



LONDON CIV SHAREHOLDER RIGHTS DIRECTIVE II

Working together towards positive outcomes: Our commitment to responsible investment is part of our fiduciary duty and our desire to build a sustainable city and a future in which people and planet will prosper.

About London CIV

[London CIV](#) was authorised in 2015 to provide pooling solutions to the 32 Local Government Pension Scheme (LGPS) Funds (“the Client Funds”) in London valued at £44bn collectively¹.

Our Client Funds are also our shareholders and we work collaboratively to deliver our agreed purpose which is: “To be the LGPS pool for London to enable the London Local Authorities to achieve their pooling requirements”.

More information about how we collaborate with our stakeholders is available on [our website](#) and in the [Annual Review](#).

Our Commitment to Responsible Investment

Whilst our primary purpose is to deliver our Client Funds’ pooling requirements, this will only be possible by managing ESG risks and opportunities for our funds and supporting a financial system fit for the future. We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.

London CIV are committed to protecting the interests of our Client Funds and their members by acknowledging that climate-related risks and broader environmental, social and governance (“ESG”) factors are a source of financial risk.

We aim to make long-term sustainable investments supported by data-led and transparent processes. We want to be good stewards and integrate ESG issues into investment decisions, aligning value creation with protection of values to achieve prosperity.

London CIV’s vision is “to be the best-in-class asset pool delivering value for Londoners through long term sustainable investment strategies.” This is in collaboration with all our stakeholders with whom we are building better futures by investing for a world worth living in.

We would like to acknowledge the continued support from our Client Funds on responsible investment, stewardship and climate change. Our shared commitment to minimising the financial and social risks of ESG factors enables us to generate sustainable returns and drive change together.

London CIV published a dedicated [Stewardship Policy](#) in 2021, designed to highlight our approach to setting stewardship priorities and use of active ownership to drive real-world outcomes at scale. This policy is intended to inform our holdings, managers and suppliers about our main concerns and expectations across all ESG factors.

London CIV report annually on [Stewardship Outcomes and Activities](#) in line with our obligations under the UK Stewardship Code and The Shareholder Rights Directive II. Our Stewardship Policy and Outcomes Report detail our stewardship themes and priorities, voting behaviour, use of proxy advisors and significant votes.

We have provided supplementary information in this document to complete our reporting requirements under the Shareholder Rights Directive II for the reporting year ending 31st December 2021. We have shifted our reporting period by one quarter to align with our Stewardship Outcomes and Activities reporting.

London CIV Investment Strategy and Products

Our focus this year has been to develop the Design–Select–Manage lifecycle to launching funds and managing existing funds. We are integrating ESG, cost transparency and risk management into each part of the investment lifecycle. This is being done to ensure that London CIV achieves its aim of adding value to our clients, add access to Infrastructure assets and provide robust governance and decision making.

We want to increase the range of products available to our clients that deliver substantial climate change, environmental and social benefits. We continue to develop products in collaboration with our clients, helping them to meet their own climate goals whilst delivering on this strategy.

One of the key challenges we face is that there is a limited supply of investment products which meet our environmental, social and governance (“ESG”) objectives (low carbon, socially just, etc.) and investment requirements (the right risk-return profile).

Thus, encouraging innovation is critical to our product development and fund launch strategy. Our “ESG conscious products” and their approach to ESG are highlighted below. More detailed information about our climate impact and forward-looking risk analysis can be found in our [annual metrics report](#) and a summary is provided in the [Annual Review](#) for the year ending 31 March 2021 which includes the statutory Annual Report and Financial Statements published on our website.

