

SAS Pension Plan Implementation Statement



Year Ending 31 December 2021

Glossary

DGF	Diversified Growth Fund
ESG	Environmental, Social and Governance
Scheme	SAS Pension Plan
Scheme Year	1 January 2021 to 31 December 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustees have reviewed the extent to which their policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme’s investment managers and provides information on the significant votes made in respect of the Trustees' equity holdings. Information is also provided on the how the Scheme’s investment managers make use of the services of proxy voting advisers.

Relevant Investments

The Scheme’s assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- Invesco Global Targeted Returns Fund
- Ninety One Global Multi-Asset Sustainable Growth Fund

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP.

A summary of the Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is as follows:

- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.
- The Trustees expect that each investment manager will discharge its responsibilities in respect of investee companies in accordance with that investment manager's own corporate governance policies and current best practice.
- The Trustees also expect that each investment manager will take ESG factors into account when exercising the rights attaching to investments.
- The Trustees will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustees will review the relevant investment manager's appointment and may consider terminating the arrangement.
- When selecting a pooled fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- The Trustees look to appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:
 - 1. Responsible Investment ('RI') Policy / Framework
 - 2. Implemented via Investment Process
 - 3. A track record of using engagement and any voting rights to manage ESG factors
 - 4. ESG specific reporting
 - 5. UN PRI Signatory
- The Trustees regularly monitor the position of the investment managers with regards to ESG matters, including the above criteria.
- If it is identified that a fund's investment manager is not engaging with issuers of debt or equity, the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their investment adviser to raise the Trustees' concerns with the investment manager. Thereafter, the Trustees in conjunction with their investment adviser, would monitor the performance of the fund to assess whether the situation improves.

Has the Policy Been Followed During the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- All of the Schemes' invested assets were held in pooled funds over the course of the Scheme Year.
- For each pooled fund that includes an allocation to listed equities, the Trustees, in conjunction with their investment adviser, have considered how the investment manager has discharged its voting responsibilities over the course of the Scheme Year. The analysis is set out in an Annual Voting Report provided by First Actuarial.
- The Annual Voting Report provided by First Actuarial includes analysis of how each investment manager voted in ESG-related votes.
- The Ninety One Global Multi-Asset Sustainable Growth Fund was selected during the year and the Trustees took these criteria into account when selecting this.
- The Trustees receive information from their investment advisers on the investment managers' approaches to engagement.
- The Annual Voting Report which accompanies this checklist provides an assessment of the investment managers' recent voting records.
- All of the investment managers selected by the Trustees are signatories to the UNPRI.
- The Trustees did not identify any concerns regarding an investment manager's voting policy during the year.
- The Voting Report which accompanies this checklist details any action being taken by First Actuarial in relation to queries or concerns regarding an investment manager's voting policy.
- At the current time, the Trustees are not taking any additional action but will continue to monitor this.

The Investment Managers Voting Records

A summary of the investment managers' voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained / withheld
Invesco	74,000	87%	12%	1%
Ninety One	12,000	92%	7%	1%

Notes

These voting statistics are based on each manager's full voting record over the 12 months to 31 December 2021 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
Invesco	ISS, Glass Lewis and IVIS	Proxy advisers provide information but voting is determined by Invesco
Ninety One	ISS	Research and vote execution provided by ISS but voting decisions always taken by the investment manager's Stewardship team

The Investment Managers Voting Behaviour

The Trustees have reviewed the voting behaviour of the investment managers by considering the following:

- broad statistics of their voting records such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes they cast in the year to 31 December 2021 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment managers' policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment managers with their peers over the same period.

The Trustees' key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested, i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustees considered each investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Description of Voting Behaviour

Invesco

The Trustees have no concerns regarding Invesco's voting record.

The Trustees note that Invesco's fund managers do not necessarily vote consistently as each is given discretion as to how to vote on their own portfolio. Arguably, this might dilute the influence that Invesco can have on companies. However, the fact that the Trustees do observe some split votes in the data indicates that Invesco's fund managers are giving votes sufficient consideration and that they feel able to deviate from a standard approach.

The Trustees also note that Invesco has generally supported shareholder proposals designed to tackle ESG issues.

