

McCormick (UK) Limited Pension & Life Assurance Scheme ('the Scheme') – Implementation Statement 1st April 2024 – 31st March 2025

This Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Department for Work and Pensions, for the period from 1st April 2024 – 31st March 2025 ('the Scheme Year').

The Scheme's reporting period for each fund is the holding period of that fund across the Scheme Year.

The Statement sets out how, and the extent to which, the Trustees' policy in relation to exercising voting rights has been followed during the year by describing the voting behaviour on behalf of the Trustees of the Scheme.

The Trustees have appointed Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Scheme's behalf.

This Statement includes Minerva's report on key findings on behalf of the Trustees over the Scheme Year.

A summary of the key points is set out below.

LGIM

Due to nature of the underlying holdings, LGIM stated that there was no voting information to report for any of the Scheme's holdings.

For the Maturing Buy & Maintain Credit Funds and Sterling Liquidity Fund, LGIM provided basic fund-level information on engagements that was in line with the Scheme's reporting period. From this Minerva was able to confirm that the activity appeared to broadly comply with LGIM's own engagement approach and so complies with the Scheme's approach.

AVCs

The Scheme holds AVCs and the Trustees have determined they will not be covered in this Statement on the grounds of materiality.

Final Comments

Since last year, LGIM have continued to provide basic information on engagements and could improve the level of detail in this information.

This year, there was no voting information to report for any of the Scheme's investments, due to the nature of those investments.



McCormick (UK) Limited Pension & Life Assurance

Spence and Partners Ltd

Implementation Statement (IS):

Voting & Engagement Information (VEI) Report

Scheme Reporting Period:

1st April 2024 to 31st March 2025

17th July 2025

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1 SIP Disclosures

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Scheme year-end relating to the following:

1. Financially Material Considerations
2. Non-Financial Considerations
3. Investment Manager Arrangements

Stewardship - including the exercise of voting rights and engagement activities - is set out in the 'Voting and Engagement' section.

Source of Information:

McCormick (UK) Limited Pension and Life Assurance Scheme
Statement of Investment Principles
July 2023



1.1 Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. They believe that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes that they are investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that they cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees do expect their investment manager and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustees accept that the Scheme's assets are subject to the investment manager's own policy on socially responsible investment. The Trustees will assess that this corresponds with their responsibilities to the beneficiaries of the Scheme with the help of their investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for the existing manager with the help of the investment consultant. The Trustees will only invest with investment managers that are signatories to the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standards.

The Trustees will monitor financially material considerations through the following means:

- Obtain training where necessary on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and their investments;
- Use ESG ratings information provided by their investment consultant, to assess how the Scheme's investment manager takes account of ESG issues; and
- Request that the Scheme's investment manager provides information about its ESG policies, and details of how it integrates ESG into its investment processes, via their investment consultant.

If the Trustees determine that financially material considerations have not been factored into the investment manager's process, they will take this into account on whether to select or retain an investment.

1.2 Non-Financial Considerations

The Trustees have not considered non-financial material matters in the selection, retention and realisation of investments.

1.3 Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustees' policies

The Scheme invests in pooled funds and so the Trustees acknowledge the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then select managers that best suits their strategy taking into account the fees being charged, which acts as the investment managers' incentive.

The Trustees use the fund objective/benchmark as a guide on whether their investment strategy is being followed and monitors this regularly.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustees select managers based on a variety of factors including investment philosophy and process, which they believe should include assessing the long term

financial and non-financial performance of the underlying company that they invest in.

The Trustees also consider the managers' voting and ESG policies and how they engage with the investee company as they believe that these factors can improve the medium to long-term performance of the investee companies.

The Trustees will monitor the manager's engagement and voting activity on an annual basis as they believe this can improve long term performance. The Trustees expect their manager to make every effort to engage with investee companies but acknowledge that their influence may be more limited in some asset classes, such as bonds, as they do not have voting rights.

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve, but do expect that those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme.

