

The Withers Pension Scheme Implementation Statement Year Ending 31 March 2021

Glossary

Barings	Barings International Investment Limited
ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Ninety One	Ninety One Asset Management Limited
Scheme	The Withers Pension Scheme
Scheme Year	1 April 2020 to 31 March 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustee has reviewed the extent to which their 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 manager 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 manager makes 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 funds which included an allocation to equities:

- Barings Multi-Asset Fund
- Ninety One Diversified Growth Fund

The Barings Multi-Asset Fund has now closed and as such it is not possible to hold Barings to account regarding their voting record. As a result, we have omitted them from this analysis.

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 comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment manager. Part of the new wording provided a more detailed explanation of the Trustee's policy relating to the exercise of rights.

A summary of the Trustee's policy 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 invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment manager's 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 their 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 their 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 their 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.
- The Trustee did not select any new funds during the period.
- Whilst the Trustee did not consider the voting records of the investment manager during the Scheme Year, that analysis has now been undertaken. The Trustee, in conjunction with their Investment Adviser, has considered the voting record of the investment manager over the year ending 31 March 2021* as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme is a UNPRI signatory.

** The Scheme now has fewer than 100 members and as a result the SIP has been withdrawn. For ease of analysis we have assessed voting data for the entire Scheme year.*

The Investment Manager’s Voting Record

A summary of the investment manager's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained
Ninety One	12,529	93%	6%	1%

Notes

These voting statistics are based on the manager’s full voting record over the 12 months to 31 March 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?
Ninety One	ISS	Research and vote execution provided by ISS but voting decisions always taken by the investment manager's Stewardship team

The Investment Manager’s Voting Behaviour

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

- broad statistics of their voting record 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 31 March 2021 on the most contested proposals in eight 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 investment manager with their 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 eight 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 eight categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustee considered the investment manager's 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

Ninety-One

The analysis of significant votes identified that in the pay and remuneration category, Ninety One demonstrate a clear willingness to oppose management. However, in other voting categories, they show a stronger tendency to support management than is the case for many other investment managers.

We also note their lack of support for a number of Shareholder Proposals designed to tackle ESG issues.

Our investment adviser will be feeding back our analysis to Ninety One and it will be interesting to watch how their voting policy evolves in future years

Conclusions

The Trustee hopes that, in future years, the voting record of Ninety One will compare more favourably with their peers.

However, the Trustee notes that the investment manager has since been replaced in the Scheme's portfolio and so their voting record will not be of direct concern going forward.

..... Date:

Signed on behalf of the Trustee of the Withers Pension Scheme

Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	NinetyOne
Audit & Reporting					
TRANE TECHNOLOGIES PLC	04/06/2020	Appoint the Auditors and Allow the Board to Determine their Remuneration	92	7	For
S&P GLOBAL INC	13/05/2020	Appoint the Auditors	94	6	For
MEDTRONIC PLC	11/12/2020	Appoint the Auditors: PricewaterhouseCoopers LLP and Allow the Board to Fix their Remuneration	94	6	For
Shareholder Capital & Rights					
Pay & Remuneration					
PARTNERS GROUP AG	13/05/2020	Approve Remuneration Report	66	34	For
Constitution of Company, Board & Advisers					
WASTE MANAGEMENT INC	12/05/2020	Elect Director Victoria M. Holt	58	41	For
Merger, Acquisition, Sales & Finance					
IBERDROLA SA	02/04/2020	Issue Bonds/Debt Securities	90	6	Against
UNILEVER PLC	12/10/2020	Approve Unification through a Cross-Border Merger and Amend Company's Articles of Association in connection	99	1	For
UNILEVER PLC	12/10/2020	Approve the Cross-Border Merger	99	1	For
Other Company Resolutions					
BEAZLEY PLC	26/03/2021	Meeting Notification-related Proposal	88	12	For
Governance & Other Shareholder Resolutions					
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Introduce an Independent Chairman Rule	42	58	For
VISA INC	26/01/2021	Shareholder Resolution: Written Consent	41	59	For
AMERICAN EXPRESS COMPANY	05/05/2020	Shareholder Resolution: Written Consent	36	64	Against
NASDAQ INC	19/05/2020	Shareholder Resolution: Written Consent	35	65	For
Environmental & Socially Focussed Shareholder Resolutions					
JPMORGAN CHASE & CO.	19/05/2020	Shareholder Resolution: Climate Change Targets	49	49	For
AMERICAN EXPRESS COMPANY	05/05/2020	Gender Pay report: company does not discuss gender pay gap	8	88	Against

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 31 March 2021. 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.