

Benjn. R. Vickers & Sons Limited Retirement Benefits Plan (1975)

Implementation Statement

This statement sets out how the Trustee's policies on voting rights and engagement activities, as set out in the Statement of Investment Principles, have been followed over the year to 31 December 2020. These policies are largely concerned with Environmental, Social and Governance ("ESG") factors. For example, these relate to climate change, labour conditions and proper decision making within the companies the Trustee effectively invests in.

How voting and engagement policies have been followed over the year

The Plan invests entirely in pooled funds, and as such the Trustee delegates responsibility for carrying out voting and engagement activities to the Plan's investment manager.

The Trustee, with input from their investment consultant, annually receives and reviews (through their Implementation Statement), the voting information and engagement policies of their investment manager to ensure alignment with their own policies. The findings of the Trustee's review are reported in this Implementation Statement which will also be included in the Plan's Annual Report and Accounts for the year to 31 December 2020.

Having reviewed the data presented below and in accordance with their policies, the Trustee is comfortable that the actions of the investment manager are in alignment with the Plan's stewardship policies.

Voting Data

The Plan invests entirely in pooled funds and therefore the Plan's investment manager, M&G Investment Management Limited ("M&G"), votes on behalf of the Plan's holdings in the pooled funds.

There are no voting opportunities in relation to the Plan's bond holdings, i.e. the M&G PP Long Dated Corporate Bond Fund and the M&G PP Index Linked Fund. These funds invest only in fixed income assets, which have no voting rights. The M&G PP Absolute Return Fund invests across a diverse range of asset classes and is therefore included below as the equity holdings carry voting rights. Voting data is shown on the following page.

Manager	M&G	M&G
Fund name	M&G PP Global Equity Fund	M&G PP Absolute Return Fund
Structure	Pooled	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	1,049	1,058
Number of resolutions the manager was eligible to vote on over the year	16,100	16,156
Percentage of resolutions the manager voted on	71.7%	71.8%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	95.7%	95.7%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	4.3%	4.3%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on ¹	1.2%	1.2%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	4.4%	4.4%

Source: M&G Investment Management Limited
Totals may not sum due to rounding.

Significant votes

For this first implementation statement we have asked the investment manager to define what they perceive constitutes a "significant vote". A summary of the data they have provided is set out on the following page. Please note that some companies are held by both the Global Equity Fund and the Absolute Return Fund and therefore there is some repetition of key votes.

¹ M&G typically classify votes abstained from as votes against management, hence there is some double counting in the numbers provided.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Pandora AS	Svenska Handelsbanken AB	Shinhan Financial Group Co., Ltd.	Standard Chartered Plc	Barclays plc
Date of vote	11 March 2020	25 March 2020	26 March 2020	6 May 2020	7 May 2020
Summary of the resolution	Reelect Christian Frigast (Vice Chair) as Director	Eliminate Differentiated Voting Rights	Elect Cho Yong-byoung as Inside Director	Approve Remuneration Report	Approve Remuneration Report
How the manager voted	Abstain	For	Abstain	Abstain	Abstain
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	No	No	Yes	Yes
Rationale for the voting decision	M&G were concerned over strategy and performance.	M&G were supportive as, in their view, one share one vote is in the best interests of the company.	M&G abstained due to a CEO conviction relating to hiring malpractice.	M&G were concerned that remuneration was excessive given the dividend cut and current market conditions.	M&G were concerned that remuneration was excessive given the dividend cut and current market condition.
Criteria on which the vote is considered "significant"	Executive directors or chairperson	Shareholders' rights and governance	Unsupported director election resolution; High sensitivity to stakeholders	Remuneration	Remuneration

