

Implementation Statement for the Climax Molybdenum UK Limited Pension And Death Benefit Scheme

Covering 1 July 2019 to 30 June 2020

1. Background

The Trustees of the Climax Molybdenum UK Limited Pension And Death Benefit Scheme (the “Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Scheme’s Statement of Investment Principles (“SIP”) during the previous Scheme year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes. This is the first implementation statement produced by the Trustees.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found at

<https://www.climaxmolybdenum.com/sites/climaxmoly/files/documents/pdfs/CMUKPensionSIP0920.pdf>

2. Investment Objectives and activity

The objective of the Scheme is to achieve, over the long term, a return on the Scheme’s assets which is consistent with the assumptions made by the Scheme Actuary and ensure sufficient liquidity to meet benefits as they fall due.

The SIP was reviewed and updated during the period to incorporate the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change, as required under new regulations.

3. ESG, Stewardship and Climate Change

The Scheme’s SIPs include the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change. This policy sets out the Trustees’ beliefs on ESG and climate change, and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees will review these policies further in the next Scheme year and provide information in the next implementation statement. The Trustees also intend to review the managers’ ESG policies including the application of voting rights in the next Scheme year.

4. Voting and Engagement

The Trustees are keen that their managers are signatories of the UK Stewardship Code, which they are.

The Trustees have elected to invest in pooled funds and cannot, therefore, directly influence the ESG policies, including the day-to-day application of voting rights, of the funds in which they invest. However, the Trustees will consider these policies in all future selections and will deepen their understanding of their existing managers' policies.

The Scheme is invested in the following funds:

- LGIM World Emerging Markets Equity Index Fund
- M&G UK Equity Passive Fund
- M&G Overseas Equity Passive Fund
- BMO UK Equity Linked Inflation Fund
- BMO Overseas Equity Linked Inflation Fund
- BNY Mellon Real Return Fund
- Aberdeen Standard Global Absolute Return Strategies (GARS) Fund
- M&G Property Fund
- M&G Long Dated Corporate Bond Fund
- M&G Index Linked Passive Fund

The Trustees were unable to include voting data for some of the pooled funds (BMO UK Equity-Linked Inflation Fund, BMO Overseas Equity-Linked Inflation Fund, M&G Long Dated Corporate Bond Fund, M&G Index Linked Passive Fund) due to the funds not holding physical equities. However, they will continue to work with their advisers and investment managers with the aim of providing more information in future statements.

5a. Description of Legal & General Investment Management's voting processes

LGIM describe their voting process as follows:

"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the

research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

It is vital that the proxy voting service are regularly monitored and LGIM do this through quarterly due diligence meetings with ISS. Representatives from a range of departments attend these meetings, including the client relationship manager, research manager and custom voting manager. The meetings have a standing agenda, which includes setting out our expectations, an analysis of any issues we have experienced when voting during the previous quarter, the quality of the ISS research delivered, general service level, personnel changes, the management of any potential conflicts of interest and a review of the effectiveness of the monitoring process and voting statistics. The meetings will also review any action points arising from the previous quarterly meeting.

LGIM has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes LGIM's voting activities and related client reporting. If an item is not confirmed as completed on RMS, the issue is escalated to line managers and senior directors within the organisation. On a weekly basis, senior members of the Investment Stewardship team confirm on LGIM's internal RMS that votes have been cast correctly on the voting platform and record any issues experienced. This is then reviewed by the Director of Investment Stewardship who confirms the votes have been cast correctly on a monthly basis. Annually, as part of our formal RMS processes the Director of Investment Stewardship confirms that a formal review of LGIM's proxy provider has been conducted and that they have the capacity and competency to analyse proxy issues and make impartial recommendations."

