B&CE

Implementation statement – B&CE Benefits Scheme

for the year ended 31 March 2021

20|21

For people, not profit

This is the Implementation Statement prepared by the Trustee of Building and Civil Engineering Benefits Scheme (the Scheme) and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year to 31 March 2021.
- The voting and engagement behaviour of the Trustee, or that undertaken on its behalf, over the year.

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 fund managers.

The Trustee's policy on voting and engagement is set out in the Scheme's Responsible Investment (RI) Policy, which forms part of the Statement of Investment Principles. To enable the Trustee to make high quality decisions, the fact-finding and analysis is delegated to the Chief Investment Officer of B&CE and the Trustee's independent investment advisers. The Trustee's RI Policy notes a key priority of engaging with companies in an investment portfolio regarding issues believed to have a material impact (both positive and negative) on future returns. The Trustee is looking for fund managers who are prepared to:

- be transparent and accountable
- enhance and evolve ESG practices in markets
- develop long-term partnerships with companies and guide them through the evolution in ESG practices.

In addition, the Trustee will take into account whether their managers are signatories to the UN backed PRI and UK Stewardship Code.

All of the managers are signatories to the PRI. LGIM, BNY Mellon and SSGA are signatories to both the 2012 and 2020 versions of the UK Stewardship Code. Ninety One is a signatory to the 2012 UK Stewardship Code but not to the 2020 UK Stewardship Code (noting that the Trustee disinvested from this fund manager over the period). Partners is not a signatory to either Stewardship Code as it mainly refers to listed investments, rather than private markets. The Trustee is satisfied with the manager's stewardship approach and have no concerns.

The Trustee has established agreed ownership/voting principles with their managers. These principles include researching companies, identifying any issues and then engaging with them as necessary. Voting and engagement focuses on a range of themes including:

- election of Directors and Boards
- accounting and audit related issues
- capital structure, reorganisation and mergers
- compensation
- environmental and social issues.

The Scheme invests in private equities and private debt through its holding in the Partners Fund. The Trustee recognises that the manager in relation to the Scheme's investment in the Partners Fund:

- understands the potential impact on markets and industries of sustainability megatrends (eg climate change, demographics and water constraints)
- carries out negative screening of illegal and harmful products/services
- completes ESG assessments
- identifies and mitigates material ESG risks
- uses ESG-related issues to generate value
- reflects the value of ESG programmes in the exit price, where applicable
- identifies and meets ESG-related market requirements (eg IPO sustainability standards) on exit.

As the Trustee invests in funds alongside other investors, it recognises that its chosen managers' prioritisation of issues for engagement and voting may not be the same as their own. As far as practicable, B&CE undertakes a formal engagement process with each manager every year to ensure that there is a good alignment of views and issues to prioritise over the coming year. This reflects the relative size of assets of the Scheme compared to the other entities associated with the B&CE Group. The monitoring and reporting on RI is as shown below, along with the actions taken in respect of the year under review.

1. B&CE receives and reviews reports on the voting and engagement activity of the fund managers. They review these to ensure that managers used by the Scheme continue to meet the Trustee's standards in this area. Where any material areas of disagreement are identified these are highlighted to the Trustee.

   B&CE has received and reviewed stewardship reporting received from the fund managers. No material areas of disagreement have been identified over the period.

2. To complement the above, the Trustee's investment advisers produce an annual report, including information on voting and engagement, together with their ratings on voting and engagement in action, as well as scores provided by the PRI on different asset classes.

   The Trustee undertook a review of the stewardship and engagement activities of its fund managers via receipt and review of their investment advisers' (Barnett Waddingham) report (issued in December 2020). The contents of the report were reviewed and discussed by the B&CE Investment Committee (on behalf of the Trustee) prior to this meeting. These meetings took place in Q1 2021. The result of the review was that the Trustee was satisfied that the actions of its fund managers were reasonably in alignment with the Scheme's stewardship policies and no remedial action was required at that time. This is expected to be an annual review.

3. Where relevant, the Trustee's investment advisers consider a fund manager's stewardship credentials when advising on investment issues.

   The Scheme appointed a new fund manager, State Street Global Advisors (SSGA), for an indexed equity mandate over the year and stewardship and voting policies were considered as part of the manager selection exercise, alongside other material factors. Given the use of SSGA as fund manager for other entities associated with the B&CE Group, (and the commonality between the RI Policies of the different entities) the Trustee of the Scheme benefits from an enhanced level of due diligence by B&CE for this fund manager than would otherwise be the case given governance constraints. B&CE holds an open dialogue with SSGA on engagement and stewardship priorities.

In terms of voting and engagement data, the Trustee has provided this in the following sections for the relevant funds/managers. The Scheme disinvested from the Ninety One Diversified Growth Fund and invested in SSGA indexed equity over the period. Information for both managers is provided.