London CIV has aligned its SRDII reporting period with the FRC Stewardship Code reporting this year (1st January to 31st December 2021). For the first report in this new period, we will also publish a standalone voting data for the period 1st January to 31st December 2021 to prevent reporting gaps.

| Asset Class | Fund Name | Description |
|-----------------|--|---|
| Equity | LCIV Sustainable Equity Fund | This Fund invests in a high conviction, research driven global equity portfolio. The strategy is based on the beliefs that great businesses create contingent assets not reflected in typical financial metrics, extensive evaluation of extra-financial factors reduces risk and uncovers alternative sources of alpha, and an integrated ESG approach supports responsible allocation of capital. These principles ensure that the strategy only considers companies with strong competitive dynamics, strong management, and environmental, social and governance practices. |
| Equity | LCIV Sustainable Equity Exclusion Fund | This Fund mirrors the LCIV Sustainable Equity Fund (as described above) and excludes issuers whose primary business is involved with any of the following restricted activities: adult entertainment; alcohol; gambling; weapons; small arms and tobacco; and does not invest in issuers whose primary business is directly involved in extracting, processing or transporting coal, oil or natural gas (“fossil fuels”). |
| Private Markets | The London Fund | The Local Pensions Partnership Investments and the London CIV have jointly set up “The London Fund” to help access investment opportunities in Greater London across real estate, infrastructure, and growth capital opportunities. The strategy focuses on investments across Greater London, which includes the 32 London Boroughs, |

| | | |
|-----------------|--|--|
| | | the City of London Corporation, and the surrounding local authorities Its investment objectives also include investments in projects with sustainable outcomes that address social needs in Greater London including job creation, area regeneration and a positive environmental impact. |
| Private Markets | LCIV Infrastructure Fund | The Fund invests in infrastructure assets in brownfield and greenfield investments. At least a quarter of the Fund will remain invested in renewable energy in line with the London CIV Responsible Investment and Engagement Policy. |
| Private Markets | LCIV Renewable Infrastructure Fund | The Fund invests in renewable energy infrastructure assets in brownfield and greenfield investments. This will include generation, transmissions and distribution assets, with a market segment focus on renewable energy including, wind solar and other generations such as biomass, biogas, hydroelectricity, and enablers. |
| Equity | LCIV Global Alpha Growth Paris Aligned Fund | The Fund aims to have a weighted average greenhouse gas intensity that is lower than that of the MSCI ACWI EU Paris Aligned Requirements Index. |
| Equity | LCIV Passive Equity Progressive Paris Aligned Fund (PEPPA) | The objective of the PEPPA Fund is to track the performance of the S&P Developed Ex-Korea LargeMidCap Net-Zero 2050 Paris Aligned ESG Index (GBP) |

London CIV ESG products as of 31 December 2022.

Portfolio Composition

Our voting and engagement activity priorities are informed by our top ten holdings, material risks, client and peer priorities and assets held by sector:

Top Ten Holdings

| Company | Weight (%) |
|--|-------------------|
| Alphabet Inc. | 3.28% |
| Microsoft Corporation | 3.05% |
| Taiwan Semiconductor Manufacturing Company Limited | 2.10% |
| Naspers Limited | 1.72% |
| Amazon.com, Inc. | 1.67% |
| AIA Group Limited | 1.37% |
| UnitedHealth Group Incorporated | 1.37% |
| Estee Lauder Cos. | 1.26% |
| Moody's Corporation | 1.12% |
| Anthem, Inc. | 1.08% |

Source: London CIV and Trucost S&P, 31 December 2021

Voting Activities

As stewards of capital, exercising voting rights is an important part of our responsibility towards our clients' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Publishing our voting records further supports this aim.

| Number of Proposals | Voting instruction - For | Voting instruction - Against | Voting instruction - Other |
|---------------------|--------------------------|------------------------------|----------------------------|
| 10,403 | 9,167 | 680 | 556 |

Source: London CIV: Calculated based on Fund Managers' voting data, ProxyEdge data and ISS data as of 31 December 2021.

FY Q12022 voting data

| Number of Proposals | Voting instruction - For | Voting instruction - Against | Voting instruction - Other |
|---------------------|--------------------------|------------------------------|----------------------------|
| 2,513 | 2,196 | 257 | 60 |

Source: London CIV: Calculated based on Fund Managers' voting data 31st March 2022.

