

## Implementation Statement

### Vinci Pension Scheme

This Implementation Statement has been prepared by the Trustees of the Vinci Pension Scheme (the Scheme”) and sets out:

- How the Trustees’ policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 December 2020.

#### How voting and engagement policies have been followed

For the Scheme’s investments in pooled funds, the Trustees delegate responsibility for carrying out voting and engagement activities to the respective fund managers. For the Scheme’s own investments, voting and engagement activities are carried out internally.

Investment rights (including voting rights) have been exercised by the investment managers in line with the investment managers’ general policies on corporate governance, which reflect the recommendations of the UK Stewardship Code, and which are provided to the Trustees from time to time, taking into account the financial interests of the beneficiaries. The Trustees also expect the investment managers to have engaged with companies in relation to ESG matters, and to take these into account in the selection, retention and realisation of investments where appropriate.

The Trustees are comfortable with the investment managers’ strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor. The Trustees undertook an initial review of the stewardship and engagement activities of the current managers at their June 2019 meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.

Annually the Trustees receive and review voting information and engagement policies from the asset managers, which we review to ensure alignment with our own policies. This exercise was undertaken at the September 2020 Trustee meeting.

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

## Voting Data

Voting only applies to equities held in the portfolio. The use of pooled funds means that there is limited scope for the Trustees to influence voting, which is carried out by the fund managers on behalf of the Trustees. The table below provides a summary of the voting activity undertaken over the year to 31 December 2020, together with information on the proxy advisors used by each fund.

Manager	Aberdeen Standard Investment ("ASI")	Invesco	LGIM	Partners Group	Ruffer	Columbia Threadneedle
<b>Fund name</b>	Aberdeen Life Diversified Growth Fund	Global Targeted Returns Pension Fund	Global Equity Fixed 60:40 GBP Hedged	Partners Fund	Absolute Return Fund	Dynamic Real Return Fund
<b>Structure</b>	Pooled					
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.					
<b>Number of company meetings the manager was eligible to vote at over the year</b>	350	347	3,533	58	84	347
<b>Number of resolutions the manager was eligible to vote on over the year</b>	3,991	5,035	43,630	763	1,074	4,565
<b>Percentage of resolutions the manager voted on</b>	97.47%	98.25%	99.97%	99%	97%	98.10%
<b>Percentage of resolutions the manager abstained from</b>	2.06%	0.50%	0.10%	1%	1%	2.39%
<b>Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on</b>	85.76%	94.42%	83.72%	92%	90%	91.43%
<b>Percentage of resolutions voted against management, as a</b>	14.24%	5.58%	16.19%	7%	9%	6.18%

Manager	Aberdeen Standard Investment ("ASI")	Invesco	LGIM	Partners Group	Ruffer	Columbia Threadneedle
<b>percentage of the total number of resolutions voted on</b>						
<b>Does the manager use proxy advisors?</b>	Aberdeen Standard uses advisor Institutional Shareholder Services (ISS) and they have developed their own internal guidelines	Invesco supplements its internal research with information from ISS and Glass Lewis (GL) and they use the Investment Association IVIS in the UK for research for UK securities.	The proxy voting advisor ISS is used by LGIM solely for its voting platform, but all voting decisions are made by LGIM.	Partners Group uses advisor GL and manually places their votes through their platform if they differ to GL's recommendations.	Ruffer's used proxy advisor ISS but all voting decisions are determined internally.	Threadneedle uses advisors ISS and GL, and they have developed their own internal guidelines.
<b>Percentage of resolutions voted contrary to the recommendation of the proxy advisor</b>	2.93%	3.33%	0.41%	2%	7.9%	Not provided

Some voting percentages quoted above may not sum to 100%. Managers' assure us that this is due to classifications of votes and abstentions both internally and across different jurisdictions.

There are no voting rights attached to the other assets held by the Scheme and therefore there is no voting information shown above for these assets.

## Significant votes

For the first year of implementation statements we have delegated to the investment manager(s) to define what a "significant vote" is. A summary of the data they have provided is set out in the appendix. Please note Aberdeen Standard Investment have not provided a breakdown of the votes that they consider significant for the Aberdeen Life Diversified Growth Fund.