The Scheme divested from the Schroder UK Real Estate Fund prior to the accounting period. As at 31 March 2020, less than 0.1% of the Scheme's assets were held in a cash account with Schroder. Therefore, the Trustee has not included the voting and engagement activities of this fund in this Implementation Statement as it is not applicable to this holding.

Voting data

The table below provides a summary of the voting activity undertaken by the investment managers over the year to 31 March 2021, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers. Please note that there are no voting rights in relation to underlying assets of the Scheme's holdings with Legal & General Investment management Limited ("LGIM").

Manager	SSGA	BNY Mellon	Ninety One	Partners Group[1]
Fund name	International (Developed 100% Hedged) ESG Screened Index Equity Fund	Real Return Fund	Diversified Growth Fund	Partners Fund
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	2,804	98	147	58
Number of resolutions the manager was eligible to vote on over the year	33,235	1,307	1,865	763
Percentage of resolutions the manager voted on or abstained from.	99.5%	99.2%	92%	99%
Percentage of resolutions the manager abstained from	1.7%	0%	2%	1%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	89.0%	85.4%	93%	92%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	8.8%	14.6%	4%	7%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	7.4% [2]	9.9% [3]	5.0% [4]	2.0% [5]

1 Partners only provide updates on voting statistics semi-annually. The most recent data available is as at 31 December 2020. It is worth noting that the reported voting data is limited to listed equity holdings (typically only a small proportion of the portfolio), with the balance being in private markets investments. Private markets investments are the largest exposure within the fund and these are typically held directly, where Partners Group controls the board and therefore the direction/strategy of the business – in this way, voting information by the manager is not applicable for these holdings.

2 SSGA contracts Institutional Shareholder Services' (ISS) to administer proxy voting, assist in applying SSGA's voting guidelines, provide research and analysis relating to general corporate governance issues and specific proxy items, and provide proxy voting guidelines in limited circumstances. SSGA also has access to Glass Lewis and region specific meeting analysis provided by the Institutional Voting Information Service. All final voting decisions are based on their proxy voting policies and in-house operational guidelines.

3 BNY Mellon employs ISS for administering proxy voting and research reports on company meetings. All voting decisions are made by the manager.

4 Ninety One uses ISS to produce custom research reports with vote recommendations that arise from applying Ninety One's voting guidelines. The vote decision is then reached by the relevant investment teams, supported by the Engagement and Voting team.

5 Partners uses Glass Lewis and also have their own voting policy.

Significant votes

For the first year of implementation statements, the Trustee has selected ten significant votes for the SSGA fund from a longer list provided by the manager of votes that they deem significant. The 10 votes chosen by the Trustee from the longer list of significant votes are based on the largest holdings within this. For the other funds with voting rights, the Trustee has delegated to the investment managers to define what a 'significant vote' is. See the Partners Fund section for more information on the information that has been provided.

A summary of the data provided by the managers is set out below for the year to 31 March 2021.

State Street, International (Developed 100% Hedged) ESG Screened Index Equity Fund – Table 1 of 2

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Amazon.com, Inc.	Facebook, Inc.	Alphabet Inc.	Tesla, Inc.	JPMorgan Chase & Co.
Date of vote	27 May 2020	27 May 2020	3 June 2020	22 September 2020	19 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.8	1.3	1.0	0.7	0.7
Summary of the resolution	Community -Environment Impact	Require Environmental/ Social Issue Qualifications for Director Nominees	Establish Environmental/ Social Issue Board Committee	Miscellaneous Proposals (2) - Environmental & Social	Report on Climate Change
How the manager voted	Against	Against	For	Against both	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.				
Rationale for the voting decision	The manager did not support this item as they believe the company's environmental disclosure and/or practices were reasonable.	The manager did not support this item due to concerns with the terms of the proposal.	In the absence of significant concerns, SSGA believes support for this proposal is warranted.	The manager did not support these two items due to concerns with the terms of the proposal.	SSGA believes this proposal merits support as the company's disclosure and/or practices related to climate change can be improved.
Outcome of the vote	This information was unavailable.				
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.				

State Street, International (Developed 100% Hedged) ESG Screened Index Equity Fund – Table 2 of 2

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	The Procter & Gamble Company	Intel Corporation	Berkshire Hathaway Inc.	Verizon Communications Inc.	AT&T Inc.
Date of vote	13 October 2020	14 May 2020	2 May 2020	7 May 2020	24 April 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.7	0.6	0.6	0.5	0.5
Summary of the resolution	Community - Environment Impact	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation	Link Executive Pay to Social Criteria	Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	For	Abstain	Abstain	Against	Abstain
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	SSGA does not publicly communicate their vote in advance.				
Rationale for the voting decision	SSGA believes this proposal merits support as the company's environmental disclosure and/or practices can be improved.	SSGA believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.	SSGA believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.	The manager did not support this item due to concerns with the terms of the proposal.	SSGA believes this proposal merits qualified support as they have some concerns with the remuneration structure for senior executives at the company.
Outcome of the vote	This information was unavailable.				
Implications of the outcome	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.				