Significant Votes

London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. We have selected the below example votes as 'Significant'. In November 2021, London CIV has consolidated all its voting activities for its segregated funds.

| LCIV Fund | Company | Date | Proposal Label | Instruction | Voting Rationale | Explanation of Significant Votes |
|----------------------------------|-------------------|-----------|--|-------------|---|--|
| LCIV Emerging Market Equity Fund | AIA GROUP LTD NPV | 20-May-21 | 1 2 3 4 5 6 7 8 9A 9B | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|----------------------------------|---|-----------|--|---------|--|--|
| LCIV Emerging Market Equity Fund | Taiwan Semiconductor or Manufacturing Co., Ltd. | 08-Jun-21 | 1 2 3 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9 4.10 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Global Equity Focus Fund | Alphabet Inc | 02-Jun-21 | 1a 1b 1c 1d 1e 1g 1i 1j 1k 2 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 5 6 7 9 10 11 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 1f 1h 3 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. Reasons include – affiliated insider on compensation committee, nominee sits on too many boards, excessive cost of plans. | This vote is significant as it is one of our top 10 holdings |
| | | | 4 8 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. Reasons include: <ul style="list-style-type: none"> • Allowing one vote per share generally operates as a safeguard for common shareholders • Ensuring efficacy of whistleblower policies mitigates risks and benefits the Company and its shareholders | This vote is significant as it is one of our top 10 holdings |
| LCIV Global Equity Focus Fund | Unitedhealth Group Inc | 07-06-21 | 1a 1b 1c 1d 1e 1f 1g 1h 1i 2 3 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--------------------|-----------------------|-----------|--|---------|---|--|
| | | | 4 | | | |
| | | | 5 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Real Return | AIA Group Limited | 20-May-21 | 1 2 3 4 5 6 7 8 9A 9B | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Real Return | Microsoft Corporation | 30-Nov-21 | 1.6 1.7 1.9 1.1 3 1.2 1.3 1.4 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 7 8 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 1.5 1.8 1.11 1.12 2 4 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. Newton voted against the executive compensation arrangements. The company decided to use semi-annual goals for the financial measures used in both the cash incentive and performance stock awards, thereby resulting in an above-target payout for the chief executive officer. In addition, Newton had concerns in relation to the granting of a sign-on bonus to a new executive, which was not subject to the achievement of performance criteria. This led to them also voting against the members of the compensation committee. Votes were also instructed against the reappointment of the company's external auditor given that the firm had served in its role since 1983, which raised concerns around its ability to act with independence and objectivity. | This vote is significant as it is one of our top 10 holdings |
| | | | 5 6 9 | For | In contrast to the recommendations of the company's management, Newton supported three shareholder resolutions. These resolutions requested that the company publish reports on its gender and racial pay gaps, the effectiveness of its workplace sexual harassment policies, and how its direct and indirect lobbying activities align with its corporate policies. Newton voted against a shareholder resolution asking the company to prohibit sales of facial recognition technology to all government entities. This proposal was deemed overly prescriptive in light of measures already being taken by the company. Finally, we voted against a shareholder resolution asking that the company report whether its commitment to the Fair Chance Business Pledge has advanced progress towards eliminating racial discrimination. Taking into consideration the company's various disclosures, it appears the company is taking sufficient measures to enable shareholders to assess its commitment to the Pledge. | This vote is significant as it is one of our top 10 holdings |
| LCIV Global Equity | AIA Group Limited | 20-May-21 | 1 2 3 4 5 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--------------------|---|-----------|--|---------|---|--|
| | | | 6 7 8 9A 9B | | | |
| LCIV Global Equity | Amazon.com, Inc. | 26-May-21 | 1a 1b 1c 1f 1g 1i 1j | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations | This vote is significant as it is one of our top 10 holdings |