Ninety One

Ninety One only invest actively and therefore do not invest in as many companies as investment managers who operate passive funds. As a result, Ninety One did not participate in many of the votes which were identified as being particularly significant.

This makes the investment manager's voting record harder to assess.

Nevertheless, the Trustees' Investment Adviser has identified some areas where Ninety One's voting record could be open to criticism. This included voting in support of contested executive pay proposals and opposing shareholder proposals designed to tackle social justice issues.

First Actuarial asked Ninety One for an explanation of their votes on these proposals and awaits their response.

Conclusions

Based on the analysis undertaken, and as per the descriptions above, the Trustees have no material concerns regarding the voting records of Invesco and Ninety One.

The Trustees will keep the voting actions of the investment managers under review.

..... Date:

Signed on behalf of the Trustees of the SAS Pension Plan

Significant Votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustees.

Company	ISIN	Meeting Date	Proposal	Resolution ID	Significance	Resolution	Significance	Votes For (%)	Votes Against (%)	Investor	SteadyState
Audit & Reporting											
GEBERT AG	CH0008018223	14/04/2021	Approve the Auditor	6	1656	83	17	For	Not held		
GILEAD SCIENCES INC	US3755581056	12/05/2021	Approve the Auditor	6	1289	87	13	For	Not held		
MERCK KGAA	DE0006999985	23/04/2021	Approve the Auditor	6	1193	88	12	For	Not held		
CITICORP INC	US1729671016	27/04/2021	Ratify PwC LLP as Auditor	6	1380	88	12	For	Not held		
S&P GLOBAL INC	US3806451093	05/05/2021	Approve the Auditor	9	1173	88	12	Not held	For		
Shareholder Capital & Rights											
ORANGE SA	FR0000333668	18/05/2021	Authorise Board to Increase Capital in the Event of Additional Demand Related	2.5	4256	57	43	Against	Not held		
KERING SA	FR0000214855	22/04/2021	Authorise Capitalisations for Use in Employee Stock Purchase Plans	E.23	3198	32	68	For	Not held		
BRITISH AMERICAN TOBACCO PLC	GB0002875804	28/04/2021	Issue Shares with Pre-emption Rights	7	2387	72	28	For	Not held		
MEGGITT PLC	GB0005798098	29/04/2021	Issue Shares with Pre-emption Rights	5.5	2282	77	23	For	Not held		
VONOVIA SE	DE000A15ML71	16/04/2021	Approve Authority to Increase Authorised Share Capital and Issue Shares	5	2381	78	22	For	Not held		
Pay & Remuneration											
ARMOUR INC	US0004541003	11/08/2021	Advisory Vote on Executive Compensation	2	4882	50	47	For	Not held		
PLUS500 LTD	IL0011284485	04/05/2021	Approve Tax Bonus Payment to End Exec. Class	5.5	4476	55	45	Against	Not held		
UNICREDIT SPA	IT0000064854	15/04/2021	Approve Remuneration Policy	O.12	4293	54	45	Against	Not held		
AFTV PLC	US2471281055	30/04/2021	Advisory Vote on Executive Compensation	3	4241	57	42	Not held	Against		
THALES	FR0000213239	06/05/2021	Approve Amendment of Remuneration Policy of Chairman and CEO for FY 2019	O.6	4072	59	41	For	Not held		
Composition of Company, Board & Advisors											
BERKSHIRE HATHAWAY INC	US0949701098	01/05/2021	Elect MaryEll Witzner - Non Executive Director	3.14	3080	50	50	For	Not held		
GEBERT AG	CH0008018223	14/04/2021	Elect Werner Kuhnle - Non Executive Director	4.1.3	4898	50	50	For	Not held		
EDWARDS LIFESCIENCES CORPORATION	US2817081082	04/05/2021	Elect Kevin T. Galbraith - Non Executive Director	3.1	4385	47	52	For Against	Not held		
NESTLE SA	CH0011096047	15/04/2021	Re-Elect Kasper Rosenthal - Non-Executive Director	4.1.1	3794	62	38	For	Not held		
