

Implementation Statement for the Webasto Retirement Benefits Scheme

Covering 6 April 2020 to 5 April 2021

1. Background

The Trustees of the Webasto Retirement Benefits Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Scheme’s Statement of Investment Principles (“SIP”) during the previous Scheme year, in relation to engagement and voting behaviour, either by or on behalf of the Trustees, or if a proxy voter was used.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found: https://www.webasto-comfort.com/fileadmin/webasto_media/webasto-comfort.com/EN_UK/Documents/SIP-2020.pdf

2. Voting and Engagement

The Trustees are keen that their manager is a signatory to the UK Stewardship Code. Threadneedle have been removed from the UK Stewardship Code following a revamp that imposed tougher reporting requirements. They are currently in the process of applying to be a signatory in time for the 31 October 2021 deadline.

All the Trustees’ holdings are within pooled funds and the Trustees have delegated to their investment manager the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees have not used proxy voting services over the year.

The Scheme’s funds are:

Threadneedle:

- Global Select Fund
- Corporate Bond Fund
- Index-Linked Bond Fund

The underlined funds are predominantly bond-related and do not hold physical equities and hence there are no voting rights and voting data for the Trustees to report on.

a. Description of Investment Manager’s voting processes

Threadneedle

Threadneedle describe their voting process as follows:

“As active investors, well informed investment research and stewardship of our clients’ investments are important aspects of our responsible investment activities. Our approach to this is framed in the relevant Responsible Investment Policies we maintain and publish. These policy documents provide an overview of our approach in practice (e.g., around the integration of environmental, social and governance (ESG) and sustainability research and analysis). As part of this, acting on behalf of our clients and as shareholders of a company, we are charged with responsibility for exercising the voting rights associated with that share ownership. Unless clients decide otherwise that forms part of the stewardship duty, we owe our clients in managing their assets. Subject to practical limitations, we therefore aim to exercise all voting rights for which we are responsible, although exceptions do nevertheless arise (for example, due to technical or administrative issues, including those related to Powers of Attorney, share blocking, related option rights or the presence of other exceptional or market-specific issues). This provides us with the opportunity to use those voting rights to express our views on relevant aspects of the business of a company, to highlight concerns to the board, to promote good practice and, when appropriate, to exercise related rights. In doing so, we have an obligation to ensure that we do that in the best long-term economic interests of our clients and in keeping with the mandate we have from them. Corporate governance has particular importance to us in this context, which reflects our view that well governed companies are better positioned to manage the risks and challenges inherent in business, capture opportunities that help deliver sustainable growth and returns for our clients. Governance is a term used to describe the arrangements and practices that frame how directors and management of a company organize and operate in leading and directing a business on behalf of the shareholders of the company. Such arrangements and practices give effect to the mechanisms through which companies facilitate the exercise of shareholders’ rights and define the extent to which these are equitable for all shareholders. We recognize that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating our approach, we are also mindful of best practice standards and codes that help frame good practice, including international frameworks and investment industry guidance. While we are mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company we are guided solely by the best long-term economic interests of our clients.”

b. Summary of voting behaviour over the year

Threadneedle

A summary of voting behaviour over the period is provided in the tables below.

	Summary Info
Manager name	Threadneedle
Fund name	Global Select Fund
Approximate value of Trustees' assets	c£8.3m as of 5 April 2021
Number of equity holdings in the fund	Information not available
Number of meetings eligible to vote	76
Number of resolutions eligible to vote	1044
% of resolutions voted	100.0%
% of resolutions voted with management	90.61
% of resolutions voted against management	2.30
% of resolutions abstained	7.09
% of resolutions withheld	Information not available
% of resolutions voted contrary to the proxy adviser recommendation	Information not available

**All manager information is as of 30 June 2021 as information as of 5 April 2021 was unavailable.*

c. Most significant votes over the year

Threadneedle

Threadneedle describe their process for determining a significant vote as follows:

“We consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where we abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management. We report annually on our reasons for applying dissenting votes via our website. Our report on dissenting votes cast is available on our website.”

d. Most significant votes over the year by Fund

Threadneedle

Below is a sample of the significant votes made by Threadneedle over the period 6 April 2020 – 5 April 2021 by fund. Full details of all significant votes can be found on Threadneedle’s website.

Threadneedle Global Select Fund

Company name	Visa Inc.
Date of vote	26/01/2021
Summary of the resolution	Elect Director John A. C. Swainson
How you voted	Abstain
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	He is the Nom Com Chair. The company has a combined chair and CEO and meets our conditions for mitigation. (Abstain)
Outcome of the vote	Pass
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.
On which criteria (as explained in the cover email) have you assessed this vote to be "significant"?	Vote against management