| | | | 1d 1e 1h 2 3 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 4 5 6 7 8 9 10 11 12 13 14 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. <ul style="list-style-type: none"> Supported two proposals to increase disclosure around the impact of several Amazon products on human rights. Supported two proposals designed to align the company's corporate governance structure with US best practice standards. Supported three proposals requesting that Amazon increase its disclosure on efforts to tackle gender and racial diversity within the company. Supported a proposal requesting a report on Amazon's impact on plastic packaging pollution given that shareholders would benefit from better understanding of how Amazon manages this risk. Employee representation on the board: Given recent controversies arising from the company's treatment of its workers, Newton considered that employee representation on the board would provide the company with greater insights into workforce needs and enable it to better address worker grievances. Supported a proposal asking Amazon to report on its oversight of risks relating to anticompetitive practices owing to the current lack of disclosures available on the subject. Supported a resolution proposing increased disclosures surrounding lobbying practices. Newton believed this would help shareholders to assess better the risks and benefits associated with the company's lobbying activities | This vote is significant as it is one of our top 10 holdings |
| LCIV Global Equity | Taiwan Semiconductor or Manufacturing Co., Ltd. | 08-Jun-21 | 1 2 3 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--------------------|---------------|-----------|--|---------|--|--|
| | | | 4.1 | | | |
| LCIV Global Equity | Alphabet Inc. | 02-Jun-21 | 1a 1b 1c 1d 1e 1g 1i 2 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 9 11 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 1f 1h 1j 1k 3 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. Newton voted against the proposed compensation plan and members of the compensation committee. They were concerned with the lack of clarity surrounding the structure of executive pay arrangements, which appeared to provide an ability for executives to be rewarded significantly irrespective of performance achieved. | This vote is significant as it is one of our top 10 holdings |
| | | | 4 5 6 7 8 10 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted against management recommendations. Newton supported several shareholder resolutions that they considered would better serve the company's shareholders. These related to: shifting to a single-class share structure; a feasibility study for including sustainability as a performance measure for executive compensation; appointment of a board director with human-rights experience; whistleblowing; anticompetitive practices; and the process for taking down controversial content from the company's websites. | This vote is significant as it is one of our top 10 holdings |
| LCIV GAPA | AIA Group | 20-May-21 | 1 2 3 4 5 6 7 8 9.A 9.B | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV GAPA | Naspers | 25-Aug-21 | O.1 O.2 O.3 O.4 O.5.1 O.5.2 O.5.3 O.5.4 O.5.5 O.6.1 O.6.2 O.6.3 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|-------------------|------------------|-----------|---|-----|---|--|
| | | | O.7 O.8 O.9 O.10 O.11 S.1.1 S.1.2 S.1.3 S.1.4 S.1.5 S.1.6 S.1.7 S.1.8 S.1.9 S.1.10 S.1.11 S.1.12 S.1.13 S.2 S.3 S.4 S.5 S.6 | | | |
| LCIV Global Alpha | Moody's | 20-Apr-21 | 1A. 1B. 1C. 1D. 1E. 1F. 1G. 1H. 1I. 2. 3. 4 | For | <p>Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations.</p> <p>Our Fund manager supported resolution 4, a shareholder resolution to approve the company's 2020 Decarbonisation Plan. Moody's has a clear strategy and targets to reduce its carbon footprint which are science-based and aligned with the Paris Agreement. Vote in favour was in line with the board's recommendation.</p> | This vote is significant as it is one of our top 10 holdings |
| LCIV Global Alpha | Amazon.com, Inc. | 26-May-21 | 1A. 1B. 1C. 1D. 1E. 1F. 1G. 1H. 1I. 1J. 2. 3. | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 4. 5. 6. 7. 8. | For | London CIV instructed Bailie Gifford to vote for nine shareholder resolutions. Our fund manager instructed a For vote for 6 and 13. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--|--|---|--|-----|---|--|
| | | | 9. 10. 11. 12. 13. 14. | | | |