The Trustees believe that the annual fee paid to the investment manager incentivises it to do this. If the Trustees feel that the investment manager is not assessing financial and non-financial performance or adequately engaging with the companies that it is investing in, they will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustees' policies

The Trustees review the performance of each fund quarterly on a net of fees basis compared to its objective.

The Trustees assess the performance periods of the funds, where possible, over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of their investment consultant to ensure it is in line with the Trustees' policies.

How the Trustees monitor portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustees monitor the portfolio turnover costs on an annual basis.

The Trustees define target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manage. This is monitored on an annual basis.

The Trustees have delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to their investment consultant.

The duration of the arrangement with the investment managers

The Trustees plan to hold each of their investments for the long term but will keep this under review.

Changes in investment strategy or changes in the view of the investment manager can lead to the duration of the arrangement being shorter than expected.

2 Sourcing of Voting and Engagement Information

This section sets out the availability of the information Minerva initially requested from the Scheme's managers, to facilitate the preparation of this report:

Table 2.1: Summary of Available Information

Fund Manager	Investment Fund/Product	Voting Information	Significant Votes	Engagement Information
LGIM*	Gilt Fund (6 funds)	No Info to Report	No Info to Report	No Info to Report
	Green Gilt Fund	No Info to Report	No Info to Report	No Info to Report
	Index-Linked Gilt Fund (9 funds)	No Info to Report	No Info to Report	No Info to Report
	Maturing Buy and Maintain Credit Fund 2025-2029	No Info to Report	No Info to Report	Part Info Available
	Maturing Buy and Maintain Credit Fund 2030-2034	No Info to Report	No Info to Report	Part Info Available
	Sterling Liquidity Fund	No Info to Report	No Info to Report	Part Info Available

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

Full Info Available	The manager has provided either a PLSA Voting Template or voting data that precisely matches the specific investment's holding / reporting period
Part Info Available	The manager has provided either a PLSA Voting Template or voting data that partially matches the specific investment's holding / reporting period
No Info to Report	The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments
No Info Provided	At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information to report



Minerva Says:

Voting Activity

There was no voting activity reported by any of the Scheme's investments managers.

Significant Votes

As there was no voting activity to report, there were no 'Significant Votes' to include in this report.

Engagement Activity

There was reportable engagement information provided for the Scheme's investments with the following managers:

- LGIM Maturing Buy and Maintain Credit Fund 2025-2029
- LGIM Maturing Buy and Maintain Credit Fund 2030-2034
- LGIM Sterling Liquidity Fund

3 Voting and Engagement

The Trustees are required to disclose the voting and engagement activity over the Scheme year. The Trustees have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This statement provides a summary of the key information and summarizes Minerva's findings on behalf of the Scheme over the Scheme's reporting year.

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests insomuch that it demonstrates that the Scheme's managers have undertaken stewardship activity they deem to be appropriate and proportionate in the oversight and management of the Scheme's investments.

3.1 Voting and Engagement Policy and Funds

The Trustees' policy on Stewardship from the Scheme's SIP is set out below:

'The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustees' behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe that this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment manager's voting policy, with the help of their investment consultant, and decide if it is appropriate.

The Trustees also expect the investment manager to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect the investment manager to adhere to this where appropriate for the investments that it manages.'

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment/Product Information

Fund Manager	Investment Fund/Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
LGIM	Gilt Fund (6 funds)	L&G Platform	DB Fund	01/04/24	31/03/25	N/A
	Green Gilt Fund	L&G Platform	DB Fund	01/04/24	31/03/25	N/A
	Index-Linked Gilt Fund (9 funds)	L&G Platform	DB Fund	01/04/24	31/03/25	N/A
	Maturing Buy and Maintain Credit Fund 2025-2029	L&G Platform	DB Fund	01/04/24	31/03/25	N/A
	Maturing Buy and Maintain Credit Fund 2030-2034	L&G Platform	DB Fund	01/04/24	31/03/25	N/A
	Sterling Liquidity Fund	L&G Platform	DB Fund	01/04/24	31/03/25	N/A

Minerva Says

As shown in the table:

- The Scheme's investments held no listed equity holdings, and so had no equity voting activity associated with them.
- As a result, they had no need for a 'Proxy Voter'.

