Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Introduction

In accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee of the Scheme is required to produce an annual statement to set out:

- how, and the extent to which, in the opinion of the Trustee, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the Scheme Year;
- details of any review of the SIP during the Scheme Year;
- subsequent changes made with the reasons for the change; and
- the date of the last review of the SIP.

The Implementation 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 set out in the table below.

This Implementation Statement covers the Scheme's defined contribution ("DC") section. A separate statement covers the Scheme's defined benefit section. The statement flows directly from and should be read in conjunction with the SIP for the DC section of the Scheme (in place at the Scheme Year end and dated September 2021) which is available here - www.williamhillpensions.co.uk/library. The table later in the statement sets out how, and the extent to which, the policies in the DC Section of the SIP have been followed.

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Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the DC Section included in the SIP are as follows:

> *The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards its duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs. The Trustee also recognises that members may not believe themselves qualified to take investment decisions, as such, the Trustee makes available two Default Investment Strategies.*

Review of the SIP

The Scheme's latest SIP was reviewed with the Trustee's investment adviser and signed on 16 September 2021 by the Trustee.

The purpose of the review was to reflect the changes in the DB section regarding to changes in investment strategy following the buy-in transaction with Rothesay Life, which secured the remaining uninsured liabilities; there were no changes in the DC section. There were no other changes to the SIP over the Scheme Year ended 30 September 2021.

Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustee during the Scheme Year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, relating to the Scheme as a whole and the default investment arrangement. The SIP is attached as an Appendix and sets out the policies referenced below.

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	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
1	Securing compliance with the legal requirements about choosing investments	In considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitably qualified investment advisor. The advice received and the arrangements implemented are, in the Trustee's opinion consistent with the requirements of Section 36 of the Pensions act 1995 (as amended). *SIP Introduction*	The Trustee reviewed the SIP on 16 September 2021. There were no changes to the DC Section of the SIP from this review.
2	Kinds of investments to be held	The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of	The Trustee reviewed the Scheme's default investment strategy on 13 September 2021 as part of the triennial review with the Trustee's adviser. The discussion took into account performance in line with the aims and objectives of the Trustee, as outlined in the SIP, recent industry retirement trends and member demographics including age and asset size. As a result of the review, the Trustee decided that, from 1 July 2022, the Scheme's default investment strategy for members more than 8 years from their target retirement age in the Pensions Savings Plan 2001 ("PSP") will change from the Annuity Lifestyle Strategy to the Drawdown Lifestyle Strategy. This change is now being implemented. PSP members less than 8 years from their target retirement age on 1 July 2022 and all Employee Pension Plan ("EPP") members will not be impacted by the change.

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		investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs. The Trustee has made available a range of pooled investment funds (asset classes to include equities, bond and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members *SIP section 2.2*	The Trustee also reviewed the self-select fund range offered to members on 13 September 2021 and decided not to make any changes. As part of the implementation, the Trustee will update the details of the types of investments (including details about the default investment strategy) in the SIP. Once the SIP is finalised, the Trustee will upload and replace the current SIP on the Scheme website.
3	The balance between different kinds of investments	In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members. Members determine the balance between the different kinds of investments they hold. This balance will determine the expected return on member's assets and should be related to the member's own risk appetite and tolerances.	The strategic asset allocation of the default investment arrangements and the self-select fund range is reviewed regularly (at least triennially). The date of the last review was 13 September 2021. Implementation of the changes as a result of the review is currently underway. The Trustee receives quarterly investment performance reporting from the investment consultant and uses the reports to monitor whether these assumptions are being borne out.

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		Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option. *SIP section 2.2*	
4	Risks, including the ways in which risks are to be measured and managed	The Trustee has considered risk from a number of perspectives in the DC section. The Trustee believes that the appropriate time horizon within which to assess these considerations should be viewed at the member level. This will be dependent on the member's age and when they expect to retire. *SIP section 2.3*	As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. The risk table details the different risks that members are exposed to, and how this risk is monitored and managed. The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions. Additionally, ESG risk is also considered relevant by the Trustee, and it follows the same monitoring as other investment risks. The risk table is reviewed at least every three years, or as regulatory requirements arise (whichever is sooner), as part of the SIP review. The Trustee also review a quarterly performance report that considers some of the investment risks faced by members.
5	Expected return on investments	Members determine the balance between the different kinds of investments they hold. This balance will determine the expected return on member's assets and should be related to the	The investment performance report is reviewed by the Trustee on a quarterly basis – this includes the risk and return characteristics of the default and return information for additional investment fund choices.