BNY Mellon, Real Return Fund – Table 1 of 2

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	LEG Immobilien AG	Microsoft Corporation	Linde plc	NIKE Inc.	Medtronic plc
Date of vote	19 August 2020	2 December 2020	27 July 2020	17 September 2020	11 Dec 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3	1.3	1.1	1.1	1.0
Summary of the resolution	Remuneration policy	1. Elect Director and Advisory Vote to Ratify Named Executive Officers' Compensation 2. Ratify Deloitte & Touche LLP as Auditors	Executive compensation arrangements and election of directors	1. Advisory Vote to Ratify Named Executive Officers' Compensation 2. Ratify PwC LLP as Auditors 3. Report on Political Contributions Disclosure	1. Approve PwC LLP as Auditors and Authorize Board to Fix Their Remuneration 2. Elect Director, Advisory Vote to Ratify Named Executive Officers' Compensation
How the manager voted	Against	Against	Against	'Against management proposals and for shareholder proposal'	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	No	No	No
Rationale for the voting decision	BNY Mellon voted against this resolution on account of their lack of alignment with performance. The executive long-term compensation scheme was entirely cash-based, and although this was indicated to be performance-linked, no disclosures were provided on performance targets. With targets not being disclosed, BNY Mellon were concerned that long-term awards could vest for below-median poor performance. Furthermore, the introduction of special remuneration awards through transaction-based bonuses were not considered to be ideal for promoting talent retention, due to these generally being one-off in nature.	1. BNY Mellon voted against these resolutions. Despite improvements to executive remuneration practices over recent years, BNY Mellon remain concerned that approximately half of long-term pay awards vest irrespective of performance. 2. BNY Mellon also voted against the re-appointment of the company's external auditor given that its independence was jeopardised by having served in this role for 37 consecutive years.	BNY Mellon decided to vote against the advisory vote on executive compensation, and against the members of the remuneration committee members. This is because a majority of long-term pay awards vest based on time served, which means executive pay is not subject to rigorous performance conditions and is therefore not aligned with shareholders' interests. In addition, some of the perks to the CEO seem unnecessary and excessive, including the use of company aircraft for personal purposes, financial planning expenditures, and additional years of service credits beyond time served at the company being considered to calculate his pension benefit.	1. BNY Mellon voted against the ratification of the executive compensation arrangements. BNY Mellon's chief concern was that fewer than 50% of long-term pay awards were subject to the achievement of performance conditions. 2. BNY Mellon voted against the appointment of the external audit firm owing to it serving the company for 46 consecutive years. They believe this compromises independence and objectivity. 3. They supported a shareholder resolution requesting enhanced disclosures on political contributions. While the company's disclosures offer some insight into the contributions made and the governance framework surrounding this risk, they felt that the proposal would offer increased transparency of the company's relationships with trade associations and would bring its disclosures in line with better-performing peers.	1. BNY Mellon voted against this owing to the firm having served in this capacity for 57 consecutive years, which jeopardises the firm's ability to exercise independent judgement. 2. BNY Mellon voted against the resolutions. A significant proportion of executives' long-term compensation awards vest regardless of performance. Where performance conditions determine vesting, the performance targets are not considered stretching. Additionally, they were also concerned with a further long-term compensation scheme as it allows awards to vest for cash rather than equity.

BNY Mellon, Real Return Fund – Table 1 of 2 (continued)