4 Exercise of Voting Rights

The following tables show a comparison of each of the Scheme's relevant manager(s) voting activity versus the Trustees' policy (which in this instance is the manager's own policy).

Table 4.1: Scheme's Manager's Approaches to Voting

Asset manager	-
Relevant Scheme Investment(s)	-
Key Points of Manager's Voting Policy	-
Is Voting Activity in Line with the Scheme's Policy?	-

Minerva Says

As the Scheme's investment manager did not report any voting activity on any of the Scheme's investments, an assessment of the manager's voting policy against the Scheme's expectations is not warranted.

5 Manager Voting Policy

As the current approach of the Scheme is to use the voting policy of the external asset managers, it is important that these policies are independently reviewed to ensure that they match current good practice and the general stewardship expectations set by the Scheme. Well-managed companies that operate in a commercially, socially and environmentally responsible manner are expected to perform better over the longer term, as the Scheme believe that adopting such an approach will allow each company's management to identify, address and monitor the widest range of risks associated with their specific business.

Set out in the following table is Minerva's independent assessment of the Scheme's managers' publicly available voting policies, in the context of current good practice as represented by the ICGN Voting Guidelines, whilst also bearing the Scheme's stewardship expectations in mind. This has been done for each manager where they have identified voting activity on behalf of the Scheme.

We have assessed each manager's policy individually, looking at it from Minerva's perspective of seven 'Voting Policy Pillars' that are at the core of our proxy voting research process, and which we have developed over the last 25 years. In using this well-tried approach, the Scheme can be sure that their investment managers voting policies are being carefully considered against current good practice.

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice

Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
-	-	-	-	-	-	-	-
Comments	As there was no voting activity reported by the Scheme's manager, an assessment of their voting policy versus 'Good Practice' is not warranted.						

Table Key

Aligned	This aspect of the manager's voting policy is aligned with good practice
Limited Disclosures	This policy pillar could only be partially assessed on the information available in the manager's voting policy
No Disclosures	This policy pillar could not be assessed due to a lack of information in the manager's voting policy
Not Available	The manager's voting policy was not disclosed for analysis by Minerva



Minerva Says

As the Scheme's investment manager did not report any voting activity on any of the Scheme's investments, an assessment of the manager's voting policy against the Scheme's expectations is not warranted.

6 Manager Voting Behaviour

The Trustees believe that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

The table below sets out the voting behaviour as disclosed by the Scheme's manager:

Table 6.1: Manager Voting Behaviour

Manager	Fund	No. of Meetings	No. of Resolutions					
			Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	
-	-	-	-	-	-	-	-	
Comments		There was no voting activity reported by the Scheme's manager, and so there is no voting behaviour to assess.						

Table Key

Available Information matches the Scheme's specific reporting period / investment holding period

Available Information is for a different period than the Scheme's reporting period / investment holding period

Information was not provided by the manager

Not Applicable



Minerva Says

There was no voting activity reported by the Scheme's manager, and so there is no voting behaviour to assess.

7 Significant Votes

Set out in the following section are 5 examples of the Scheme's manager(s) voting behaviour from the relevant fund(s) in which the Scheme was invested. A 'Significant Vote' relates to any resolution at a company that meets one of the following criteria:

1. Identified by the manager themselves as being of significance;
2. Contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK);
3. Is one proposed by shareholders that attracts at least 20% support from investors;
4. Attracts over 10% dissenting votes from shareholders.

Where the manager has not provided sufficient data to identify 'Significant Votes' based on criteria 2-4 above, we have used manager-identified examples:

Table 7.1 LGIM's 'Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx Size of Holding (as % of Fund)	Summary of Resolution	Voting Action	Outcome of Vote
- There were no reported 'Significant Votes' for any of the Scheme's investments							
Why a 'Significant Vote'?							
-							
Manager's Vote Rationale:							
-							
Were Votes Against Company Management Communicated to the Company Ahead of the Meeting?							
-							
Next Steps / Implications of the Outcome:							
-							
Relevance to Manager's Stated Policy:							
There were no reported 'Significant Votes' for any of the Scheme's investments							



Minerva Says

As there was no reported voting activity for any of the Scheme's investments, it follows that there are no 'Significant Votes' to report.