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		member's own risk appetite and tolerances. In designing the Default Investment Strategies, the Trustee has explicitly considered the trade-off between risk and expected returns. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The balance between different kinds of investments is decided accordingly. Any investment in derivative instruments contributes to risk reduction, or efficient portfolio management. *SIP section 2.2 and 2.5*	The investment performance report includes how each investment manager is delivering against their specific mandates. The Trustee conducts an annual Value for Members assessment. For the year to 30 September 2021, the assessment concluded that the Scheme provides good value for members: • Over the 3 years to 30 September 2021, the majority of the Scheme's funds had met their long-term objectives, • Three funds were identified as having performance issues: LGIM Property Fund, LGIM World Emerging Market Index Fund and Standard Life Managed Fund had underperformed over the 3-year period to 30 September 2021. • No actions were taken by the Trustee over the prior year in respect of manager appointments. The LGIM Property Fund and Standard Life Managed Fund have been put on close monitor due to underperformance. As part of the regular reporting, the default investment arrangements are monitored against its aims and objectives. The investment performance report includes how each investment manager is delivering against their specific mandates.
6	Realisation of investments	The Trustee's administrators will realise assets following member requests on retirement or earlier where required. The funds are pooled investment funds which are daily-dealt, with assets mainly invested in regulated markets and therefore should be	The Trustee receive an administration report from Capita Employee Benefits Limited ("Capita") on a quarterly basis to confirm to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the Chair's Statement that has been prepared for the year ending 30 September 2021, the Trustee was satisfied that service level performance by Capita averaged over the year was within tolerance for all core financial transactions and that in general they were completed promptly and accurately. The overall performance attained during the reporting period was 96.8% of events being processed within the agreed target dates.

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		realisable at short notice, based on either Trustee or member demand. *SIP section 2.2*	All funds, including those in the default investment arrangements, are daily-dealt pooled investment vehicles, accessed by an insurance contract. Where pooled investment arrangements do not invest assets in regulated markets these are not expected to account for a material proportion of assets. Therefore, assets should be realisable at short notice, based on member and Trustee demand.
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	The SIP sets out the risks the Trustee believe may be financially material to the Scheme. The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustee considers to be financially material considerations in relation to the DC section. *SIP section 2.3* The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate	The investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the investment advisers. All of the managers remained generally highly rated during the year. The Trustee continues to monitor managers that may not be highly rated from an ESG perspective. When implementing a new manager, the Trustee consider the ESG rating of the manager. The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. In order to establish these beliefs and produce this policy, the Trustee undertook investment training provided by their investment consultant on responsible investment which covered ESG factors, stewardship, climate change and ethical investing. The Trustee's ESG beliefs were last discussed at the 14 June 2019 Trustee meeting. The Trustee keeps its policy under review. The trustee acknowledges that the Scheme's fixed income managers do not have a high ESG rating assigned by the investment consultant due to the nature of the asset class where it is harder to engage with the issuers of debt.

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		Governance Code and UK Stewardship Code. The Trustee will periodically review the investment managers' policies and engagement activities (where applicable). *SIP section 6*	The investment performance report includes how each investment manager is delivering against their specific mandates.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate these issues into the investment decision making process.	The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement. Monitoring is undertaken on a regular basis and is documented at least annually. When selecting and appointing investment managers, the Trustee will take into account how ESG factors, including climate change and stewardship, are integrated within the managers' investment processes. This will be balanced against other manager selection criteria such as (but not limited to) idea generation, portfolio construction, implementation, business management and fees and charges. The Trustee will also consider the investment consultant's assessment of how each manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's views. This includes investment managers' policy on voting and engagement. The Trustee meetings with each investment manager on an annual basis and challenges their decisions in these areas.