5b. Summary of voting behaviour over the year

A summary of voting behaviour over the period is provided in the tables below

	Summary Info*
Manager name	Legal & General Investment Management
Fund name	World Emerging Markets Equity Index Fund
Approximate value of trustees' assets	c.£0.8m as at 30 June 2020
Number of equity holdings at year end	1822
Number of meetings eligible to vote	1408
Number of resolutions eligible to vote	12560
% of resolutions voted	99.69%
% of resolutions voted with management	81.14%
% of resolutions voted against management	17.67%
% of resolutions abstained	1.18%

% of meetings with at least one vote against managements	55.75%
% of resolutions voted contrary to the proxy adviser recommendation	7.62%

5c. Most significant votes over the year

“As regulation on vote reporting has recently evolved with the introduction of the concept of ‘significant vote’ by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM’s vote positions to clients for what we deemed were ‘material votes’. We are evolving our approach in line with the new regulation and are committed to provide our clients access to ‘significant vote’ information.

In determining significant votes, LGIM’s Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM’s annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes.

We will provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

If you have any additional questions on specific votes, please note that we publicly disclose our votes for the major markets on our website. The reports are published in a timely manner, at the end of each month and can be used by clients for their external reporting requirements. The voting disclosures can be found by selecting ‘Voting Report’ on the following page: “

http://documentlibrary.lgim.com/litlibrary/lglibrary_463150.html?req=internal

6a. Description of Aberdeen Standard’s (ASI) voting processes

Aberdeen Standard describe their voting process as follows:

“In instances where there is a segregated / separate account and the client feels very strongly about voting their own proxies (and for which they have the platform in place to do so), then we do make allowances on this front. But we strongly urge the client to allow us to vote on their behalf, since these decisions are an active part of our engagement and investment decision making process.

ASI has in place a stable process by which the proxy voting team collects general meeting notifications and research and allocates the voting decision through a pre-defined framework to the analyst responsible for making the voting decision for the company in question. The analysts

selected will be a member of the ESG Investment or the equity desk analyst responsible for the sector in which the company sits.

The selected ASI analyst will assess the resolutions at general meetings in our active investment portfolios. This analysis will be based on our knowledge of the company, but will also make use of the custom policy recommendations and recommendations provided by ISS as described above. The product of this analysis will be a final voting decision instructed through ISS and applied to all funds for which ASI have been appointed to vote.

We employ ISS as a service provider to deliver our voting decisions efficiently to companies. ISS provides voting recommendations based on our own customised voting policy which reflects ASI's guidelines and expectations. We remain conscious always that all voting decisions are our own on behalf of our clients. We consider ISS's recommendations and those based on our custom policy as input to our voting decisions. In addition to the ISS service for UK company general meetings we also use research provided by the Institutional Voting Information Service (IVIS) which uses the guidelines of the Investment Association (IA) as the basis of their research.

From time to time, we face conflicts of interest in relation to our stewardship work. However, our simple approach is that we will always seek to act in our clients' best interests. More formally, global regulation requires the boards of directors at asset management firms to establish effective frameworks to identify control and regularly review conflicts of interest. As required by regulators, including the Financial Conduct Authority in the UK and the Securities and Exchange Commission in the US, we have in place a documented process for the identification and management of conflicts of interest.

The process is designed to:

- ensure that conflicts between the interests of the firm and its clients, or between clients of different types, are managed appropriately
- ensure that conflicts resulting from the personal activities of our people outside of the firm (e.g. business ventures, outside appointments, involvement in public affairs, personal political donations) are managed appropriately.

We disclose stewardship-specific conflicts, and associated systems & controls, to clients. We also keep a current record of circumstances in which a potential conflict may arise, or has arisen, as a result of the activities carried out by us.

The firm votes on securities where we have a potential conflict of interest, including:

- an investee company that is also a significant client
- an investee company where an executive director or officer of our company is also a director of that company
- an investee company where an employee is a director of that company
- an investee company with which we have a strategic relationship
- a significant distributor of our products
- a significant supplier
- any other companies which may be relevant from time to time.

One specific conflict relates to investment in the shares of our parent company. In order to manage this conflict, the firm does not, as a matter of policy, vote any holdings in our parent company shares.