8 Manager Engagement Information

The Trustees have set the following expectation in the Scheme's SIP in relation to its managers' engagement activity:

'The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe that this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment manager's voting policy, with the help of their investment consultant, and decide if it is appropriate.'

The Trustees also expect the investment manager to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect the investment manager to adhere to this where appropriate for the investments that it manages.'

The Trustees believe that an important part of responsible oversight is for the Scheme's investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Scheme's managers to engage with investee companies where they have identified any such issues.

The following table(s) summarises the engagement activity of the manager(s):

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained	Level of Available information	Info Covers Scheme's Reporting Period?	Comments
LGIM	YES	FUND	YES	The manager provided basic fund level information covering the Scheme's reporting period.

Table Key

GREEN = A positive result. The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period

ORANGE = A 'partial' result. We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period

RED = A negative result. No engagement information was located at any level

LGIM

					Breakdown of Engagement Topics Covered				Outcomes	
Fund(s)	Period Start	Period End	No. of Engagements	Environmental	Social	Governance	Other	Resolved	Open	
Maturing Buy and Maintain Credit Fund 2025-2029	01/04/24	31/03/25	432	52.3%	15.7%	26.2%	5.8%	Not Stated	Not Stated	
Maturing Buy and Maintain Credit Fund 2030-2034	01/04/24	31/03/25	424	52.4%	16.7%	23.3%	7.6%	Not Stated	Not Stated	
Sterling Liquidity Fund	01/04/24	31/03/25	27	66.7%	0.0%	33.3%	0.0%	Not Stated	Not Stated	
Aspect of Engagement Activity	Details									
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1. Identify the most material ESG issues 2. Formulate a strategy 3. Enhance the power of engagement (e.g., through public statements) 4. Collaborate with other stakeholders and policymakers 5. Vote 6. Report to shareholders <p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 6 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate: Keeping 1.5°C alive 2. Nature: Supporting a world that lives in harmony with nature, recognising the economic value of natural capital 3. People: Improving human capital across the corporate value chain 4. Health: Safeguarding global health to limit negative consequences for the global economy 5. Governance: Strengthening accountability to deliver stakeholder value 6. Digitisation: Establishing minimum standards for how companies manage digitisation-related risks 									

Additional information on engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> • engagement objectives • collaborative engagements • process for escalating ineffective engagement and • whether any fintech solution was used to facilitate engagement
Comparison of the Manager's Engagement Activity vs the Scheme's Expectations	<p>Set out below is an example of engagement activity reported by LGIM in the Maturing B&M Credit 2030-2034:</p> <p><u>13/08/2024 - NVIDIA Corp - Social - themed engagement activity</u></p> <p><i>Engagement Type:</i> Written.</p> <p><i>Issue Theme:</i> Social / Human Rights</p> <p><i>Engagement Details:</i> Not provided.</p> <p><i>Engagement Outcome:</i> Not provided.</p>
Is Engagement Activity in Line with the Scheme's Expectations?	<p>Whilst we believe that the Manager's engagement approach is consistent with the Scheme's approach, we believe that the Manager should be able to provide more information relating to engagements undertaken at fund level.</p>

Minerva Says

As can be seen from the previous tables, the Scheme's manager's 'Engagement Activity' appears to comply with their own engagement approaches, and so also complies with the Scheme's approach.

9 Conclusions

9.1 Assessment of Compliance

In this report, Minerva has undertaken an independent review of the Scheme's external asset managers' voting and engagement activity. The main objective of the review is for Minerva to be in a position to say that the activities undertaken on the Scheme's behalf by its agents are aligned with its own policies.