## Fund level engagement

Information relating to fund level engagement policies was requested from the Scheme's investment managers. ASI, Aviva, Invesco, LGIM and Columbia Threadneedle have provided their data at a firm level, rather than at fund level. Partners Group engages with all individual investments in the Partners Fund (500+), but the total number of engagements was not provided. The Trustees' investment consultants are working with the managers to improve the depth of the information provided in the requested format. For the infrastructure assets directly held by the Scheme, the Trustees undertake engagement duties by regularly meeting with the management teams.

The tables below provide a summary of the engagement activity undertaken by managers during the year, along with engagement examples.

Manager	ASI	Aviva	Invesco	Janus Henderson	LGIM	Partners Group	Ruffer	Columbia Threadneedle	TwentyFour
<b>Fund</b>	Aberdeen Life Diversified Growth Fund	Infrastructure Income Fund	Global Targeted Returns Pension Fund	Multi Asset Credit Fund	Applicable for all LGIM funds	Partners Fund	Absolute Return Fund	Applicable for all Threadneedle funds	Dynamic Bond Fund
<b>Fund name or firm level data</b>	Firm	Firm	Firm	Firm	Firm	Data not available	Fund	Firm	Firm
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Number of company engagements undertaken on behalf of the holdings in this fund in the year</b>	-	-	-	-	-	-	24	-	21
<b>Number of company engagements undertaken at a firm level in the year</b>	2,271	3,408	2,250	776	796	-	32	278	182

Manager/fund	Engagement example
<b>ASI - Firm Level</b>	ASI engaged with Petra Diamonds in relation to a case brought against them claiming that the company has been party to serious breaches of human rights at its Williamson mine in Tanzania. ASI engaged with the company in relation to these allegations and expressed their concerns, highlighting the importance of not only achieving free, prior and informed consent at the early stages of mining activity but also the need to ensure its licence to operate throughout the life cycle of operations. ASI continues to engage with the company to ensure that the appropriate resolutions can be found.

Manager/fund	Engagement example
<b>Aviva Infrastructure Income Fund</b>	<p>In 2020, Aviva completed the purchase of a biomass plant, which aims to function as a source of renewable energy, generating power from waste. During the buying process, Aviva undertook an ESG risk assessment, engaging with the plant to determine its environmental impact, concluding that it would be a sustainable, stable investment for the Fund. Going forwards, Aviva will continue to liaise with the managers of the biomass plant to ensure it is being operated effectively and meeting performance targets.</p>
<b>Invesco - Firm Level</b>	<p>Invesco engaged with Intesa Sanpaolo, an Italian banking group, with relation to their labour force management. They reached out to this company to discuss the company's performance in Invesco's proprietary ESG rating system, as several indicators were flagging instances where the company's performance was weak relative to peers. The company appreciated the feedback and confirmed their intention to create a dedicated section of their annual report to ESG data.</p>
<b>Janus Henderson</b>	<p>In 2020, Janus Henderson undertook a regular engagement exercise with Flamingo Horticulture, an agricultural product company, to assess if their carbon footprint had changed in light of supply chains being restrained by the limitations on air freight during the Covid-19 pandemic and if the Company was considering alternatives. Flamingo responded that their supply chains were not materially affected but were actively considering ways to reduce their carbon footprints, which Janus Henderson will continue to engage on.</p>
<b>LGIM - Firm Level</b>	<p>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.</p>
<b>Partners Group Partners Fund</b>	<p>Partners Group engaged with Civica advising them, as well as being the majority shareholder, in relation to their business operations during the Covid-19 pandemic. In 2020, Civica 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 &amp; inclusion working party that coordinates projects such as improving recruitment practices (and improving mentorship programs to make them more inclusive).</p>
<b>Ruffer – Firm Level</b>	<p>Ruffer have engaged with Arcelor Mittal, Royal Dutch Shell and ExxonMobil with regards to climate change. Climate action 100+ engagements with Arcelor Mittal or ExxonMobil occur approximately 8-10 times per year with different stakeholders within the company. Next steps for Ruffer's engagements within Climate Action 100+ will ask companies to produce transition plans in line with the Paris agreement, noting that it would be favourable for companies to put together the transition plans up for a shareholder vote at their next AGMs.</p>
<b>Threadneedle – Firm Level</b>	<p>Threadneedle engaged with the company Rio on their destruction of Juukan Gorge in Australia and concerns around governance and relationship management with local communities. The engagements showed that there have been multiple process changes focused on reviewing sites and agreements with traditional owner groups. The manager continues to monitor the company.</p>

