

IMPLEMENTATION STATEMENT



Metals & Mainetti Pension Scheme Implementation Statement for the year ended 31st March 2022

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 March 2022 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

On 12 December 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. The Trustees' new policy was first documented in the updated Statement of Investment Principles dated September 2019, and remains in the updated Statement of Investment Principles dated October 2021.

The Trustees' updated policy

The Trustees have considered their approach to environmental, social and corporate governance ("ESG") factors for the long term time horizon of the Scheme and believes there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees will seek advice from the Investment Adviser on the extent to which its views on ESG and climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustees, with the assistance of the Investment Adviser, will 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.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers and encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

When considering the selection, retention or realisation of investments, the Trustees have a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought nor taken into account the beneficiaries' views on risks including (but not limited to) ethical, social and environmental issues.

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, the Scheme conducted a strategy review which saw the Scheme fully disinvest from the Nordea Diversified Return Fund with the proceeds split between the Partners Group Partners Fund and the abrdn Multi-Sector Private Credit Fund. One of the criteria that saw these mandates selected over other funds in their respective asset classes was the level of ESG Integration within each portfolio.

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 the selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

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.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are 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 equities that form part of the strategy for the diversified growth funds 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 as follows:

Nordea (Terminated in September 2021)

Voting Information
Nordea Diversified Return Fund
The manager voted on 99.91% of resolutions of which they were eligible out of 2348 eligible votes.
Investment Manager Client Consultation Policy on Voting
We are a fund company with unit holders as clients and we vote based on our policy in the best interest of our unitholders. In all its activities, Nordea's funds shall act in the best interests of the customer, and act honestly, fairly and professionally.
Investment Manager Process to determine how to Vote

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We have an aggregated voting strategy, meaning that we strive to vote for as large part of our total holdings in any given company as possible.

Nordea's Corporate Governance Principles define how we act in corporate governance-related matters and set the rules for which strategies apply and how the voting of the shares owned by the funds shall take place. A Corporate Governance Committee has been set up in order to ensure appropriate handling of the corporate-governance matters, and the operational responsibility rests with the Corporate Governance Function (outside the investment organization). The

Corporate Governance Function cooperates very closely with Nordea Asset Management's Responsible Investment Team, which oversees our work on responsible investment together with the investment organisation.

Assessment of shareholder ESG proposals is made on a case-by-case basis. This assessment analyzes the relevance and adequacy of the requests - i.e., whether approval of the resolution supports better company's practices or shareholder value, whether the company's current stance on the topic is likely to have negative effects in terms of litigation and reputational damage and whether the company has already put appropriate action in place to respond to the issue contained in the resolution.

Generally, our line is to support proposals aiming to protect or enhance long-term shareholder value creation, to improve transparency on material ESG issues and to address material ESG risks that have emerged. On climate proposals that require companies to disclose information about its governance, strategy, risk management and targets related to climate-related risks, we will generally be positive. Our voting power will be used in cases of company's failure to appropriately manage or mitigate ESG risks or when there is a lack of sustainability reporting in the company's public documents.

How does this manager determine what constitutes a 'Significant' Vote?

Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company. The process stems from first identifying the most important holdings, based on size of ownership, size of holding, ESG reasons, or any other special reason. From there, we benchmark the proposals versus our policy.

Does the manager utilise a Proxy Voting System? If so, please detail

Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services – henceforth, "ISS" and "NIS") to facilitate the proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged.

The contrast in the services – ISS is a global player with international reach and practices, while NIS is a small niche player whose best practices are much in line with our own, gives us a broad palette of input which is very valuable in the evolution of our own Corporate Governance Principles. This setup will most likely continue after the merger of ISS and NIS.

Normally, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. But, as we have decided to massively scale up our voting to cover a majority of all voting activities, for 2021 we have decided to contract ISS to vote on some of our minor holdings as per their policy. Our Corporate

METALS & MAINETTI PENSION SCHEME

Governance unit oversees all voting activities. Our aim going forward is for all our votes to be referenced towards our bespoke policy once again.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
Johnson & Johnson	Report on government financial support and access to COVID-19 vaccines and therapeutics (shareholder proposal).	FOR	AGAINST
We will continue to support shareholder proposals on this issue as long as it is needed.			
Oracle	Advisory Vote to Ratify Named Executive Officers' Compensation	AGAINST	FOR
We see less and less support at many AGMs for remuneration packages, and we will continue to be critical of badly structured remuneration programs with large proportions of time based variable compensation.			
Nike	Report on Gender Pay Gap (shareholder proposal)	FOR	AGAINST
We will continue to support shareholder proposals on this issue as long as the company is not showing substantial improvements.			
Microsoft	Report on Effectiveness of Workplace Sexual Harassment Policies (shareholder proposal)	FOR	FOR
We will continue to support shareholder proposals on these issues as long as the company is not showing substantial improvements.			
Republic Services	Report on Integration of ESG Metrics into Executive Compensation Program (shareholder proposal)	FOR	AGAINST
We will continue to support shareholder proposals on this issue as long as it is needed.			