Outcome of the vote	22.2% AGAINST Approve Remuneration Policy	1.1%, 0.9%, 0.3%, AGAINST compensation committee members, 5.3% AGAINST executive officers' compensation 3.9% AGAINST reappointment of the auditor	9.6% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation 1.8%, 7.6%, 2.1%, 8.2%, 9.8%, 40% AGAINST elect Director	46% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation 3.6% AGAINST Ratify PwC LLP as Auditors 34.4% FOR Report on Political Contributions Disclosure	5.5% AGAINST reappointment of the auditor 6.4%, 1.5%, 3.4%, 2.6%, 14.3% AGAINST compensation committee members 8.3% AGAINST executive officers' compensation
Implications of the outcome	The vote outcome is considered significant owing to more than 20% of votes being instructed against its approval. It is likely that the company will seek to address concerns in an effort to avoid similar or higher future dissent.	The vote outcome demonstrates shareholders are not overly concerned with the company's executive pay arrangements. However, BNY Mellon's engagement with the company over multiple years shows that pay arrangements have been improving and are expected to continue to improve. They look forward to supporting the company's executive pay proposals as these improvements are implemented.	BNY Mellon did not consider the vote outcome on the pay resolution to be material and of a level where the company is expected to address concerns. However, the election of one director that received 40% of votes against warrants further consideration.	With close to a majority of shareholders voting against the executive pay practices, the company will need to conduct a fundamental review of its pay practices. In addition, the significant level of support for the company to improve its reporting of political contributions suggests that the company will also need to review its approach to this matter. BNY Mellon expects to encourage improvements through their voting decisions.	The outcome of the pay-related votes is likely to generate discussion within the company, particularly given the level of dissent in relation to the re-election of one board director. BNY Mellon will continue to recognise formally their concern in relation to the pay structure through the exercise of voting rights. While the level of opposition to the long-tenured auditor was minor, they expect this to increase as audit quality rises up the agenda for investors.
Criteria on which the vote is considered 'significant'	BNY Mellon believes that investor scrutiny of pay arrangements is increasing. The significance of the high vote against is important to note given that a majority of pay proposals from companies rarely see such high levels of dissent.	The company is recognised as a leader among its US peers in terms of its approach to corporate governance. Its executive pay structure is also better than most but there exist fundamental improvements that should be made.	BNY Mellon expects more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions; as such, shareholder dissent may increase and result in unnecessary media attention that can foster both financial and reputational issues. In addition, director election rarely achieve such a high level of dissent as seen by one nominee receiving a 40% vote against.	Only a few companies, globally, receive such a high level of shareholder dissent in relation to pay practices.	BNY Mellon expects more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions; as such, shareholder dissent may increase and result in unnecessary media attention that can foster both financial and reputational issues.

BNY Mellon, Real Return Fund – Table 2 of 2

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	Mastercard Incorporated	The Goldman Sachs Group	Zurich Insurance Group	Alibaba Group Holdings Limited	TE Connectivity Ltd
Date of vote	16 June 2020	30 April 2020	01 April 2020	30 September 2020	10 March 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.9	0.9	0.9	0.8	1.0
Summary of the resolution	1. Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Board Directors (members of the compensation committee) 2. Ratify PwC LLP as Auditors	1. Shareholder Proposal to provide right to act by way of written consent 2. Shareholder Proposal that the Directors conduct a review of Statement on the Purpose of a Corporation 3. Vote to Ratify PwC LLP as Auditors	Transact Other Business (Voting)	Elect Directors	Elect Director, Elect Member of Remuneration Committee
How the manager voted	Against	For shareholder proposals	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	No	No	No
Rationale for the voting decision	1. Votes were instructed against the executive compensation structure and the members of the compensation committee. BNY Mellon were concerned that a significant proportion of the long-term pay awards are subject only to time served and not performance. 2. BNY Mellon also voted against the appointment of the auditor as it had been in place for 30 years, which raised concerns surrounding independence.	1. They supported this resolution as it would provide an opportunity for matters to be raised and approved outside of Annual General Meetings (AGMs). 2. They also supported this resolution to request that the board of directors conduct a review of the company's governance arrangements in the context of its support of the US Business Roundtable's 'Statement on the Purpose of a Corporation'. While they accept that the company has responded in part to these commitments, it does not have governance documents that detail how trade-offs and prioritisation between different stakeholders are managed, which is a key component of a multi-stakeholder management approach. 3. They also voted against the appointment of the auditor owing to long tenure. The firm had been in place since 1922, which brings into question its independence.	They voted against a resolution requesting shareholder approval for "other business" to be transacted at the AGM. No information or comfort was provided ahead of the meeting.	BNY Mellon voted against the two members of the governance committee who were seeking re-election given their concern surrounding the low level of independence on the board.	BNY Mellon voted against the executive-compensation arrangements and against the members of the compensation committee. BNY Mellon were concerned that a significant portion of long-term pay awards were not subject to performance hurdles.