Systems and controls

- The Stewardship & ESG Investment team have access to senior executives and non-executives who are independent of both our fund management and global client servicing teams
- Rationale for voting in a particular direction is recorded
- Sensitive investee companies are highlighted and proxy voting records outline where possible conflicts have been considered
- The firm reports on voting for these stocks to Risk and Compliance (USA)
- Executive directors or officers of the firm notify the company secretariat about outside appointments
- Investment employees record their outside appointments on the internal compliance system.

The firm's process for the management of conflicts includes the definition of a Conflicts of Interest Policy and the maintenance of a Conflicts of Interest register. The policy and register are reviewed annually."

If you would like more information, please see the policy on their website.

6b. Summary of voting behaviour over the year

A summary of voting behaviour over the period is provided in the tables below

	Summary Info*
Manager name	Aberdeen Standard
Fund name	Standard Life Investment GARS (GBP)
Approximate value of trustees' assets	c.£1.2m as at 30 June 2020
Number of equity holdings at year end	
Number of meetings eligible to vote	198
Number of resolutions eligible to vote	2984
% of resolutions voted	98.22%
% of resolutions voted with management	86.69%
% of resolutions voted against management	13.31%
% of resolutions abstained	1.78%
% of meetings with at least one vote against managements	*66.16%
% of resolutions voted contrary to the proxy adviser recommendation	4.98%

*This number shows Number of meetings with at least 1 vote Against, Withhold or Abstain

6c. Most significant votes over the year

"At Aberdeen Standard Investment we view all votes as significant and vote all shares globally for which we have voting authority, therefore we are unable to respond directly to this part of the request.

Instead we believe we go beyond guidelines and endeavour to disclose all our voting decisions for all of our active and passive equity holdings. We provide full transparency of our voting activity on our publicly available website and fund specific voting reports on request.

Each individual scheme will have their own views about which are the most significant votes - influenced by their sponsor, industry, membership and many other factors. If there are any voting

themes, categories or specific company votes which your scheme is particularly interested in, please contact your relationship team who would be happy to provide more information. “

In addition, their voting policy can also be found on their website:

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf

7a. Description of M&G Investment Management Limited’s voting processes

M&G describe their voting process as follows:

“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.

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.

We use the research services of ISS and IVIS. Our voting is instructed through the ISS voting platform, ProxyExchange. We use the ISS custom service to flag resolutions that do not meet our policy guidelines. Voting decisions are taken by the Sustainability and Stewardship at M&G often in consultation with Fund Managers. Some routine resolutions are voted by ISS on our behalf when clear criteria have not been met.

Under the Shareholder Rights Directive II M&G is required to report on its stewardship activities including proxy voting and the identification of significant vote. We have therefore determined our own definition of significant votes (though for this purpose we largely disregarded our 3% shareholding criterion) following internal discussion and consider external guidance.

Our voting policy and our voting records are published on our website. The policy is regularly reviewed as it continues to evolve.”

7b. Summary of voting behaviour over the year

	Summary Info*
Manager name	M&G Investment Management Limited
Fund name	Overseas Equity Passive Fund
Approximate value of trustees’ assets	c.£2.6m as at 30 June 2020
Number of equity holdings at year end	5 underlying sector funds
Number of meetings eligible to vote	1655
Number of resolutions eligible to vote	20648
% of resolutions voted	41%
% of resolutions voted with management	93%
% of resolutions voted against management	7%
% of resolutions abstained	1%
% of meetings with at least one vote against managements	17%
% of resolutions voted contrary to the proxy adviser recommendation	7%

	Summary Info*
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Manager name	M&G Investment Management Limited
Fund name	UK Equity Passive Fund
Approximate value of trustees' assets	c.£2.2m as at 30 June 2020
Number of equity holdings at year end	516
Number of meetings eligible to vote	609
Number of resolutions eligible to vote	9109
% of resolutions voted	99%
% of resolutions voted with management	97%
% of resolutions voted against management	3%
% of resolutions abstained	1%
% of meetings with at least one vote against managements	33%
% of resolutions voted contrary to the proxy adviser recommendation	4%