Set out in the following table is Minerva's assessment of each manager's compliance with the Scheme's approach:

Table 9.1: Summary Assessment of Compliance

		Does the Manager's Reported Activity Follow the Scheme's Expectations:				UK Stewardship Code 2020 Signatory?	Overall Assessment
Fund / Product Manager	Investment Fund/ Product	Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'		
LGIM*	Gilt Fund (6 funds)	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
	Green Gilt Fund	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Index-Linked Gilt Fund (9 funds)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.
	Maturing Buy and Maintain Credit Fund 2025-2029	N.I.R.	N.I.R.	YES	N/A		COMPLIANT AN ISSUE EXISTS
	Maturing Buy and Maintain Credit Fund 2030-2034	N.I.R.	N.I.R.	YES	N/A		COMPLIANT AN ISSUE EXISTS
	Sterling Liquidity Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT AN ISSUE EXISTS

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

GREEN=Positive outcome e.g., Manager's reported activity follows the Scheme's expectations

ORANGE=An issue exists e.g., the information provided does not match the Scheme's reporting / investment holding period

BLUE=Manager has confirmed that there is no voting, 'Significant Votes' or engagement information to report (N.I.R.)

RED=Negative outcome e.g., no information provided (N.I.P.); Manager is not a signatory to the UK Stewardship Code 2020

GREY=Not Applicable e.g., there has been no 'Proxy Voter' used due to the nature of the investments held

Overall Assessment:

We believe that the Scheme's managers have broadly complied with the Scheme's Voting and Engagement requirements of them.

Notes

- 1) The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report regarding the Scheme's investments, due to the nature of those investments (e.g., Index Linked Gilts)
 - Where Engagement information was available, the manager's overall approach is also in step with the Scheme's requirements
- 2) The Scheme's investment manager is a Signatory to the UK Stewardship Code.
- 3) We remain somewhat disappointed with the limited engagement information provided by LGIM. Whilst they are now able to provide information on engagements undertaken in individual funds, they are not yet able to provide much in the way of details concerning the engagements.

LGIM Information Disclaimer

- i. Carbon dioxide equivalent (CO2e) is a standard unit to compare the emissions of different greenhouse gases.
- ii. The choice of this metric follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.
- iii. Data on carbon emissions from a company's operations and purchased energy is used.
- iv. This measure is the result of differences in weights of companies between the index and the benchmark, and does not depend on the amount invested in the fund. It describes the relative 'carbon efficiency' of different companies in the index (i.e. how much carbon was emitted per unit of sales), not the contribution of an individual investor in financing carbon emissions.
- v. LGIM set the following threshold for our reportable funds 1) the assets eligible for coverage e.g. eligible ratio needs to be greater than or equal to 50% and 2) the carbon coverage of the eligible assets e.g. eligible coverage needs to be greater than or equal to 60%.
- vi. Eligibility % represents the % of the securities in the benchmark which are eligible for reporting including equity, bonds, ETFs and sovereigns (real assets, private debt and derivatives are currently not included for carbon reporting). The Coverage % represents the coverage of those assets with carbon scores.
- vii. Derivatives including repos are not presently included and the methodology is subject to change. Leveraged positions are not currently supported. In the instance a leveraged position distorts the coverage ratio over 100% then the coverage ratio will not be shown.
- viii. LGIM define 'Sovereigns' as, Agency, Government, Municipal, Strips and Treasury Bills and is calculated by using: the CO2e/GDP, Carbon Emissions Footprint uses: CO2e/Total Capital Stock.
- ix. The carbon reserves intensity of a company captures the relationship between the carbon reserves the company owns and its market capitalisation. The carbon reserves intensity of the overall benchmark reflects the relative weights of the different companies in the benchmark.
- x. Green revenues % represents the proportion of revenues derived from low-carbon products and services associated with the benchmark, from the companies in the benchmark that have disclosed this as a separate data point.
- xi. Engagement figures do not include data on engagement activities with national or local governments, government related issuers, or similar international bodies with the power to issue debt securities.
- xii. LGIM's temperature alignment methodology computes the contribution of a company's activities towards climate change. It delivers an specific temperature value that signifies which climate scenario (e.g. 3°C, 1.5°C etc.) the company's activities are currently aligned with. The implied temperature alignment is computed as a weighted aggregate of the company-level warming potential.

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