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9	The exercise of the rights (including voting rights) attaching to the investments	The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee will periodically review the investment managers' policies and engagement activities (where applicable). The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement. Monitoring is undertaken on a	The Trustee has given its appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. As an active and engaged investor, LGIM takes very seriously their responsibility to exercise the voting rights of their clients' assets. They direct the vote of a significant proportion of a company's shares by exercising the shareholder rights of almost their clients. This improves the effectiveness of voting in supporting their engagement activities and bringing about change in the market as a whole. They are wholly committed to using this power to encourage companies to improve their management of ESG issues, and they continue to dedicate significant resources to their stewardship obligations. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy. Currently, when the investment managers present to the Trustee at a quarterly board meeting, the Trustee asks the investment managers to highlight key voting activity and the impact on the portfolio. The Trustee has a particular focus on votes related to climate change. Over the last 12 months, the Trustee has not actively challenged the manager on its voting activity, as the Trustee had no concerns over LGIM's voting activities. The Trustee has equity exposure through the following funds: • Legal & General – Diversified • Legal & General – Global Equity Market Weights (30:70) – 75% GBP hedged

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		regular basis and is documented at least annually. *SIP section 6*	• Legal & General – Overseas Equity Consensus Index • Legal & General – UK Equity (5% Capped) Passive • Legal & General – World Emerging Markets Equity Index • Aberdeen Standard Life – Managed Voting activity information for funds where the Scheme has equity exposure (where provided) is summarised in the appendix.
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)	The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement *SIP section 6*	Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. report which Trustee will review on a regular basis. As the Scheme invests solely in pooled funds, the Trustee requires their investment managers to engage with the investee companies on their behalf. At present, when the investment managers present to the Trustee, the Trustee asks the investment managers to highlight key engagement activity and the impact the actions have had on the portfolio. The investment adviser will be in attendance at such presentations and the Trustee will look to their adviser to ensure the appropriate questions are asked.
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees policies mentioned in sub-paragraph (b) of the	Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class or classes they are selected to manage.	The manager arrangements were formally assessed as part of the investment strategy review in 2021. These are also assessed on an ongoing basis when concerns are identified. The Trustee believes passive investment is an effective philosophy to implement the DC investment strategies as this allows the Scheme's assets to largely align with the returns available from the broad market. The Trustee believes in the

	legislation [2-8 of this Statement]	As the Scheme invests in pooled investment vehicles, the Trustee accepts that it has no direct ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy. *SIP section 7.1*	history, scale and expertise of LGIM and Aberdeen Standard Life to effectively implement the Trustee's investment strategy. In the year to 30 September 2021, the Trustee has discussed the continued appointment of its appointed managers and agreed that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long -term financial and non -financial performance. This is reviewed as part of the annual Value for Member assessment which the Trustee reviewed and discussed the pricing arrangement and the mid-long term performance of the investment funds and the managers. Over the period, the Trustee believed that the appointments with its investment managers were consistent with its long-term objectives and no changes were made.
12	How the arrangement incentivises the asset manager 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 Trustee's focus is on long term performance but, as noted above, may review a manager's appointment if: • There are sustained periods of underperformance; • There is a change in the portfolio manager or portfolio management team; • There is a change in the underlying objectives of the investment manager;	The manager arrangements are assessed on an ongoing basis; concerns are identified via the quarterly investment performance reports provided by the investment adviser. Additionally, this is reviewed as part of the annual Value for Member assessment, as part of which the Trustee reviewed and discussed the pricing arrangements and the mid-long term performance of the Scheme's investment funds and managers. Most funds have met their long-term objectives, and any manager performance issues are given due attention by the Trustee. The Trustee's focus is on longer-term performance but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustee reviews both absolute and relative performance of the Investment Managers products (or funds) on a quarterly basis, including assessments of both

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		• There is a significant change to the investment consultant's rating of the manager. *SIP section 7.2*	shorter and longer time horizons. The Trustee is a long-term investor, all funds are open-ended and therefore there is no set duration for manager appointments. The Trustee appoints investment managers based on their capabilities and perceived likelihood of achieving the expected return and risk characteristics required for the asset class for which they were selected. Value for Member is also a key consideration and, as part of the annual Value for Member ("VFM") assessment, the Trustee reviews investment manager fees and turnover costs.
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]	The Trustee is a long term investor and is not looking to change the investment arrangements on a frequent basis. The Scheme is invested in open-ended funds, for which there is no set duration for the manager appointments. *SIP section 7.4* The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over a variety of periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and/or against the managers' stated target	The Trustee considers a 3-year performance metric as part of its review of the quarterly performance reports for each of the pooled funds in which the Scheme invests. In cases where the pooled funds have not been held for 3 years, performance since inception is provided. The investment managers are remunerated by way of a fee calculated as a percentage of assets under management, and do not have short term performance targets. The Trustee has reviewed both short term and longer term investment performance on a quarterly basis at each Trustee meetings during the Scheme Year via the quarterly performance reports provided by the investment adviser and the annual Value for Member assessment. The extent to which the aims and objectives of the default arrangement were being met was also assessed as part of the ongoing investment review. The Trustee is satisfied with the performances of the majority of the funds offered to the members.