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**Manager/fund**

**Engagement example**

**TwentyFour – Dynamic Bond Fund**

TwentyFour engaged with Simmons Food, as their ESG profile was relatively sound from an overall ESG score point of view, however socially there was a few gaps in what was available publically and by the investor relations team. The TwentyFour team looked to build a firmer view of employment practices and data pertaining to health and safety in their distribution network. They were satisfied with their commitment to cultivating a two-way conversation and were completely transparent, giving the team what they required to complete their review.

## Appendix – Significant Votes

### Invesco, Global Targeted Returns Pension Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Citigroup Inc.	China Oilfield Services Limited	AMP Ltd.
<b>Date of vote</b>	21 April 2020	28 May 2020	08 May 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	>1%	>1%	>1%
<b>Summary of the resolution</b>	Report on Lobbying Payments and Policy.	Approve Provision of Guarantees for Other Parties.	Ratify Past Issuance of Shares to Existing and New Institutional Investors.
<b>How the manager voted</b>	Against	For	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	n/a	n/a	n/a
<b>Rationale for the voting decision</b>	Invesco believe a vote against this resolution was warranted, as the company is already disclosing adequate information for shareholders to be able to assess its engagement in the political process and its management of related risks, so the report is not required.	Invesco supported this proposal as there was no significant known issues concerning the nominees and the company.	A vote for the ratification of the past issuance of shares was warranted. The issuance was put towards the immediate implementation of the company's new strategy and to provide balance sheet strength to complete the sale of AMP Life.
<b>Outcome of the vote</b>	Passed (for all votes shown)		
<b>Implications of the outcome</b>	Information not provided		
<b>Criteria on which the vote is considered "significant"</b>	>1% Ownership and Includes Key ESG proposal.		

## LGIM, Global Equity Fixed 60:40 GBP Hedged

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Qantas Airways Limited	Whitehaven Coal	International Consolidated Airlines Group
<b>Date of vote</b>	23 October 2020	22 November 2020	7 September 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>		Data not available.	
<b>Summary of the resolution</b>	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan. Resolution 4: Approve Remuneration Report.	Resolution 6: Approve capital protection. Shareholders were asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	Resolution 8: Approve Remuneration Report.
<b>How the manager voted</b>	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.	LGIM voted against the resolution.
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Their Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	
<b>Rationale for the voting decision</b>	In light of the impact of the COVID crisis the company has raised significant capital to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. LGIM engaged with the company to express their concerns and understand the company's views. LGIM supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary	LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase out of coal will be key to reaching these global targets.	LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst their large bonuses were determined at the end of February 2020 and paid in respect of the financial year to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience. LGIM have been privately closely

	Vote 1	Vote 2	Vote 3
	<p>decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, their concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. LGIM voted against resolution 3 to signal their concerns.</p>		<p>engaging with the company, including on the succession of the CEO and the board chair, who were long-tenured. This eventually led to a success, as the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair, an independent non-executive director, was also recently appointed by the board.</p>
<b>Outcome of the vote</b>	<p>About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in their view.</p>	<p>The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in significant environmental harm. As the company is on LGIM's Future World Protection List of exclusions, many of LGIM's ESG-focused funds and select exchange-traded funds were not invested in the company.</p>	<p>28.4% of shareholders opposed the remuneration report.</p>
<b>Implications of the outcome</b>	<p>LGIM will continue their engagement with the company.</p>	<p>LGIM will continue to monitor this company.</p>	<p>LGIM will continue to engage closely with the renewed board.</p>
<b>Criteria on which the vote is considered "significant"</b>	<p>It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.</p>	<p>The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.</p>	<p>LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis.</p>

## Partners Group, Partners Fund

Given that the Partners Fund is predominantly invested in private markets, there is limited scope for voting. Below is one example of a listed investment that the Partners Fund voted on.