PUBLICIS GROUPE SA	FR0000369777	26/05/2021	Amend Rules to Comply with Legal Changes	E.25	3259	65	35	For Against	Not held		
Merger, Acquisition, Sales & Finance											
VONOVIA SE	DE000A15ML71	16/04/2021	Issue Bonds/Debt Securities	9	2653	79	21	For	Not held		
HERMES INTERNATIONAL NATIONAL GRID PLC	FR0000652292	04/05/2021	Approve Dividend	E.24	905	91	9	Against	Not held		
NATIONAL GRID PLC	GB00B0852854	22/04/2021	Approve Acquisition	3	448	95	4	For	Not held		
SANOFI	FR0000286778	30/04/2021	Approve Issuance of Debt Securities Giving Access to Five Shares of Subsidiaries and/or Debt Securities, up to Aggregate Amount of EUR 7 Billion	E.19	411	96	4	For	Not held		
BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA)	ES0133213835	19/04/2021	Authorise Issuance of Convertible Bonds, Debentures, Warrants, and Other Debt Securities without Pre-emptive Rights	5	330	95	5	For	Not held		
Climate Related Resolutions											
TOTALENERGIES SE	FR0000262711	28/05/2021	Approve the Company's Sustainable Development and Energy Transition	O.14	732	83	7	For Against	Not held		
GLENORE PLC	IE00B4T8W64	29/04/2021	Approve Climate Action Transition Plan	14	534	89	5	For	Not held		
MOODY'S CORPORATION	US6153691059	20/04/2021	Vote on Climate	4	312	93	1	For	Not held		
NESTLE SA	CH0011096047	15/04/2021	Support Nestle's Climate Roadmap	7	59	95	1	Abstain	Not held		
UNILEVER PLC	GB00B1682978	05/05/2021	Approve Climate Transition Action Plan	4	57	99	1	For	For		
Other Company Resolutions											
PEARSON PLC	GB0006776861	30/04/2021	Meeting/Notification related Proposal	19	4523	55	45	Against	Not held		
ORANGE SA	FR0000333668	18/05/2021	Allow Board to Use Delegations under Item 23 Above in the Event of a Public	24	4852	40	59	Against	Not held		
UNICREDIT SPA	IT0000064854	15/04/2021	Approve Severance Payment Policy	O.13	2666	73	27	For	Not held		
LOREAL SA	FR000028321	20/04/2021	Supervisors of Gender Harassment Prevention Employment Contract	O.15	1479	85	15	Against	Not held		
BERKELEY GROUP HOLDINGS PLC	GB00B02L3W95	03/09/2021	Meeting/Notification related Proposal	25	1307	87	13	For	Not held		
Governance & Other Shareholder Resolutions											
COLGATE-PALMOLIVE COMPANY	US1941621039	07/05/2021	Shareholder Resolution: Enhance Ownership Threshold for Shareholders to Call	5	4944	51	49	For	Not held		
UNITED RENTALS INC	US9113631090	06/05/2021	Shareholder Resolution: Enhance Ownership Threshold for Shareholders to	4	4818	48	51	For	Not held		
JPMORGAN CHASE & CO	US4662581005	18/05/2021	Shareholder Resolution: Introduce or Supplement Charter Policy	7	4755	48	52	For	For		
CHEVRON CORPORATION	US1667641005	26/05/2021	Shareholder Resolution: Report on Lobbying Payments and Policy	7	4750	47	52	For	Not held		
SEXTERA ENERGY INC	US3025711041	20/05/2021	Shareholder Resolution: Women Caucus	5	4741	47	52	Not held	For		
Environmental & Socially Focused Shareholder Resolutions											
AMAZON.COM INC	US0231351087	26/05/2021	Shareholder Resolution: Overview and Report on a Civil Rights	9	4384	44	55	For	Not held		
CHEVRON CORPORATION	US1667641005	26/05/2021	Shareholder Resolution: Reduce Scope 3 Emissions	4	4822	69	39	For Against	Not held		
JPMORGAN CHASE & CO	US4662581005	18/05/2021	Shareholder Resolution: Report on Racial Equity Audit	6	3980	49	58	For Against	Against		
MICROSOFT CORPORATION	US3949181045	30/11/2021	Shareholder Resolution: Report on Gender and Racial Pay Gap	5	3953	49	59	For	For Against		
CITICORP INC	US1729671016	27/04/2021	Shareholder Resolution: Report on Racial Equity Audit	9	3780	58	60	For Against	Not held		

Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within the Scheme's pooled funds at the date of the vote.