BNY Mellon, Real Return Fund – Table 2 of 2 (continued)

Outcome of the vote	2.0%, 3.3%, 1.1%, 1.1%, 0.3% and 0.2% AGAINST compensation committee members 4.5% AGAINST executive compensation 3.7% AGAINST ratification of PwC	41.4% FOR shareholder proposal to provide right to act by way of written consent 5.8% FOR shareholder proposal to conduct review of Statement on the Purpose of a Corporation 4.6% AGAINST auditor	Not reported	19.7%, 18.6% AGAINST elect director	3.8%, 12%, 1.4% AGAINST the election of directors 3.5%, 9.2%, 1.3% AGAINST the members of the Management Development and Compensation Committee 5.5% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation
Implications of the outcome	BNY Mellon did not consider the vote outcome on the pay resolutions to be material and of a level where the company is expected to address concerns. However, they expect domestic investors voting policies to change over time on this topic.	The near majority support for the shareholder proposal cannot be ignored by the company and should result in this basic right to be introduced. It is unlikely that shareholders will exercise this right but it is considered an additional tool that can help improve the effectiveness of engagement activities.	This is a routine resolution item proposed by Swiss companies. Without comfort provided as to the nature of matters that may be raised and approved under this item, they will continue to vote against its approval.	Given the register of the company's shareholders, a voting outcome of close to 20% is a clear indication of non-domestic investors' concern with the company's board structure. BNY Mellon will continue to demonstrate their concern formally through the exercise of voting rights, and when engaging, should they have the opportunity.	The voting outcome suggests that few shareholders were overly concerned with the executive compensation arrangements adopted by the company. However, the manager believes the relatively high votes against a board director (12% AGAINST election and 9.2% AGAINST committee membership) will resonate given that elections often pass with +99% approval. BNY Mellon will continue to express concerns via their active voting decision making process.
Criteria on which the vote is considered 'significant'	The company's approach was a breach of the UK's corporate governance code, including the absence of an explanation justifying the move.	The US Business Roundtable statement on corporate purpose received significant public attention when published and appears to have not been actioned by those companies, including Goldman Sachs that supported the statement.	This highlights a significant insight into the Swiss market and its fundamental approach to protecting the interests of minority investors.	This vote clearly highlighted an area of contention for the company's non-domestic shareholders and a matter where improvements could increase the company's attractiveness to foreign investors.	This vote demonstrates the increasing incidents of shareholders choosing to hold to account the members of the compensation committee where they are concerned with the compensation arrangements employed by a company.

Ninety One, Diversified Growth Fund – Table 1 of 2

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Citigroup Inc.	Bank of America Corporation	Johnson & Johnson	JPMorgan Chase & Co.
Date of vote	21 April 2020	22 April 2020	23 April 2020	19 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided			
Summary of the resolution	Report on Lobbying Payments and Policy	Report on Gender Pay Gap	Report on Governance Measures Implemented Related to Opioids	Report on Climate Change
How the manager voted	Against	Against	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	N/A – voted with management. Resolution not proposed by management	N/A – voted with management. Resolution not proposed by management	N/A – voted with management	No (did not engage pre-AGM)
Rationale for the voting decision	The company is disclosing adequate information for shareholders to be able to assess its engagement in the political process and its management of related risks.	Global median gender/racial pay gap report would not produce meaningful information about worker fairness because categories of underrepresented minorities differ from country to country.	Shareholders would benefit from more specific information about proactive steps the board is taking to mitigate risks related to the manufacture and marketing of opioid-related products, and that incentives are aligned with the health of the communities it serves.	Shareholders would benefit from additional information on the company's plans regarding aligning its greenhouse gas emissions with the Paris Agreement climate goals.
Outcome of the vote	Passed	Failed	Passed	Information not provided
Implications of the outcome	Information not provided	Information not provided	Ninety One will continue closely monitoring similar issues	Information not provided
Criteria on which the vote is considered 'significant'	Thematic Vote/Shareholder Proposal - Social	Thematic Vote/Shareholder Proposal - Social/Diversity	Controversial vote that garnered media interest - Thematic Vote/ Shareholder Proposal	

Ninety One, Diversified Growth Fund – Table 2 of 2

	Vote 5	Vote 6	Vote 7	Vote 8
Company name	The Home Depot, Inc.	Coca-Cola European Partners Plc	The TJX Companies, Inc.	Unilever Plc
Date of vote	21 May 2020	27 May 2020	9 June 2020	12 October 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided			
Summary of the resolution	Report on Congruency Political Analysis and Electioneering Expenditures	Authorise EU Political Donations and Expenditure	Report on Reduction of Chemical Footprint	Approve the Cross-Border Merger between Unilever PLC and Unilever N.V.
How the manager voted	For	For	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No (did not engage pre-AGM)	N/A – voted with management	No (did not engage pre-AGM)	N/A – voted with management
Rationale for the voting decision	The requested report would be beneficial for shareholders in order to help them evaluate how well the company is assessing and mitigating risks related to its political communication expenditures.	The Company states that it does not intend to make overtly political payments but is making this technical proposal in order to avoid inadvertent contravention of EU legislation.	Shareholders would benefit from a better understanding of steps the company is taking to mitigate its risks related to toxic chemicals.	The proposal to unify the Company's structure has a strong strategic rationale, including simplifying Unilever's complex dual-headed structure and the increased optionality it would give the Company in terms of M&A and other business transactions. The Group's listings on the Amsterdam, London and New York stock exchanges will be maintained, and there will be no change to the operations, locations, activities or staffing levels in either the UK or The Netherlands as a result of the proposed unification.
Outcome of the vote	Failed	Passed	Failed	Passed
Implications of the outcome	Information not provided	Information not provided	Ninety One continue to require adequate disclosure	Information not provided
Criteria on which the vote is considered 'significant'	Thematic Vote/Shareholder Proposal – Social	Thematic Vote/Shareholder Proposal - Social/Politics	Thematic Vote – Climate	Significant corporate transactions that have a material impact on future company performance (approval of a merger)