The M&G Pooled Pensions UK Property Fund is a unitised insurance product. The underlying Fund into which it invests, the M&G UK Property Fund FCP-FIS, invests in 26 direct properties, 3 third-party property funds and 2 joint venture properties. For the 12 months ending 30 June 2020, voting activity was as follows:

	Summary Info*
Manager name	M&G Investment Management Limited
Fund name	Pooled Pensions UK Property Fund
Approximate value of trustees' assets	c.£1.3m as at 30 June 2020
Standard Life Investment UK Shopping Centre Unit Trust	Apr 2020: Extraordinary resolution to amend the trust instrument to remove the 50% single asset concentration restriction. Vote: In favour.
Lend Lease Retail (Jersey) Unit Trust	Jan 2020: AGM vote to amend the articles of the General Partner. Vote: Abstained
Kames Target Healthcare Property Unit Trust	No voting during the period
Embankment – Joint Venture	No voting during the period
The Brewery – JV	No voting during the period

7c. Most significant votes over the year

M&G UK Equity Passive Fund										
	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5	VOTE 6	VOTE 7	VOTE 8	VOTE 9	VOTE 10
Company name	Imperial Brands Plc	HSBC	Standard Life Aberdeen	Ferrexpo Plc	U&I Group Plc	NextEnergy Solar Fund	Henderson Alternative	Plus500 Ltd.	Henderson Smaller Cos	Amigo Holdings Plc
Date of vote	05/02/2020	4/20/2020	12/05/2020	28/05/2020	10/09/2020	11/09/2020	16/09/2020	16/09/2020	21/09/2020	29/09/2020
Summary of the resolution	Re-elect Oliver Tant as Director	Approve Remuneration Report	Adopt New Articles of Association	Re-elect Vitalii Lisovenko as Director	Re-elect Peter Williams as Director	Approve Change of Fund	Adopt New Articles of Association	Approve Special Bonus Payment to Elad Even-Chen, CFO	Adopt New Articles of Association	Removal of Existing Board Directors
How you voted	Oppose	Oppose	Against	Oppose	Oppose	Oppose		Against		
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes									
Rationale for the voting decision	Opposition due to concerns over performance	Opposition due to concern that remuneration is excessive given the dividend cut and current market conditions	Opposition due to conc	Corporate governance concern over number of directorships	Concern over number of directorships	Concern that new policy allows for investment in private equity assets	Opposition due to concerns over the use of virtual meetings	Concern that this payment is unnecessary in light of the explanation provided by the company	Opposition due to concerns over the use of virtual meetings	Board takeover is not in the best interests of shareholders
On which criteria have you assessed this vote to be "most significant"?	Executive directors or chairperson	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Shareholders' rights	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Shareholders' rights	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Shareholders' rights	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G