BlackRock Dynamic Diversified Growth Fund

Voting Information
BlackRock Dynamic Diversified Growth Fund
The manager voted on 100% of resolutions of which they were eligible out of 12,458 eligible votes.
Investment Manager Client Consultation Policy on Voting

BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. We believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.

Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.

BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.

BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. These high-level Principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews our Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year.

Our Global Principles available on our website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>

Investment Manager Process to determine how to Vote

The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. Our voting guidelines are market-specific to ensure we take into account a company's unique circumstances by market, where relevant. We inform our vote decisions through research and engage as necessary. Our engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. We may also update our regional engagement priorities based on issues that we believe could impact the long-term sustainable financial performance of companies in those markets. We welcome discussions with our clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in our Global Principles, BlackRock determines which companies to engage directly based on our assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of our engagement being productive. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

How does this manager determine what constitutes a 'Significant' Vote?

BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes. The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

We periodically publish "vote bulletins" setting out detailed explanations of key votes relating to governance, strategic and sustainability issues that we consider, based on our Global Principles and Engagement Priorities, material to a company's sustainable long-term financial performance. These bulletins are intended to explain our vote decision, including the analysis underpinning it and relevant engagement history when applicable, where the issues involved are likely to be high-profile and therefore of interest to our clients and other stakeholders, and potentially represent a material risk to the investment we undertake on behalf of clients. We make this information public shortly after the shareholder meeting, so clients and others can be aware of our vote determination when it is most relevant to them. We consider these vote bulletins to contain explanations of the most significant votes for the purposes of evolving regulatory requirements.

Does the manager use a Proxy Voting System? If so, please detail

METALS & MAINETTI PENSION SCHEME

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company’s own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients’ assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial
 - We do not follow any single proxy research firm’s voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company’s own disclosures, in our voting and engagement analysis
 - We also work with proxy research firms, which apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision
 - The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting

Top 5 Significant Votes during the Period*

Company	Voting Subject	How did the Investment Manager Vote?	Result
VINCI SA	Approve Company's Environmental Transition Plan	For	Pass
BlackRock’s environmental transition plan will provide a clear roadmap towards the company’s stated climate ambitions and targets.			
+	Approve Capital Protection	Against	Withdrawn

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Woodside Petroleum Ltd			
BlackRock voted against this resolution because it is overly prescriptive and unduly constraining on management's basic business decision-making.			
Johnson & Johnson	Adopt Policy on Bonus Banking	Against	Fail
Executive compensation decisions should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors.			
AT&T Inc	Lower Ownership Threshold for Action by Written Consent	Against	Fail
AT&T Inc already provides shareholders the right to call a special meeting with the agreement of 15% of shareholders, and BlackRock thinks this is sufficient.			
Berkshire Hathaway	Publish Annually a Report Assessing Diversity and Inclusion Efforts	For	Fail
The company does not BlackRock's expectations for disclosure of material diversity, equity, and inclusion policies and/or risks.			

Partners Group Partners Fund

Voting Information

Partners Group Partners Fund

The manager voted on 91.7% of resolutions of which they were eligible out of 811 eligible votes.

Investment Manager Client Consultation Policy on Voting

We do not consult with clients before voting.

Investment Manager Process to determine how to Vote

Partners Group's voting process is outlined in the Proxy Voting Directive. These are a set of principles that are not intended to provide a strict guide to how Partners Group votes, but rather how Partners Group typically approaches core aspects of corporate governance. This applies only to the listed portion of the Fund and is not applicable for private market investments, which make up the bulk of this Fund. In certain circumstance Partners Group may receive proxy requests for publicly traded securities within a private markets portfolio. Typically when this occurs it will be evaluated by Transaction Services together with the relevant investment team and/or the relevant Investment Committee.

How does this manager determine what constitutes a 'Significant' Vote?

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Size of the holding in the fund			
Does the manager utilise a Proxy Voting System? If so, please detail			
We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals.			
Top 5 Significant Votes during the Period			
Company	Voting Subject	How did the Investment Manager Vote?	Result
VSB Renewables Platform	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A control the board
VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.			
Techem Metering GmbH	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A control the board
After successfully completing a detailed materiality assessment, Techem published its first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, the company commits to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.			
Civica	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A control the board
The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized its first carbon plan.			
International Schools Partnership	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A control the board
On the environmental side, ISP has ramped up their efforts on tracking their energy consumption, and now has information to inform its carbon footprint exercise. The company is also working on reducing it, for instance by assessing the feasibility of installing solar panels in all its Spanish schools. In addition, ISP planted one tree in India for each staff member.			

METALS & MAINETTI PENSION SCHEME

Foncia	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	N/A control the board
<p>Foncia made a commitment to improve the diversity of its employee base. The core operations of the company (the "UES Foncia") scores 83 points in the French "Index d'égalité professionnelle entre les femmes et les hommes" (gender professional equality index), 8 points above the minimum required by the French government. The company is targeting a score of 90 within the next three years. In addition, Foncia's subsidiaries aim to reach or exceed 75 points within the next three years.</p>			