

**Mabey Pension Scheme  
Implementation Statement  
Year Ending 30 September 2021**

**Glossary**

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Partners	Partners Group (Guernsey) Limited
Scheme	The Mabey Pension Scheme
Scheme Year	1 October 2020 to 30 September 2021
Schroder	Schroder Investment Management Limited
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

**Introduction**

The Trustee has reviewed the extent to which its policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme’s investment managers and provides information on the significant votes made in respect of the Trustee’s equity holdings. Information is also provided on the how the Scheme’s investment managers make use of the services of proxy voting advisers.

## Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following fund which included an allocation to equities\*:

- Schroder Life Diversified Growth Fund

*\* The Scheme also invests in the Partners Fund, which also has an allocation to listed equities. However, this fund typically has an allocation of c.20% to listed strategies, meaning the Scheme's exposure to listed strategies via the fund represents approximately 2.6% of total Scheme assets. We do not consider this to be significant and this fund has therefore been excluded from the analysis, on the grounds of materiality. Partners do operate stewardship guidelines which set out principles that they will apply in all the areas we would expect them to consider. They are not signatories to the UK Corporate Governance Code but they have been assessed as A+ by UNPRI (for Strategy & Governance).*

## The Trustee's Policy Relating to the Exercise of Rights

### Summary of the Policy

The Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to reflect changes to the Scheme's strategic asset allocation.

A summary of the Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.
- When selecting a pooled fund, the Trustee considers, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.

- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies, the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

#### Has the Policy Been Followed During the Scheme Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustee introduced an allocation to the Schroder Buy & Maintain Credit Fund. This fund does not include an allocation to equities so the manager's voting policy was not a relevant consideration for Trustee as part of the selection exercise.
- During the Scheme Year, the Trustee considered the voting records of the investment managers over the year ending 31 March 2020.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ending 30 June 2021\* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- All investment managers used by the Scheme are UNPRI signatories.

*\*Note the voting analysis was over the year ending 30 June 2021 because this was the most recent data available at the time of preparing this statement. The Trustee is satisfied that the analysis provides a fair representation of the investment managers' voting approach over the Scheme Year.*

**The Investment Manager’s Voting Record**

A summary of the investment manager’s voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained / withheld
Schroders	70,000	88%	11%	1%

Notes

*These voting statistics are based on Schroders’ full voting record over the 12 months to 30 June 2021 rather than votes related solely to the funds held by the Scheme.*

**Use of Proxy Voting Advisers**

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Schroders	ISS and IVIS	Proxy advisers provide research and administer votes but voting is determined by Schroders.

**The Investment Manager’s Voting Behaviour**

The Trustee has reviewed the voting behaviour of Schroders by considering the following:

- broad statistics of their voting records such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. “with management” or “against management”);
- the votes they cast in the year to 30 June 2021 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager’s policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the Schroders with its peers over the same period.

The Trustee’s key observations are set out below.

## **Voting in Significant Votes**

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by Schroders are listed in the Appendix. In addition, the Trustee considered Schroders' overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

## **Description of Voting Behaviour**

### Schroders

The Director Proposals that the Investment Adviser has analysed for Schroders were less closely contested than the significant votes identified for many of their peers. In the votes that were not closely contested, Schroders votes have been in line with the majority.

Nevertheless, it is still apparent that Schroders is prepared to vote against Director Proposals on a range of issues.

Schroders has also consistently been supportive of closely contested Shareholder resolutions designed to tackle a range of issues including ESG votes on climate change, gender inequality, diversity and human rights.

Overall, the Trustee was satisfied with Schroders' voting behaviour over the period observed and will keep the voting actions of the investment manager under review.