		performance (over the relevant time period). *SIP section 7.2*	
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	The Trustee does not analyse portfolio turnover costs in detail. However, in future the Trustee may ask managers to report on portfolio turnover costs. *SIP section 7.3*	The Trustee does not analyse portfolio turnover costs in detail, as the current data provided by the providers does not allow the Trustee to provide a conclusive view of the markets. At present, the Trustee does not monitor portfolio turnover costs in any detail, although it may request that investment managers provide portfolio turnover costs on an annual basis to coincide with the Scheme Year end date in the future. The Trustee considers portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual Value for Members Assessment. Though the Trustee does not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken. The Trustee is required to assess these costs for value on an annual basis. However, at present, the Trustee notes a number of challenges in assessing these costs: • No industry-wide benchmarks for transaction costs exist • The methodology leads to some curious results, most notably “negative” transaction costs • Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs.

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			As noted in the most recent Chair's Statement, dated 30 September 2021, there is little flexibility for the Trustee to impact transaction costs as they invest in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Scheme invests in, there is not as yet any "industry standard" or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Trustee will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.
15	The duration of the arrangement with the asset manager	The Scheme is invested in open-ended funds, for which there is no set duration for the manager appointments. The Trustee will therefore retain an investment manager unless: • There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; • The manager appointed has been reviewed and the Trustee has decided to terminate the mandate. *SIP section 7.4*	As the Trustee is a long-term investor, it aims to minimise change in investment arrangements unless: there is a strategic change in the overall strategy; if after review the arrangement is no longer considered optimal. By reviewing the quarterly investment performance reports and the annual Value for Member assessment with the Scheme's investment adviser, the Trustee believes the current arrangements with the investment managers continue to be appropriate for the Scheme. Therefore no changes had been made to the list of the Scheme's appointed asset managers

APPENDIX

Voting Activity

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 30 September 2020 is summarised in the table below. Where fund managers have not been included this is due to being able to supply voting information at the time of finalising this report.

Fund	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
Legal & General Diversified	77,945	98.57%	79.91%	19.45%	0.64%
Legal & General Global Equity Market Weight (30:70) Index – 75% GBP Hedged	62,598	99.86%	83.41%	15.64%	0.95%
Legal & General Overseas Equity Consensus Index	54,336	99.84%	82.03%	16.88%	1.09%
Legal & General UK Equity (5% Capped) Passive*	N/A	N/A	N/A	N/A	N/A
Legal & General World Emerging Markets Equity Index	29,967	99.78%	84.11%	14.09%	1.80%

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Aberdeen Standard Life Managed*	N/A	N/A	N/A	N/A	N/A

*Voting statistics have not been provided as the Fund represents a relatively small proportion (x.x%) of total Scheme assets.

Examples of Significant Votes

Fund	Company	How you voted	Vote Outcome	Rationale for the voting decision
Global Equity MW(30:70)-75% GBP Hgd	Amazon.com, Inc.	Voted against electing Jeffrey P. Bezos as Director	Passed	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 have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.
Diversified Fund	NextEra Energy, Inc.	Voted against electing James L. Robo as Director	Passed	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 have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.
World Emerging Markets Equity Index Fund	Industrial & Commercial Bank of China Limited	Voted against approving Work Report of the Board of Directors	Passed	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure. Note that this company was also divested by LGIM across its Future World range of funds.
Overseas Equity Consensus Index	The Procter & Gamble Company (P&G)	Voted in favour of Reporting on effort to eliminate deforestation.	Passed	P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Finally, the company uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and Forest Pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with

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				deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests. LGIM engaged with P&G to hear its response to the concerns raised and the requests raised in the resolution. LGIM spoke to representatives from the proponent of the resolution, Green Century. In addition, LGIM engaged with the Natural Resource Defence Counsel to fully understand the issues and concerns. Following a round of extensive engagement on the issue, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, LGIM felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to LGIM in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that companies LGIM invest their clients' assets in are not contributing to deforestation. LGIM has asked P&G to respond to the CDP Forests Disclosure and continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.