

Implementation Statement

BEN – Motor and Allied Trades Benevolent Fund Staff Pension and Assurance Scheme

Scheme year ended 30 September 2020

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s asset manager, Legal & General Investment Management (“LGIM”).

The Trustee is currently undertaking an investment strategy review alongside the 2019 actuarial valuation, where ESG considerations will be taken into account (where applicable).

Each year, the Trustee, with help from their investment advisors, receives and reviews voting information and engagement policies from the asset manager, which is reviewed to ensure alignment with their own policies (alongside the preparation of the Implementation Statement). No remedial action was taken during the period.

As detailed in the Scheme’s Statement of Investment Principles (dated September 2020), the Trustee does not take account of non-financial matters (such as Scheme members’ and beneficiaries’ ethical views, social and environmental impact, or present and future quality of life of the members and beneficiaries) when setting the investment strategy and in terms of the selection, retention and realisation of investments. Therefore, these matters are not covered in this statement.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the asset manager have been in alignment with the Scheme’s stewardship policies.

Voting Data

All voting data in the following table has been provided by the asset manager (LGIM) and is relevant for the year to 30 September 2020.

| Manager | LGIM | | | | |
|---|--|-----------------------------|------------------------------|---------------------|---|
| Fund name | UK Equity Index | North America Equity Index* | Europe (ex UK) Equity Index* | Japan Equity Index* | Asia Pacific (ex Japan) Developed Equity Index* |
| Structure | Pooled | | | | |
| Ability to influence voting behaviour of manager | The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour. | | | | |
| Number of company meetings the manager was eligible to vote at over the year | 822 | 726 | 514 | 519 | 472 |
| Number of resolutions the manager was eligible to vote on over the year | 11,799 | 8,951 | 8,971 | 6,277 | 3,345 |
| Percentage of resolutions the manager voted on (for which the manager was eligible) | 99.9% | 99.8% | 99.1% | 99.6% | 99.5% |
| Percentage of resolutions the manager abstained from (of the resolutions in which the manager voted) | 0.01% | 0.04% | 0.4% | 0.0% | 0.0% |
| Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on | 93.2% | 72.4% | 83.8% | 86.7% | 74.7% |
| Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on | 6.8% | 27.5% | 15.8% | 13.3% | 25.3% |
| Percentage of resolutions (on which the manager voted) voted contrary to the recommendation of the proxy advisor | 6.1% | 21.7% | 7.8% | 10.4% | 15.1% |

* Figures are similar for the GBP-hedged version of the fund.

The proportion of resolutions that were voted on or abstained from may not sum to 100%. This can be due to rounding, managers' or local jurisdictions' definitions of abstentions or classifications of formal voting or abstentions as opposed to not returning a voting form or nominating a proxy.

There are no voting rights attached to the corporate bond or index-linked gilt assets held by the Scheme and therefore there is no voting information shown above for these assets.

Fund level engagement

The asset managers may engage with their investee companies on behalf of the Trustee.

LGIM have provided the following engagement data, which is relevant for the year to 30 September 2020. This has been provided at a *firm-wide* level.

| Manager | LGIM |
|---|--|
| Fund name | <i>LGIM have provided the data at a firm-level</i> |
| Has the manager engaged with companies to influence them in relation to ESG factors in the year? | Yes |
| Number of engagements undertaken at a firm level in the year | 732 |

Summary

Based on the information received, the Trustee believes that the asset manager has acted in accordance with the Scheme's stewardship policies. The Trustee and their investment consultant are working with the asset manager to provide additional information in future, including data on "significant" votes and fund-level data on engagements, in order to enhance their ability to assess the asset manager's actions.

Prepared by the Trustee of BEN – Motor and Allied Trades Benevolent Fund Staff Pension and Assurance Scheme

February 2021