

Implementation Statement

AT Mays Limited Pension and Life Assurance Scheme – DC Section

Scheme year ended 30 September 2020

This statement sets out:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement policies have been followed over the year to 30 September 2020; and
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 30 September 2020.

How voting and engagement policies have been followed

The Trustee invest entirely in pooled funds, and therefore delegate responsibility for carrying out voting and engagement activities to the Scheme’s fund manager.

The Trustee has reviewed the stewardship and engagement activities of the current manager during the year and were satisfied that their policies were reasonable and no remedial action was required during the period.

Each year the Trustee receives and review voting information and engagement policies from the asset manager, which they review to ensure alignment with their own policies.

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

Voting undertaken on behalf of the Trustees

Voting only applies to equities held within the strategy. The Scheme’s equity investments are held through a pooled discretionary fund managed by M&G Investment Management Limited (M&G). The investment manager vote on behalf of the Trustees.

The table below provides a summary of the voting activity undertaken by M&G the year.

Manager	M&G
Fund name	Discretionary Fund
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager’s voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	1,661

Manager	M&G
Number of resolutions the manager was eligible to vote on over the year	21,646
Percentage of resolutions the manager voted on	66.8%
Percentage of resolutions the manager abstained from	1.0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	95.9%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	4.1%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	4.6%

Source: M&G Investment Management Limited

Significant votes

M&G have provided the following summaries of votes that they consider to be most significant for the Scheme. For the first year of implementation statements we have delegated to the investment manager to define what a "significant vote" is.

M&G Discretionary Fund

	Vote 1	Vote 2	Vote 3
Company name	Amino Technologies Plc	Total SA	Volkswagen AG
Date of vote	04/09/2020	29/05/2020	30/09/2020
Summary of the resolution	Adopt new articles of association	Instruct company to set and publish targets for Greenhouse Gas (GHG) emissions aligned with the goal of the Paris Climate Agreement and amend Article 19 of bylaws accordingly	Approve discharge of management board
How the manager voted	For	Abstain	Against
Did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	No
Rationale for the voting decision	Company assurance that an amendment to the New Articles takes place such that the power to hold wholly electronic general meetings thereafter is subject to prior annual confirmation by shareholder resolution	Concern that resolution is able to be implemented in a way that is not detrimental to shareholders' interests	Concerns over corporate governance

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	Shareholders' rights	Issue/subject matter that has high sensitivity to clients, stakeholders, the company or M&G	Executive directors or chairperson

Source: M&G Investment Management Limited

Fund level engagement

The investment manager may engage with their investee companies on behalf of the Trustee. The table below provides a summary of the engagement activity undertaken by managers during the year.

Manager	M&G
Fund name	Discretionary Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	n/a*
Examples of engagements undertaken with holdings in the fund	Topics: Climate Change Anti-microbial resistance Remuneration of board members

Source: M&G Investment Management Limited

*M&G were unable to provide this information. This is due to the M&G Discretionary being a fund of funds, some of which are externally managed. The Trustee will work more closely with M&G to have this information more readily available.

The M&G Cash Fund has very limited scope to engage with its investees due to the nature of the fund (short duration), hence the engagement data is not provided.

How the SIP has been followed over the year

In the Trustee's opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Scheme offers suitable investment options that are likely to be suitable for a typical member of the DC Section
- The Trustees monitor the performance of the manager funds to ensure that the funds are meeting their stated objectives.
- The Trustees have made no new manager appointments over the year.

Summary

Based on the information received, the Trustee believe that the investment manager has acted in accordance with the Scheme's stewardship policies. The Trustee is supportive of the key voting action taken by the applicable fund manager over the period to encourage positive governance changes in the companies in which the manager hold shares.

The Trustee and their investment consultant are working with the investment managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the investment manager's actions.

**Prepared by the Open Trustees Limited, Trustee of AT Mays Limited Pension and Life Assurance Scheme
March 2021**