M&G Overseas Equity Passive									
VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5	VOTE 6	VOTE 7	VOTE 8	VOTE 9	VOTE 10
Company name	Apple Inc	Pandora AS	Total SA	Banco Bilbao Vizcaya Aegae Standard Chartered	Mizuho Financial Group, Inc	Takeda Pharmaceutical Co	Kerry Properties Limited	Endesa	
Date of vote	26/02/2020	11/03/2020	29/05/2020	03/20/2020	18/05/2019	06/25/2020	27/06/2019	05/20/2020	05/05/2020
Summary of the resolution	Freedom of expression and access to information	Reelect Christian Frigast (Vice Chair) as Director	Instruct Company to Set and Publish Targets for Greenhouse Gas (GHG) Emissions Aligned with the Goal of the Paris Climate Agreement and Amend Article 19 of Bylaws Accordingly	Approve Discharge of Board	Approve Remuneration Policy	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	Amend Articles to Add Compensation Claw-back Provision	Approve Executive Share Option Plan	Amend Articles of General Meeting Regulations Re: Minimum Number of Shares to Attend and Remote and Electronic Participation
How you voted	For	Abstain	Abstain	Abstain	Against	For	For	Oppose	Oppose
Where you voted against management, did you communicate your intent to the company ahead of voting decision	n/a	Yes	Yes	No	Yes	No	No	Not recorded	No
Rationale for the voting decision	Shareholder resolution requesting the Board of Directors to report annually to shareholders on the companies freedom of expression and access to information policies and recent related actions is in shareholders interests.	Concerns over strategy and performance	Concern that resolution is able to be implemented in a way that is not detrimental to shareholders' interests	Concern over investigation into wire-tapping case	Concern over remuneration arrangements including pensions	Supportive as in our view, one share one vote is in the best interests of the company	Supportive, as the company should include appropriate claw-back provisions	Opposition due to numerous governance and structure concerns	Opposition as this is a fundamental reduction in shareholder rights
On which criteria have you assessed this vote to be "most significant"?	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	Executive directors or chairperson	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	High sensitivity to stakeholder	Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&G	High sensitivity to stakeholder	Precedent setting standards	High sensitivity to stakeholder	Shareholders' rights

8a. Description of BNY Mellon's (also known as Newton) voting processes

BNY Mellon describe their voting process as follows:

"Our head of responsible investment (RI) is responsible for the decision-making process of the RI team when reviewing meeting resolutions for contentious issues. We do not maintain a strict proxy voting policy. Instead, we prefer to take into account a company's individual circumstances, our investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices.

Contentious issues may be referred to the appropriate industry analyst for comment and, where relevant, we may confer with the company or other interested parties for further clarification or to reach a compromise or to achieve a commitment from the company.

Voting decisions are approved by either the deputy chief investment officer or a senior investment team member (such as the head of global research). For the avoidance of doubt, all voting decisions are made by Newton.

It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence.

It is also only in these circumstances when we may register an abstention given our stance of either voting in favour or against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures we do not provide confusing messages to companies.

Research ahead of voting decisions; regional distinction

We employ a variety of research providers that aid us in the vote decision-making process, including proxy advisors such as ISS. We utilise ISS for the purpose of administering proxy voting, as well as its research reports on individual company meetings.

Voting decisions take into account local market best practice, rules and regulations while also supporting our investment rationale. For example, when voting on the election of directors in Japan, we are unlikely to vote against a board chair should the board not be majority independent given that only recently the corporate governance code has recommended boards appoint independent directors. However, in the UK, where majority independent boards are well established and expected by investors, we are likely to vote against the chair and non-independent directors. This being said, we frequently vote against executive pay at US companies despite it being accepted US market practice of granting significant awards of free shares as we believe executive pay should be aligned with performance."

8b. Summary of voting behaviour over the year

	Summary Info
Manager name	BNY Mellon
Fund name	Real Return Fund
Approximate value of trustee's assets	c.£1.7m as at 30 June 2020
Number of equity holdings in the fund	79
Number of meetings eligible to vote	75
Number of resolutions eligible to vote	1115
% of resolutions voted	98.30%
% of resolutions voted with management	84.90%
% of resolutions voted against management	15.10%
% of resolutions abstained	0.00%
% of meetings with at least one vote against managements	41.00%
% of resolutions voted contrary to the proxy adviser recommendation	9.90%

8c. Most significant votes over the year

BNY Mellon define their process for determining the “most significant” votes as follows:

“We regard material issues as all votes against management, including where we support shareholder resolutions that the company’s management are recommending voting against. As active managers, we invest in companies that we believe will support the long term performance objectives of our clients. By doing so, we are making a positive statement about the business, the management of risks and the quality of management. Voting against management, therefore, is a strong statement that we think there are areas for improvement. As such, by not supporting management, we think that this is material, which is different to a passive investor where there is no automatic assumption of a positive intent in ownership. As such, we report publicly our rationale for each instance where we have voted against the recommendation of the underlying company’s management. At the fund level, we consider each instance of voting against management to be significant but if required to prioritise these instances, we take an objective approach that includes the fund’s weighting in each security. This reflects our investment process and ensures the prioritised list includes those instances that could be most impactful to the long term value to the fund as well as those that may have an immediate impact to the fund.”