Partners, Partners Fund – Table 1 of 2

It is worth noting that the Partners Fund has a very small proportion of its holdings in publicly listed equities, with the majority of its assets in private assets. "Votes" 2-10 in the tables below are examples of significant actions taken by the private companies held in the Partners Fund. Private markets investments are the largest exposure within the fund and these are typically held directly, where Partners Group controls the board and therefore the direction/strategy of the business – in this way, voting information by the manager is not applicable for these holdings. The Partners Fund's exposure to listed equity is currently less than 5%.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Ferrovial	Techem	USIC	Fermaca	Civica
Date of vote	16 April 2020	Not applicable			
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	c. 2%	Not applicable			
Summary of the resolution	Remuneration report, intending to provide shareholders information and a voice on the implementation of the remuneration policy.	Amendment of subcontractor's contracts, GDPR compliance, sustainability improvement initiative.	Establishment of a zero-tolerance safety program, launch employee retention initiative and optimization of driving routes.	Improvement of health and safety performance, management of climate-related impacts and strengthening of internal policies.	COVID-19 measurements, efforts on diversity and employee retention efforts.
How the manager voted	Against	Control of board			
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Not applicable			
Rationale for the voting decision	1) Inadequate disclosure of performance targets linked to remuneration. 2) No deferral of annual bonus to management. 3) Sizeable equity rewards to controlling shareholder/executive chair.	Techem completed the amendment of contracts with subcontractors in Germany, Poland and France in 2020 to ensure adherence with health and safety standards. Techem also started the assessment of contracts with subcontractors in the rest of the international markets. As of 30 September 2020, the company had completed 75% of the contract amendments. In terms of GDPR compliance, Techem designed a dashboard which included the 24 most important tasks for implementation, the progress made on each and the potential risks related to them. In addition, Partners believe Techem had successfully implemented the GDPR compliance-related tasks in 2020. Techem manages energy consumption data and billing information for over 11 million apartments across Europe.	USIC established a zero-tolerance safety program for the entire company to ensure that USIC employees are safe on the road and in the field. Another strategic initiative launched in 2020 was increasing employee retention. The company planned an entire week dedicated to employee appreciation, where several positive changes were announced. These include paid time-off for first year technicians and providing pay for employees while on call. Further, the company launched an effort to optimize driving routes. Since 2019, USIC has reduced motor vehicle collisions per million miles from 7.4 to 5.3 year to date (YTD), which means almost 28% fewer collisions. The company also decreased its lost time incident rate from 0.68 at the end of 2019 to 0.43 YTD.	Fermaca had continued its focus on improving health and safety performance, and compliance. Some of the actions that Fermaca has taken to improve health and safety include organizing a phase two health and safety risk assessment, using an expert third-party firm to conduct an on-site assessment and confirm field behaviours. This assessment will supplement the phase one desktop risk assessment which Fermaca completed in 2019. In terms of managing its climate-related impacts, the company was measuring its CO2 footprint across all operations and was taking steps to reduce methane-related emissions. Fermaca was also continuing to execute its reforestation plan, which includes a goal to plant 37,000 trees over the next five years.	In 2020, Civica had made a great effort to support its clients through the COVID-19 situation. Apps and software launched include an interactive symptom tracker, a platform to coordinate rapid support and an e-recruitment tool. Continuing its efforts in the diversity front, Civica formed a Diversity & inclusion working party that coordinates projects such as improving recruitment practices (management interview training, depersonalization of CVs) and improving mentorship programs to make them more inclusive. The company was also included as a Financial Times Diversity Leader in 2020.