Vote 1	
<b>Company name</b>	Ferrovial
<b>Date of vote</b>	16 April 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	~2%
<b>Summary of the resolution</b>	Remuneration report, intending to provide shareholders information and a voice on the implementation of the remuneration policy.
<b>How the manager voted</b>	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	<ol style="list-style-type: none"> <li>1. Inadequate disclosure of performance targets linked to remuneration.</li> <li>2. No deferral of annual bonus to management.</li> <li>3. Sizeable equity rewards to controlling shareholder/executive chair.</li> </ol>
<b>Outcome of the vote</b>	In favour of management
<b>Implications of the outcome</b>	The % of against votes for this proposal increased from 24% in 2019 to 35% in 2020. Management already made a few improvements to the remuneration plan, but these were insufficient. Partners will continue to vote against this proposal until they believe there is a reasonable remuneration policy in place.

## Vote 1

**Criteria on which the vote is considered "significant"** Size of holding in fund.

### Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Lloyds Bank	Wheaton Precious Metals	Cigna
<b>Date of vote</b>	21 May 2020	14 May 2020	24 April 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	2.09%	1.31%	1.24%
<b>Summary of the resolution</b>	Vote on remuneration policy.	Votes for re-election of non-executive directors.	Votes for re-election of non-executive directors.
<b>How the manager voted</b>	Against	Against 5 non-executive directors	Against 6 non-executive directors
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Ruffer spoke to the company prior to the AGM to understand better the changes implemented in the revised voting policy and to communicate their concerns.	No.	No.
<b>Rationale for the voting decision</b>	Ruffer decided to vote against the proposed remuneration policy at the company as although it reduces the maximum pay-out at the time of the grant, it significantly relaxes the vesting criteria. Therefore, they did not think it sufficiently incentivises management to deliver shareholder value.	Taking into account the average tenure of members of the board, the regions in which the company is domiciled and the sector in which the company operates, Ruffer did not support the re-election of a number of directors in the period because of their concerns that they were not independent.	
<b>Outcome of the vote</b>	Remuneration policy passed with 63.8% approval. Long term share plan passed with 63.7% approval.	Re-election proposals passed with a range of 85-95% shareholder approval for votes.	Re-election proposals passed with a range of 96-99% shareholder approval for votes.

	Vote 1	Vote 2	Vote 3
<b>Implications of the outcome</b>	Ruffer spoke with the Chairman of Lloyds on this issue after they voted and since then the company has made some changes to the remuneration of the new CEO. Even though these do not address all of their concerns, it does make the remuneration criteria more aligned to shareholder interests.		Ruffer will continue to vote against the re-election of non-executive directors where they have concerns about their independence.
<b>Criteria on which the vote is considered "significant"</b>	Votes against remuneration policies for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.		Votes abstaining or against the re-election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.

## Columbia Threadneedle, Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Alphabet Inc.	Amazon.com, Inc.	Facebook, Inc.
<b>Date of vote</b>	03 June 2020	27 May 2020	27 May 2020
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.84%	0.89%	0.43%
<b>Summary of the resolution</b>	Elect Director L. John Doerr.	Elect Director Thomas O. Ryder.	Report on Median Gender/Racial Pay Gap.
<b>How the manager voted</b>	Withhold	Against	For
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	No	No
<b>Rationale for the voting decision</b>	Compensation committee chair; concerns around compensation.	Director is an affiliate serving on a key committee.	Material social risk for business; in shareholders' interests.
<b>Outcome of the vote</b>	Pass	Pass	Fail
<b>Implications of the outcome</b>	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.		
<b>Criteria on which the vote is considered "significant"</b>	Vote contrary to management.		