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	Total SA	Playtech Plc	Endesa SA	HSBC Holdings Plc	BHP PLC
Date of vote	29 May 2020	20 May 2020	5 May 2020	24 April 2020	15 October 2020
Summary of the resolution	Instruct the 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	Re-elect Ian Penrose as Director	Amend Articles of General Meeting Regulations Re: Minimum Number of Shares to Attend and Remote and Electronic Participation	Approve Remuneration Report	Approve Suspension of Memberships of Industry Associations where COVID-19 Related Advocacy is Inconsistent with Paris Agreement Goals
How the manager voted	Abstain	Against	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Not recorded	No	Yes	Yes
Rationale for the voting decision	M&G were concerned that the resolution is able to be implemented in a way that is detrimental to shareholders' interests.	M&G were concerned over the quantum and structure of the remuneration, and Ian Penrose is the Chair of the remuneration committee.	M&G believe this is a fundamental reduction in shareholder rights.	M&G were concerned that remuneration was excessive given the dividend cut and current market conditions.	M&G were supportive of this shareholder resolution which they believe is in shareholders' best interests.
Criteria on which the vote is considered "significant"	Environmental & social	Remuneration	Shareholders' rights and governance	Remuneration	Environmental & social

M&G PP Absolute Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	Pandora AS	HSBC	Royal Dutch Shell Plc	Total SA	Volkswagen AG
Date of vote	11 March 2020	24 April 2020	19 May 2020	29 May 2020	30 September 2020
Summary of the resolution	Reelect Christian Frigast (Vice Chair) as Director	Approve Remuneration Report	Shareholder resolution requesting Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Instruct the 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	Abstain	Against	For	Abstain	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes	Yes	No
Rationale for the voting decision	M&G were concerned over strategy and performance.	M&G were concerned that remuneration was excessive given the dividend cut and current market conditions.	In M&G's view, the company should provide comprehensive disclosure to shareholders on its environmental impacts and risks.	M&G have concerns that the resolution is able to be implemented in a way that is detrimental to shareholders' interests.	M&G have concerns over corporate governance.
Criteria on which the vote is considered "significant"	Executive directors or chairperson	Remuneration	High sensitivity to stakeholders	Environmental and social	Shareholders' rights and governance

	Vote 6	Vote 7	Vote 8	Vote 9	Vote 10
Company name	CaixaBank SA	Unilever NV	Svenska Handelsbanken AB	Barclays plc	NextEnergy Solar Fund Ltd.
Date of vote	2 December 2020	21 September 2020	25 March 2020	7 May 2020	11 September 2020
Summary of the resolution	Takeover of Bankia SA	Amend Articles Re: Unification	Eliminate Differentiated Voting Rights	Approve Remuneration Report	Approve Change of Fundamental Investment Policy
How the manager voted	For	For	For	Abstain	Abstain
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No	Yes	Yes
Rationale for the voting decision	M&G were supportive as they believe that the resolution is in shareholders' interests.	M&G were supportive as they believe that the resolution is in shareholders' interests.	M&G were supportive as, in their view, one share one vote is in the best interests of the company.	M&G were concerned that remuneration was excessive given the dividend cut and current market condition.	M&G have concerns that the new policy allows for investment in private equity assets.
Criteria on which the vote is considered "significant"	Corporate structure	Corporate structure	Shareholders' rights and governance	Remuneration	Other

Fund level engagement

The Trustee considers it a part of their investment manager's role to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the manager invests on behalf of the Plan. Please note that we have only collected engagement data for the Plan's equity, absolute return and corporate bond holdings, because there is limited scope for managers to engage with gilt holdings. M&G shows the number of engagements undertaken at firm level as the number of ESG engagements that align with the PRI definition² and note that there were more ESG interactions undertaken on behalf of the firm over the year than those shown below.

Manager	M&G	M&G	M&G
Fund name	M&G PP Global Equity Fund	M&G PP Absolute Return Fund	M&G PP Long Dated Corporate Bond Fund
Does the manager engage on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	34	47	8
Number of engagements undertaken at a firm level in the year	68	68	68
Examples of engagement topics undertaken with holdings in the fund	Board independence, climate change, dividend payments, emissions targets, ESG strategy, modern slavery, remuneration, supply chain and sustainability reporting.	Board independence, climate strategy, covenant waiver, dividend payments, emissions targets, ESG strategy, modern slavery, remuneration, supply chain and sustainability reporting.	Climate strategy, covenant waiver, anti-microbial resistance and supply chain

Source: M&G Investment Management Limited

² The six Principles for Responsible Investment ("PRI") are a voluntary set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.