

# Wade Directors and Managers Pension Scheme

## Implementation Statement

This statement sets out the Trustees' approach to and implementation of the ESG policies set out in the Statement of Investment Principles over the year.

### How the Trustees' voting and engagement policies have been met over the year

The Scheme invests entirely in pooled funds, and as such delegate responsibility for carrying out voting and engagement activities to the Scheme's investment managers.

The Trustees, with input from their investment consultant, annually receive and review (through their Implementation Statement) the voting information and engagement policies of their investment managers to ensure alignment with their own policies.

Based on the data currently available, which is presented below, the Trustees are comfortable that the actions of the fund managers are in alignment with the Scheme's stewardship policies.

### Voting Data and Engagement

At the scheme year-end, the Scheme's investment managers were Aberdeen Standard Investments ("ASI") and Vanguard Asset Management ("Vanguard"). Voting only applies to equities held in the Scheme's investment portfolio. The Scheme holds equities through its investments in the following funds:

- Vanguard FTSE Developed World ex UK Equity Index
- Vanguard FTSE UK All Share Pension Fund Index
- ASI Liability Aware Absolute Return III Real Profile Fund (through the Fund's exposure to the ASI Global Absolute Return Strategies Fund)
- Liability Aware Absolute Return III Nominal Profile Fund (through the Fund's exposure to the ASI Global Absolute Return Strategies Fund)

The Scheme's investment managers vote on behalf of the Scheme's holdings in pooled funds.

Some of the data requested from the Scheme's investment managers was not provided in a usable format. Our investment consultants are liaising with the managers to improve delivery of the data going forward, and we understand that the managers are working to improve their disclosure.

The voting data over the year to 31 March 2020 at a manager level is shown below.

Manager	Vanguard Asset Management		Aberdeen Standard Investments	
Fund name	Vanguard FTSE Developed World ex UK Equity Index Fund	Vanguard FTSE UK All Share Equity Index Fund	Liability Aware Absolute Return III Real Profile Fund	Liability Aware Absolute Return III Nominal Profile Fund
<b>Structure</b>	Pooled	Pooled	Pooled	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>	Not Available		5,048	
<b>Number of resolutions the manager was eligible to vote on over the year</b>	Not Available		54,745	
<b>Percentage of resolutions the manager voted on</b>	Not Available		99.9%	
<b>Percentage of resolutions the manager abstained from</b>	Not Available		0.1%	
<b>Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on</b>	Not Available		85.1%	
<b>Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on</b>	Not Available		14.9% <sup>1</sup>	

<sup>1</sup> Resolutions against management include votes where the manager made an active decision to abstain in order to vote against management.

## Significant votes

The data on key voting themes over the year made on behalf of the Trustees and the key votes taken was requested from the managers, but was not provided in a usable format. Our investment consultants are liaising with the manager to improve delivery of the data going forward, and we understand that the manager is working to improve their disclosure. We will look to update this next year, once we have the appropriate information.

## Fund level engagement

Manager	Vanguard Asset Management		Aberdeen Standard Investments	
Fund name	Vanguard FTSE Developed World ex UK Equity Index Fund	Vanguard FTSE UK All Share Equity Index Fund	Liability Aware Absolute Return III Real Profile Fund	Liability Aware Absolute Return III Nominal Profile Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Overview of firm level approach to company engagement	<p>Vanguard consider engagement to be the foundation of their Investment Stewardship program. As their index funds are practically permanent owners of portfolio companies their aim in engagements is to build a strong understanding of how companies govern their long-term strategy. Vanguard do not seek to influence company strategy. Engagements are generally either event-driven (a contentious ballot item or a company crisis), topic-driven engagements (matters within the board's purview that materially affect a company's long-term value) or strategic (high-level discussions about long-term strategy and industry dynamics).</p>		<p>ASI engage with investee companies for two key reasons: to understand more about company management which enables them to learn more about a company's strategy and performance and the second is to encourage best practice and drive change.</p>	
Key strategic engagement themes	Board composition, oversight of strategy and risk, executive remuneration and governance structures.		Vertical Farming, access to healthcare and the impact of COVID on ESG issues.	
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Not Available	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not Available	90	Not Available	Not Available

<b>Number of engagements undertaken at a firm level in the year</b>	1,110		1,486	
<b>Does the manager employ the services of a proxy voting service?</b>	Yes, Institutional Shareholder Services ("ISS") and Glass Lewis		Yes, ISS	Yes, ISS
<b>Percentage of votes cast against the advice provided by the proxy voting advisory service, as a percentage of total votes cast</b>	Not Available	2.4%	Not Available	Not Available