

The Amtico Company Pension Scheme

Implementation Statement

This is the Implementation Statement prepared by the Trustee of the Amtico Company Pension Scheme (“the Scheme”) and sets out:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement have been followed over the year to 31 March 2022.
- The voting and engagement behaviour of the Trustee, or that undertaken on its behalf, over the year.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund manager.

The Trustee undertook an initial review of the stewardship and engagement activities of the current manager at the 21 February 2019 meeting, and was satisfied that its policies were reasonable and no remedial action was required at that time.

The Trustee receives voting information and engagement policies from the asset manager, which it reviews to ensure alignment with its own policies. The Trustee also asks the fund manager to give updates on these policies as part of their regular presentations to the Trustee. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members’ best interests.

Having reviewed the above in accordance with their policies, the Trustee is comfortable that the actions of the fund manager are in alignment with the Scheme’s stewardship policies.

Data limitations

Where information is not included in this statement, it has been requested but has not been provided in a useable format or at all by the investment manager. The Trustee’s investment consultants are in discussion with the managers around how this data will be provided for future statements.

Voting Data

Voting only applies to funds that hold equities within their portfolio. The investment manager of these funds votes on behalf of the Trustee and information on the votes made over the year is summarised over the next few pages.

Stewardship Policy

The Trustee’s Statement of Investment Principles (SIP) in force at 31 March 2022 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities as follows:

The Trustees expect that the investment managers will use their influence as major institutional investors to exercise the Trustees’ rights and duties as shareholders, including where appropriate engaging with underlying investee

companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

A Copy of this SIP was last reviewed in June 2022 and has been made available to view on the Amtico website here:

<https://www.amtico.com/media/2473975/amtico-sip-june-2022.pdf>

The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

Voting Data

Voting data has been provided for all equity funds the Scheme was invested in over the year.

Manager	BlackRock	
Fund name	<ul style="list-style-type: none"> ACS World ESG Equity Tracker Fund ACS World ESG Equity Tracker Fund GBP Hedged 	<ul style="list-style-type: none"> Aquila Life MSCI World Index Fund Aquila Life MSCI World Index Fund GBP Hedged
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	255	958
Number of resolutions the manager was eligible to vote on over the year	3,961	13,045
Percentage of resolutions the manager voted on	100%	99%
Percentage of resolutions the manager abstained from	0%	0%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	92%	91%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7%	8%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	0%	0%

Figures may not sum to 100% due to rounding

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a “significant” vote, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a “significant vote”. BlackRock have provided a varying number of significant votes for each of their funds, and these have been condensed down to show three of these votes across the combined funds. The votes provided apply to all of the Scheme’s equity funds, i.e. the ACS World ESG Equity Tracker Fund, ACS World ESG Equity Tracker Fund GBP Hedged, Aquila Life MSCI World Index Fund and Aquila Life MSCI World Index Fund GBP Hedged. Please note the latter two funds were replaced by the former two funds in February 2022. Voting only applies to funds that hold equities in their portfolio. As such, the BlackRock LDI funds and BlackRock Ascent UK Long Corporate Bond Fund do not participate in voting activities and are excluded from the table below.

BlackRock

	Vote 1	Vote 2	Vote 3
Company name	BP Plc	Woodside Petroleum Ltd	Fortescue Metals Group Ltd
Date of vote	12 May 2021	15 April 2021	9 November 2021
Summary of the resolution	Approve Shareholder resolution on climate change targets	Elect Christopher Haynes as Director	Special Resolution to amend the Company’s constitution
How the manager voted	For	Against	Against
Rationale for the voting decision	Supporting this resolution signals their desire to see the company accelerate its efforts in climate risk management. BlackRock believe that BP is substantially already aligned with the ask of the resolution and should continue to progressively refine its GHG emissions reduction targets.	BlackRock voted against the longest serving director up for re-election given their concerns about the comprehensiveness of the company’s current climate risk disclosure. BlackRock looks for companies in carbon-intensive industries to disclose scope 3 emissions reduction targets.	BlackRock is generally not supportive of constitutional amendment resolutions. BlackRock’s concern is that the relative ease of filing introduces the risk of potentially distracting and time-consuming resolutions being submitted by shareholders whose interests are not necessarily aligned with those of the broader shareholder base.
Outcome of the vote	The resolution failed to be approved	The resolution was passed	The resolution failed to be approved
Implications of the outcome	The manager has not provided this information		
Criteria on which the vote is considered “significant”	BlackRock publish significant votes to highlight several of their key voting rationales as informed by their global voting guidelines, including when they vote against directors due to insufficient progress on climate-related disclosures (particularly with regard to TCFD/SASB-aligned reporting), concerns about remuneration and/or over boarding, concerns about board oversight, and risk management in high profile situations, among others.		

Fund level engagement

The Scheme divested from the Aquila Life MSCI World Index Fund and its GBP Hedged counterpart, in February 2022. The voting and engagement breakdown provided by BlackRock has been provided for the whole 12 months to 31 March 2022, hence data for both funds the Scheme was invested in over this period have been provided side by side.

Manager	BlackRock		
Fund name	<ul style="list-style-type: none"> • ACS World ESG Equity Tracker Fund • ACS World ESG Equity Tracker Fund GBP Hedged 	Ascent UK Long Corporate Bond Fund	<ul style="list-style-type: none"> • Aquila Life MSCI World Index Fund • Aquila Life MSCI World Index Fund GBP Hedged
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	693	88	1,603
Number of engagements undertaken at a firm level in the year	The manager has not provided this information		

Examples of engagement activity undertaken over the year to 31 March 2022

BlackRock, All Funds

BlackRock primarily engage through direct dialogue but may use other tools such as publications and correspondence to share their perspectives. They routinely review and refresh their engagement priorities to focus their work on the governance and sustainability issues they consider to be top of mind for companies and their clients as investors. BlackRock's engagement priorities provide clients with insight into how BlackRock are conducting engagement and voting activities on key governance and sustainability issues on their behalf.

BlackRock Aquila Life MSCI World Index Fund and its GBP Hedged counterpart performed 1603 total engagements during from the year to 31 March 2022, with 894 individual companies engaged. Of those companies, 656 were within the Americas region, 600 from EMEA and 347 from Asia-Pacific. BlackRock has engaged with companies from a wide variety of sectors and on a number of different topics.

BlackRock Ascent UK Long Corporate Bond Fund performed 88 total engagements during from the year to 31 March 2022, with 31 individual companies engaged. Of those companies, 35 were within the Americas region, 53 from EMEA and 0 from Asia-Pacific. BlackRock has engaged with companies on a wide variety of topics, such as remuneration, climate risk management, board composition & effectiveness, etc.

BlackRock ACS World ESG Equity Tracker Funds performed 693 total engagements during from the year to 31 March 2022, with 361 individual companies engaged. Of those companies, 353 were within the Americas region, 242 from EMEA and 98 from Asia-Pacific. BlackRock has engaged with companies from a wide variety of sectors, such as Energy, Utilities, Consumer Staples, etc.