

Miele Pension and Life Assurance Scheme Implementation Statement

Purpose

This statement provides information on how, and the extent to which, the Trustees' policies in relation to the exercising of rights (including voting rights), attached to the Scheme's investments, and engagement activities have been followed during the year ended 31 December 2021 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q1 2019, the Trustees received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS") and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers' own equivalent policies. Further to this, during 2020, the Trustees received training in relation to voting and engagement issues which enabled them to refine their policies in relation to such issues. The Trustees' updated policy was documented in the updated Statement of Investment Principles dated 28 September 2020.

Over the reporting year, the Trustees received further training covering ESG and climate change issues and ongoing regulatory developments in this area. They also reviewed whether the Scheme's investment managers were granted signatory status under the UK Stewardship Code 2020. However, no changes were made to the Trustees' ESG, voting and engagement policies during the reporting year.

The Statement of Investment Principles signed on 28 September 2020 was therefore the version of the document in force as at the Scheme year end.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

As mentioned above, during the reporting year, the Trustees began to consider upcoming climate change related regulations.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry and, at least partly, on a review of data relating to the voting and engagement activity conducted annually. Stewardship and ESG matters are therefore regularly discussed at Trustees' meetings.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees were satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to public equities and investments in equities will also form part of the strategy for the multi asset fund in which the Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is presented in the rest of this document. These summaries have been provided by the investment managers and any reference to our, we etc relates to the manager:

M&G Investments

Voting Information
M&G Investments Episode Income Fund
The manager voted on 98.08% of resolutions of which they were eligible out of 1,201 eligible votes.
Investment Manager Client Consultation Policy on Voting
Voting decisions are taken in the best interests of clients and decision-making takes into account a wide range of factors. Whilst we do not solicit clients' views, we will take them into account should they be known to us.
Investment Manager Process to determine how to Vote
An active and informed voting policy is an integral part of our investment philosophy. In our view, voting should never be divorced from the underlying investment management activity. By exercising our votes, we seek both to add value to our clients and to protect our interests as shareholders. We consider the issues, meet the management if necessary, and vote accordingly.
How does this manager determine what constitutes a 'Significant' Vote?
Under the Shareholder Rights Directive II, M&G is required to report on its stewardship activities, including proxy voting and the identification of significant votes. We have therefore determined our own definition of significant votes following internal discussion and consideration of external guidance. We periodically review our definition of significant votes.
Does the manager utilise a Proxy Voting System? If so, please detail
We use research provided by ISS and the Investment Association; and we use the ProxyExchange platform from ISS for managing our proxy voting activity.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Procter & Gamble	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	For	Fail
Pfizer Inc.	Report on Access to COVID-19 Products	For	Fail
KBC Group SA/NV	Elect Katelijn Callewaert as Director	Against	Pass
The Bank of Nova Scotia	Produce a Report on Loans Made by the Bank in Support of the Circular Economy	For	Fail
LVMH Moët Hennessy Louis Vuitton SE	Reelect Nicolas Bazire as Director	Against	Pass

Voting Information

M&G Investments Global Equity Passive Fund

The manager voted on 98.87% of resolutions of which they were eligible out of 7,776 eligible votes.

Investment Manager Client Consultation Policy on Voting

Voting decisions are taken in the best interests of clients and decision-making takes into account a wide range of factors. Whilst we do not solicit clients' views we would take them into account should they be known to us.

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WHSmith Plc	Approve Remuneration Report	Abstain	Pass
Pandora AS	Reelect Christian Frigast (Vice Chair) as Director	Abstain	Pass
BP Plc	Approve Shareholder Resolution on Climate Change Targets	Against (in line with management)	Fail
Royal Dutch Shell Plc	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	Against (in line with management)	Fail
Aston Martin Lagonda Global Holdings Plc	Re-elect Lawrence Stroll as Director	Against	Pass