM has published a guide for boards on the separation of the roles of chair and CEO (available on its website), and it has reinforced its position on leadership structures across its stewardship activities - eg via individual corporate engagements and director conferences.

AMERICAN TOWER CORPORATION, MAY 2021

Summary of resolution: Elect Director Pamela D A Reeve

Vote: Against

Rationale: The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.

INTEL CORPORATION, MAY 2021


Vote: For

Rationale: LGIM voted for this resolution as it expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. LGIM views gender diversity as a financially material issue for its clients, with implications for the assets it manages on their behalf. For 10 years,
LGIM has been using its position to engage with companies on this issue. As part of its efforts to influence its investee companies on having greater gender balance, LGIM expects all companies in which it invests globally to have at least one female on their board. Please note LGIM has stronger requirements in the UK, North American, European and Japanese markets, in line with its engagement in these markets.

IMPERIAL BRANDS PLC, LTD., FEBRUARY 2021

Summary of resolution: Approve Remuneration Report and Approve Remuneration Policy.

Vote: Against

Rationale: The company appointed a new CEO during 2020, who was granted a significantly higher base salary than his predecessor. A higher base salary has a consequential ripple effect on short- and long-term incentives, as well as pension contributions. Further, the company did not apply best practice in relation to post-exit shareholding guidelines as outlined by both LGIM and the Investment Association. An incoming CEO with no previous experience in the specific sector, or CEO experience at a FTSE100 company, should have to prove her or himself beforehand to be set a base salary at the level, or higher, of an outgoing CEO with multiple years of such experience. Further, LGIM would expect companies to adopt general best practice standards. Prior to the AGM, LGIM engaged with the company outlining what its concerns over the remuneration structure were. LGIM also indicated that it publishes specific remuneration guidelines for UK listed companies and keep remuneration consultants up to date with its thinking.