Partners, Partners Fund – Table 1 of 2 (continued)

Outcome of the vote	In favour of management	Not applicable			
Implications of the outcome	The % of against votes for this proposal increased from 24% in 2019 to 35% in 2020. Partners believed that although the management already made a few improvements to the remuneration plan, but these were insufficient. Partners aim to continue to vote against this proposal until they believe there is a reasonable remuneration policy in place.	Techem initiated a new program across the company led by a newly hired sustainability communication professional. The initial focus was to engage with key stakeholders within and outside the organization with the goal of defining priority topics. These topics were to form the basis of Techem's sustainability management program, which the company plan to start to report on from 2021.	Information not provided by the manager.	Information not provided by the manager.	Employee retention remains a focus area for Civica. Due to the pandemic, the annual NPS exercise was not conducted this year, but they have done monthly pulse checks since the beginning of the lockdown to ensure employee engagement remained high.
Criteria on which the vote is considered 'significant'	Size of holding in fund				

Partners, Partners Fund – Table 2 of 2

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	Ammega	Key Group	Confluent Health	Vishal	Grassroots Renewable Energy Platform
Date of vote	Not applicable				
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not applicable				
Summary of the resolution	Improving health and safety, transparency on greenhouse gas emissions	Reducing environmental footprint, improving culture and environment and upgrade of procedures and IT infrastructure to face the pandemic.	Protecting sensitive patient information and offset financial hardships for employees.	COVID-19 measurements, efforts on energy efficiency and labour rights.	Improving health and safety, Community Benefit and biodiversity Offsets Scheme.
How the manager voted	Control of board				
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Not applicable				
Rationale for the voting decision	In 2019, Ammega completed Partners Group's health and safety (H&S) assessment, conducted by an expert consulting firm, and is now using specialised software to track its H&S performance. The company has gone from an LTIR of 3.21 in 2018, to 2.52 in 2019, to 1.16 as of June 2020, against a 2020 target of 1.79. With this, the company has already reached the 2021 target of 1.34. LTIR is a commonly used indicator that measures a company's Lost-Time Injury Rate and adjusts for the number of hours a facility works. The lower the number is, the better. Ammega subjected itself to an audit by a provider of business sustainability ratings. As a result, Ammega successfully increased its environmental maturity score from 1.0 to 2.6, with a 4.0 being the highest achievable score. In 2020, Ammega successfully submitted its first report on its greenhouse gas emissions to the Carbon Disclosure Project (CDP) in an effort to increase transparency of the company's impact on climate change. The CDP is an international non-profit organisation, which helps companies manage their environmental impact.	98% of the company's workforce worked from home during the peak of the 2020 lockdown. Key Group's Facilities Management team ensured the offices were COVID-19 Secure and developed online safety training to support colleagues who moved to back office working. Regular communications from the HR team to colleagues reminded them of the support available which included their Employee Assistance Programme, counselling and access to mental health first aiders. As a result of the feedback from the engagement survey undertaken in 2019 Key Group were able to focus attention on some key areas to improve their culture and environment. This included improving their family friendly policies by offering enhanced maternity and paternity leave arrangements, introducing the option to purchase extra annual leave and holding a number of wellbeing initiatives to give colleagues access to informative material and workshops on a variety of topics.	As a medical services provider, Confluent is responsible for protecting sensitive patient information. Data and cyber security are highly-material governance issues for the company. To gauge Confluent's risks and maturity on this topic, the company underwent an external cyber security assessment, which should help to provide a roadmap for strengthening Confluent's existing systems in the coming years. One of Confluent's ESG goals over the past year has been implementing a Human Resources Information System to help both streamline Human Resources operations and also help the company to more systematically track performance indicators. At the height of the pandemic, Confluent needed to furlough a portion of its workforce. To offset financial hardships for employees, Confluent leadership donated a portion of their salary to the company's employee hardship fund. Partners Group also made a contribution to the fund. With these resources, the company has been able to support employees facing financial difficulties, such as increased childcare costs and health care expenses.	As part of its response to the impact of COVID-19, Vishal has partnered with hospitals and diagnostic companies to ensure the welfare of the employees and the continuation of operations. In particular, this partnership helps Vishal to assist its employees with free of cost testing and care in the case of COVID-19 infections. As Vishal continues its growth and expansion in India, energy efficiency remains a material topic for its vast network of stores all over India. During the reporting period, Vishal had continued the installation of rooftop solar energy modules to shift most of storefront energy usage to renewable sources. The first phase of the project covers Vishal stores in 8 States in India. As of Q3 2020, approximately 10% of Vishal stores had installed rooftop solar energy modules.	The platform has studied the findings and recommendations carefully after the external health and safety review last year, through carrying out a gap analysis of the existing safety systems and improving them by establishing relevant policies and procedures. The platform has since then rolled out a new policy and launched a Work, Health and Safety Dashboard to provide an overview of the health and safety performance across the platform. The Community Benefit Fund for Sapphire has been successfully operating since the wind farm started its operations. As of Q3 2020, AUD 129,227 has been awarded to various local organisations and initiatives. Sapphire Wind Farm participates in the New South Wales Biodiversity Offsets Scheme in accordance with the local regulatory requirements.

