

Implementation Statement for the Webasto Retirement Benefits Scheme

Covering 6 April 2021 to 5 April 2022

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, which Columbia Threadneedle Investments are.

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:

Columbia Threadneedle Investments:

- 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

Columbia Threadneedle Investments

Columbia Threadneedle Investments describe their voting process as follows:

"Columbia Threadneedle Investments utilises the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services. We have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

In voting proxies on behalf of our clients, we vote in consideration of all relevant factors to support the best economic outcome in the long-run. As an organisation, our approach is driven by a focus on promoting and protecting our clients' long-term interests; while we are generally supportive of company management, we can and do frequently take dissenting voting positions. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, our Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of our Proxy Voting Policy. Our voting is conducted in a controlled environment to protect against undue influence from individuals or outside groups.

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 recognise 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 interests of our clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, we use a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Our final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS."

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	Columbia Threadneedle Investments
Fund name	Global Select Fund
Approximate value of Trustees' assets	c£7.7m as of 5 April 2022
Number of equity holdings in the fund	64
Number of meetings eligible to vote	69
Number of resolutions eligible to vote	999
% of resolutions voted	100.0%
% of resolutions voted with management	90.19%
% of resolutions voted against management	7.41%
% of resolutions abstained	2.4%
% of resolutions withheld	N/A
% of resolutions voted contrary to the proxy adviser recommendation	N/A

* All manager information is as of 05 April 2022

c. Most significant votes over the year

Columbia Threadneedle Investments

Columbia Threadneedle Investments 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

Columbia Threadneedle Investments

Below is a sample of the significant votes made by Columbia Threadneedle Investments over the period 6 April 2021 – 5 April 2022 by fund. Full details of all significant votes can be found on Columbia Threadneedle Investments' website.

Columbia Threadneedle Global Select Fund

Company name	The Walt Disney Company
Date of vote	2022-03-09
Summary of the resolution	Report on Lobbying Payments and Policy
How you voted	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	Supporting better ESG risk management disclosures
Outcome of the vote	Fail
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 on certain environmental or social proposals & >20% dissent