| LCIV GAPA, LCIV Global Alpha | Prosus N.V. | 19- Jul- 21/ 24- Aug- 21 | 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.1. 10.2. 10.3. 10.4. 11. 12. 13. 14. | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Fund, LCIV Sustainable Equity Exclusion Fund | AIA Group Limited | 20- May- 21 | 1 2 3 4 5 6 7 8 9A 9B | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Fund LCIV Sustainable Equity Exclusion Fund | Taiwan Semiconduct or Manufacturin g Co., Ltd. | 08- Jun- 21 | 1 2 3 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9 4.10 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Fund LCIV Sustainable | Amazon.com, Inc. | 26- May- 21 | 1a 1b 1c 1d 1e 1f | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--|---------------------------------|-----------|---|---------|---|--|
| Equity Exclusion Fund | | | 1g 1h 1i 1j 2 | | | |
| | | | 3 | Against | Our Fund Manager voted on our behalf based on their voting guidelines, against management recommendations. | |
| | | | 4 5 6 7 8 9 10 11 12 13 14 | For | London CIV instructed RBC to vote for nine shareholder resolutions. | |
| LCIV Sustainable Equity Fund | The Estee Lauder Companies Inc. | 12-Nov-21 | 1a 1b 1c 1d 2 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Exclusion Fund | | | 3 | Against | Our Fund Manager determined the compensation plan, remuneration report or remuneration policy requires improvements and support is not warranted at this time. Voted against management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Fund | Microsoft Corporation | 30-Nov-21 | 1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9 1.10 1.11 1.12 2 4 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Exclusion Fund | | | 5 7 8 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 6 9 | For | A vote for this proposal is warranted as additional information on the company's sexual harassment policies and the implementation of these policies would help shareholders better assess how the company is addressing such risks. A vote for this proposal is warranted, as a report on the congruency of the company's public position with its and its political partners lobbying positions would provide shareholders needed information about reputational risks that may arise from publicity around perceived inconsistencies. | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--|---------------------------------|-------------|---|---------|---|--|
| LCIV Sustainable Equity Fund LCIV Sustainable Equity Exclusion Fund | UnitedHealth Group Incorporated | 07-Jun-21 | 1a 1b 1c 1d 1e 1f 1g 1h 1i 2 3 4 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 5 | Against | A vote for this proposal was warranted as lowering the ownership threshold for shareholders to call a special meeting would enhance shareholders' rights and the possibility of abuse is considered to be limited. | This vote is significant as it is one of our top 10 holdings |
| LCIV Sustainable Equity Fund LCIV Sustainable Equity Exclusion Fund | Alphabet Inc. | 02-Jun-21 | 1a 1b 1c 1e 1g 1i 2 | For | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 8 9 | Against | Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations. | This vote is significant as it is one of our top 10 holdings |
| | | | 1d 1f 1h 1j 1k 3 | Against | Our Fund Manager voted against management recommendations. Reasons include - lack of women representation on committees, nominee sits on more than five boards and disconnect between CEO pay and company performance. | This vote is significant as it is one of our top 10 holdings |
| | | | 4 5 6 7 10 | For | Our Fund Manager voted against management recommendations in favour for the listed shareholder proposals. | This vote is significant as it is one of our top 10 holdings |
| Global Equity Quality Fund | Moody's Corporation | 20-April-21 | 1e 3 | Against | Our Fund Manager voted against management recommendations. Reasons include: <ul style="list-style-type: none"> Vote Against the election of the Chairperson of the Compensation Committee to underline our ongoing compensation concerns Vote Against the company's Named Executive Compensation Scheme due to concerns around the use of EPS as a performance metrics for the LTIP and 40% non-performance-based awards. Our Fund Manager voted on our behalf based on their voting guidelines. Voted in line with management recommendations for all other proposals for Moody's Corporation. | This vote is significant as it is one of our top 10 holdings |
| Global Equity Quality Fund | Alphabet Inc. | 02-Jun-21 | 1f 1h 1j 1k 3 | Against | Our Fund Manager voted against management recommendations. Reasons include: <ul style="list-style-type: none"> Voted Against members of the Compensation Committee due to mega grants and ongoing compensation concerns. Four named executive officers (NEOs) other than the CEO, pay increased significantly year-on-year and is not strongly performance based. Four NEOs received sizable periodic equity grants in 2020, higher than median total CEO pay at peer | This vote is significant as it is one of our top 10 holdings |