Partners, Partners Fund – Table 2 of 2 (continued)

Outcome of the vote	Not applicable				
Implications of the outcome	Thanks to the implementation of these initiatives, Partners believe Ammega has become a best practice example in their portfolio. Partners are replicating Ammega's approach and have shared their policies and practices with other assets. In 2021, Partners aim to continue working with Ammega in the full range of sustainability topics and plan to make it a top performer throughout the sustainability spectrum.	Key Group continues working to reduce its environmental footprint. Overall, Key has reduced its energy consumption by 300 kwh/building. In 2020, Key rolled out an education programme for colleagues including the turning down of monitor brightness, making use of hibernation settings and turning off appliances when not in use. The company was also in the process of completing its first carbon footprint to obtain its Carbon Trust accreditation.	Information not provided by the manager.	Vishal has strived to be a leader when it comes to labour rights and equal opportunities. During the reporting period, Vishal had continued to carry out the training and employment of differently abled individuals across the organisation. As of Q3 2020, there were approximately 1,000 differently abled employees at Vishal, and the company has also been awarded the Helen Keller Award for 5 consecutive years.	Information not provided by the manager.
Criteria on which the vote is considered 'significant'	Size of holding in fund				

Voting data

The table below provides a summary of the voting activity undertaken by the investment managers over the year to 31 March 2021, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers. Please note that there are no voting rights in relation to underlying assets of the Scheme's holdings with Legal & General Investment management Limited ("LGIM").

Manager	SSGA	BNY Mellon	Ninety One	Partners Group[1]
Fund name	International (Developed 100% Hedged) ESG Screened Index Equity Fund	Real Return Fund	Diversified Growth Fund	Partners Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of entities engaged on behalf of the holdings in this fund in the year	564 (firm level)	153	20	Data not available given nature of private markets investments.
Examples of engagements undertaken with holdings in the funds	**The Walt Disney Company** Following a leadership transition, SSGA engaged with The Walt Disney Company to discuss the succession planning process as well as the expectations for the leadership structure and senior management responsibilities moving forward. In addition, as in previous years, SSGA expressed concerns about the total quantum of CEO pay and the growing reputational risk resulting from this. Consequently, SSGA did not support Disney's executive compensation at its 2020 AGM, as they believe that the board needs to take action in order to mitigate long-term reputational risk stemming from high levels of executive compensation.	**Associated British Foods** BNY Mellon participated in an ESG event hosted by the company. They determined that the company has a robust approach to ESG, with strong supply chain management practices. However, communication of the company's initiatives is hampered by its devolved structure, which means initiatives are often at a business unit level rather than being firm-wide. Positively, the company has recognised this area needs to be addressed and will seek to improve its communications both to investors and customers regarding sustainability.	**Brambles – Understanding progress on emissions management** Brambles is one of the decarbonisation stocks held within the portfolio. Therefore, Ninety One pays particular attention to understanding the carbon emissions and positive carbon impact ('carbon avoided') generated by Brambles. Following a call with Brambles, the manager was pleased to learn the company is on track to disclose all 15 categories in their next sustainability report. The company also confirmed it will be implementing science-based targets as part of its 2025 goals, and heads of relevant departments have sustainability targets.	**Assessment of the impact of COVID-19 to the Company** Partners fund has carried out assessment of the impact of COVID-19 to one of its investees. They have gained assurance that the company is able to deliver services remotely. They were also comforted that the business was not significantly impacted by COVID-19 and the identification of risk associated with COVID-19 that deal team would seek to monitor going forward.

LGIM have only been able to provide engagement data at a firm level. The data below is a summary of LGIM's global engagement at a firm level for the year to 31 March 2021.

Manager	LGIM
Fund name	Firm level data
Does the manager perform engagement on behalf of the holdings within the funds	Yes
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	974
Number of companies engaged	874
Number of engagements on environmental topics	427
Number of engagements on governance topics	470
Number of engagements on social topics	241
Number of engagements on other topics (e.g. financial and strategy)	279
Number of engagements on other topics (e.g. financial and strategy)	An example is LGIM's engagement regarding Barclays' AGM, in which there has been significant client interest. LGIM endorsed Barclay's ESG target, to shrink its carbon footprint to net zero by 2050, and are focusing on helping Barclays develop plans and achieve their target. Another example is LGIM's 'Pandemic 50' collaborative engagement. LGIM along with nine other investors engaged with 50 of the world's largest companies about their response to the global pandemic. This identified a variety of weaknesses in economies and gaps in social safety nets. The coalition, representing $3.7 trillion of assets under management, assessed how the business model, strategies and practices of each company are adapting to strengthen long-term resilience. In particular, they focused on how board oversight and approach to human capital management has evolved.

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