Implementation Statement – Stantec Pension Plan (UK) – Treatment Section

Year ending 31/03/21

The Trustees of the Stantec Pension Plan (UK) – Treatment Section have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. The statement reports on the extent to which voting, engagement and stewardship activity has been carried out in line with the policies set out in the Statement of Investment Principles (SIP) dated 30 September 2020, covering the period 1 April 2020 to 31 March 2021.

1) Stewardship Policy and Implementation:

- During the period responsibility for voting and engagement decisions and monitoring such activity by underlying fund managers was delegated to the Fiduciary Manager (Charles Stanley Fiduciary Management).
- Charles Stanley's policy on voting and engagement on direct securities is as follows *"We believe voting is an effective method of engagement. We use the services of proxy voting service provider Institutional Shareholder Services (ISS) to advise us on corporate governance issues and provide voting recommendations on our top 100 holdings of equity and fund securities. The advice of our proxy voting service provider is based on the UK Corporate Governance Code and its own set of voting principles built on a collection of industry best practice guidelines, which are designed to protect and enhance shareholders' interests. ISS has a long-standing relationship with many of the UK-listed issuers within its coverage universe and regularly engages with the senior management teams of such issuers. With in-depth knowledge of the UK Corporate Governance Code and a long history of corporate engagement, we believe the provision of voting advice from our proxy service provider enhances our engagement with investee companies. However, we are not bound to follow the advice of ISS and retain the ultimate say on which way to vote on each item raised at general and extraordinary shareholders meetings, based on what we believe is in the best interests of our clients. Where we believe it would assist shareholder interests, we may inform the company in advance of our voting intentions. We do not engage in securities lending with client holdings."*
- During the period voting activity was carried out by Charles Stanley on the following Investment Trusts. In all cases Charles Stanley voted with management on all resolutions.
    - International Public Partnerships Ltd
    - HICL Infrastructure PLC
    - Greencoat UK Wind PLC
    - The Renewables Infrastructure Group PLC
- During the period voting and engagement activity was carried out by underlying fund managers. Through its underlying fund managers the scheme is exposed to c.6,000 underlying companies. Pro-active engagement and voting activity was carried out by the scheme's underlying fund managers as part of their routine management of funds. A record of the voting and engagement activity undertaken by these investment managers on the top 10 underlying companies has been provided to the trustees and is appended to this statement.
- Charles Stanley evaluates the engagement and reporting policies of all third-party managers and is responsible for monitoring their activity on an ongoing basis

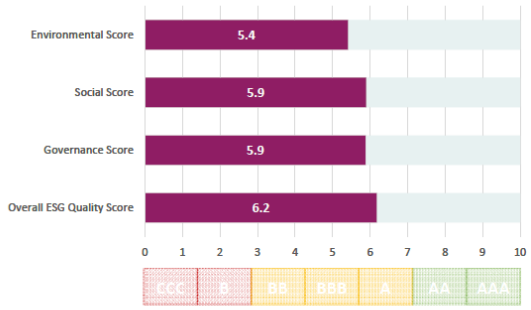
2) Monitoring of Environmental, Social, Governance (ESG) and Climate Change risks:

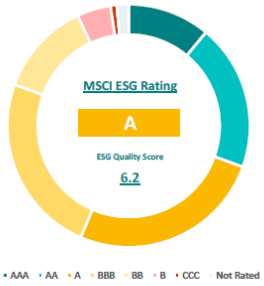
- Exposure to ESG (including Climate Change) risk was monitored through dashboard reports provided by Charles Stanley at Trustee meetings on 11/06/20, 10/09/20 and 2/12/20. Any additional ESG and Climate Change activity as pertains to the overall asset allocation of the portfolio or individual funds or securities held was reported to the trustees at these meetings.
- Below is example of the most recent dashboard report (2/12/20):

Environmental, Social and Governance Reporting

for the MWH UK Limited Pension and Life Assurance Plan - Biwater (Treatment) DB Section

ESG Summary Scores





ESG Ratings	What Does it Mean?
AAA, AA	LEADER - The companies that the fund invests in show strong and/or improving management of financially relevant environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events.
A, BBB, BB	AVERAGE - The fund invests in companies that show average management of ESG issues, or in a mix of companies with both aboveaverage and below-average ESG risk management.
B, CCC	LAGGARD - The fund is exposed to companies that do not demonstrate adequate management of the ESG risks that they face, or show worsening management of these issues. These companies may be more vulnerable to disruptions arising from ESG events.

Percentage	Exposure
>20%	Very High
10% to 20%	High
5% to 10%	Moderate
1% to 5%	Low
<1%	Negligible