| | | | | | | |
|--|--|--|-----------------------------|-----|---|--|
| | | | | | <p>companies, even on an annualised basis. We do not believe aspects of the remuneration programme are aligned with shareholders' best interests.</p> <ul style="list-style-type: none"> • Voted against Committee members due to overboarded concerns. • The company's three-year burn rate was above the 75th percentile. We voted Against this proposal. | |
| | | | 4 5 6 7 8 10 | For | <p>Our Fund Manager voted against management recommendations for the listed shareholder proposals.</p> <p>For all other votes, our fund managers have voted inline with management suggestions.</p> | This vote is significant as it is one of our top 10 holdings |

Source: London CIV: Based on Investment Manager Voting Records for the 12-month period up until 31 March 2021. The top 10 holdings are based on data as of 31 December 2021.

Detailed information about how London CIV integrates shareholder engagement in its investment strategy, monitors and communicates with investee companies, exercise voting rights, cooperates with other shareholders and manages conflicts of interest can be found on the [Stewardship Outcomes and Activities](#) report.

Conflicts of Interest

Engagement processes and voting rights are exercised in line with the best interests of clients to protect and enhance the long-term value of shareholdings. The management of conflicts is important in protecting our clients' assets, building long-term relationships with the companies we invest in and maintaining strong partnerships. London CIV has a robust approach to conflicts of interest, with comprehensive controls operating at all levels within the business to prevent conflicts of interest from adversely affecting the interests of Client Funds. The effective management of potential conflicts of interest is a key component of our due diligence on all asset managers and service providers, as well as our ongoing contract management.

Conflict of interest clauses are included in investment management agreements. Conflicts are also considered when undertaking voting and engagement activities. Details on how Hermes EOS, our appointed engagement voting provider, approaches conflicts of interest in stewardship is available [here](#).

By undertaking engagement activities, the following conflicts may arise:

- We may engage with or vote in respect of a company which has a strong commercial relationship, including as a service provider, with London CIV and/or our clients.
- We may engage with or vote in respect of a company where staff own securities or have a personal relationship with senior staff members in a company.
- We may engage with or vote in respect of a company where client representatives are on the Board of the organisation.
- We may engage with or vote in respect of a company where staff either hold a share of the company or have a direct link to the Board of the organisation.
- We may engage with a government or government body which is the sponsor or associate of the sponsor of one of our clients.
- We may vote on a corporate transaction, the outcome of which would benefit one client more than another.
- We may otherwise act on behalf of Client Funds who have differing interests in the outcome of our activities.
- Staff or Client Funds may also be exposed to entertainment, gifts or free events from companies which could influence judgement or result in favouritism towards specific organisations.

London CIV maintains policies and procedures that mitigate the risks of perceived, potential and actual conflicts. Examples of how we reduce the risk of conflicts occurring and manage such risks if they do occur include:

- Ensuring all staff discuss any foreseen potential conflict of interest from voting or engagement with their line manager and report to the Compliance and Risk Team.
- Any potential conflicts arising over our approach to voting or engagement are discussed with the Chief Investment Officer ("CIO") and reported to the Compliance and Risk Team.
- Split voting in exceptional circumstances in the event of a potential conflict.

- The Investment Oversight Committee (“IOC”) to review voting decisions and engagement activities on a regular basis.
- Allowing any unforeseen conflicts of interests to follow an escalation procedure involving the CIO.

London CIV always places the interests of our clients and their beneficiaries first and require that when acting on our behalf, our suppliers do the same and publicly disclose their conflicts of interest policies.