**Approved on behalf of the Trustee of The Mabey Pension Scheme on 10.3.2022**

## Significant Votes

The table below records how Schroders voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	Schroders
<b>Audit &amp; Reporting</b>					
ACTIVISION BLIZZARD INC	21/06/2021	Ratify PricewaterhouseCoopers LLP as Auditors	54	43	For
INTEL CORPORATION	13/05/2021	Appoint the Auditors	38	61	Against
LABORATORY CORPORATION OF AMERICA	12/05/2021	Ratify Deloitte & Touche LLP as Auditors	37	62	For
SKYWORKS SOLUTIONS INC	12/05/2021	Ratify KPMG LLP as Auditor	22	78	For
INVESTEC PLC	06/08/2020	Investec Limited: Reappoint KPMG Inc as Joint Auditors of the Company	78	22	For
<b>Shareholder Capital &amp; Rights</b>					
ORANGE S.A	18/05/2021	Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to	57	43	Against
PLAYTECH PLC	26/05/2021	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	63	37	For
FERRARI NV	15/04/2021	Issue Special Voting Shares	70	30	Against
BOUYGUES SA	22/04/2021	Authorize Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer	70	30	Against
FLUTTER ENTERTAINMENT PLC	29/04/2021	Issue Shares with Pre-emption Rights	70	30	For
<b>Pay &amp; Remuneration</b>					
AT&T INC.	30/04/2021	Advisory Vote on Executive Compensation	48	50	Against
INTERNATIONAL BUSINESS MACHINES CORPORAT	27/04/2021	Advisory Vote on Executive Compensation	48	51	Against
NETFLIX INC	03/06/2021	Advisory Vote on Executive Compensation	51	49	Against
WIZZ AIR HOLDINGS PLC	28/07/2020	Approve the Remuneration Report	48	52	Against
WALGREENS BOOTS ALLIANCE	28/01/2021	Advisory Vote on Executive Compensation	47	52	Against
<b>Constitution of Company, Board &amp; Advisers</b>					
BERKSHIRE HATHAWAY INC.	01/05/2021	Elect Meryl B. Wittmer - Non-Executive Director	50	50	For
GEBERIT AG	14/04/2021	Elect Werner Karlen - Non-Executive Director	50	50	For
EDWARDS LIFESCIENCES CORPORATION	04/05/2021	Elect Kieran T. Gallahue - Non-Executive Director	47	52	For
PETROPAVLOVSK PLC	30/06/2021	Elect Denis Alexandrov - Chief Executive	47	53	For
INFORMA PLC	03/06/2021	Elect Stephen Davidson - Non-Executive Director	53	47	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
MITIE GROUP PLC	23/11/2020	Approve Acquisition of Interserve Facilities Management	87	13	For
RAVEN PROPERTY GROUP LIMITED	18/06/2021	Approve Waiver of Rule 9 of the Takeover Code	41	13	For
HERMES INTERNATIONAL	04/05/2021	Approve Demerger	91	9	Against
CELLNEX TELECOM S.A.	20/07/2020	Issue Bonds/Debt Securities	93	5	For
NATIONAL GRID PLC	22/04/2021	Approve Acquisition	95	4	For
<b>Climate Related Resolutions</b>					
Royal Dutch Shell	18/05/2021	Approve the Shell Energy Transition Strategy	83	11	For
TOTALENERGIES SE	28/05/2021	Approve the Company's Sustainable Development and Energy Transition	83	7	Against
MOODY'S CORPORATION	20/04/2021	Say on Climate	93	1	For
NESTLE SA	15/04/2021	Support Nestle's Climate Roadmap	95	1	For
HSBC HOLDINGS PLC	28/05/2021	Approve Climate Change Resolution	99	0	For
<b>Other Company Resolutions</b>					
PEARSON PLC	30/04/2021	Meeting Notification-related Proposal	55	45	Against
ORANGE S.A	18/05/2021	Allow Board to Use Delegations under Item 23 Above in the Event of a Public Tender Offer	40	59	Against
PETROPAVLOVSK PLC	30/06/2021	Meeting Notification-related Proposal	61	38	For
UNICREDIT SPA	15/04/2021	Approve Severance Payments Policy	73	27	Against
HOSTELWORLD GROUP PLC	26/04/2021	Approve Political Donations	75	25	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
BORGWARNER INC	28/04/2021	Shareholder Resolution: Written Consent	50	50	For
COLGATE-PALMOLIVE COMPANY	07/05/2021	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call Special Meeting	51	49	For
OMNICOM GROUP INC	04/05/2021	Shareholder Resolution: Report on Political Contributions and Expenditures	51	49	For
THE GOLDMAN SACHS GROUP INC.	29/04/2021	Shareholder Resolution: Report on the Impacts of Using Mandatory Arbitration	49	43	For
MCKESSON CORPORATION	29/07/2020	Shareholder Resolution: Lobbying	52	48	For
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>					
CATERPILLAR INC.	09/06/2021	Shareholder Resolution: Report on Climate Policy	47	51	For
ORACLE CORPORATION	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For
BOOKING HOLDINGS INC.	03/06/2021	Shareholder Resolution: Report on Annual Climate Transition	56	43	For
AMAZON.COM INC.	26/05/2021	Shareholder Resolution: Oversee and Report on a Civil Rights, Equity, Diversity and Inclusion	44	55	For
JPMORGAN CHASE & CO.	18/05/2021	Shareholder Resolution: Report on Racial Equity Audit	40	58	For

### Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at points during the period. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.