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 1

Company name	Associated British Foods Plc
Date of vote	06-Dec-19
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.67
Summary of the resolution	Approve Remuneration Report
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	We voted against the remuneration report owing to long-held concerns about the exclusion of the sugar division's performance from the calculation of management's long-term incentive award. However, following extensive engagement with the chair of the remuneration committee, we were able to support the revised remuneration policy owing to a change in the structure of the scheme. We were pleased to see that the sugar business can now affect the entirety of the long-term pay award rather than just a portion of it, and we believe the new structure aligns well with the company's overall business strategy.
Outcome of the vote	3.3% vote AGAINST.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	This vote supported and was in line with our previous voting and engagement activities that have ultimately resulted in the executive pay structure going forward being better aligned with the company's activities and the shareholder experience. We hope to be able to support the remuneration report at future AGMs.
On which criteria have you assessed this vote to be "most significant"?	The vote and change in remuneration structure is considered significant given our multi-year efforts that have resulted in an improved alignment between executive pay arrangements and company performance.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 2

Company name	Zurich Insurance Group
Date of vote	01-Apr-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.87
Summary of the resolution	Transact Other Business (Voting)
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	We voted against a resolution requesting shareholder approval for "other business" to be transacted at the AGM. No information or comfort was provided ahead of the meeting.
Outcome of the vote	Not reported
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	This is a routine resolution item proposed by Swiss companies. Without comfort provided as to the nature of matters that may be raised and approved under this item, we will continue to vote against its approval.
On which criteria have you assessed this vote to be "most significant"?	This highlights a significant insight into the Swiss market and its fundamental approach to protecting the interests of minority investors.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 3

Company name	The Goldman Sachs Group
Date of vote	30-Apr-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.87
Summary of the resolution	Vote to Ratify PriceWaterhouseCoopers LLP as Auditors, Shareholder Proposal to provide right to act by way of written consent and a Shareholder Proposal that the Directors conduct a review of Statement on the Purpose of a Corporation.
How you voted	FOR shareholder proposals
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	We supported two shareholder resolutions which management recommended voting against. The first resolution related to improving minority shareholder rights by allowing the right to act through written consent. This would provide an opportunity for matters to be raised and approved outside regularly held AGMs. The second resolution was a request that the board of directors conduct a review of the company's governance arrangements in the context of its support of the US Business Roundtable's 'Statement on the Purpose of a Corporation'. While we accept that the company has responded in part to these commitments, it does not have governance documents that detail how trade-offs and prioritisation between different stakeholders are managed, which is a key component of a multi-stakeholder management approach. We also voted against the appointment of the auditor owing to long tenure. The firm had been in place since 1922, which brings into question its independence.
Outcome of the vote	4.6% AGAINST auditor, 41.4% FOR shareholder proposal to provide right to act by way of written consent and 5.8% FOR shareholder proposal to conduct review of Statement on the Purpose of a Corporation.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The near majority support for the shareholder proposal cannot be ignored by the company and should result in this basic right to be introduced. It is unlikely that shareholders will exercise this right but as it is considered an additional tool that can help improve the effectiveness of engagement activities.
On which criteria have you assessed this vote to be "most significant"?	The US Business Roundtable statement on corporate purpose received significant public attention when published and appears to have not been actioned by those company's, including Goldman Sachs, that supported the statement.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 4

Company name	Cisco Systems, Inc.
Date of vote	10-Dec-19
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.73
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Board Directors (members of the compensation committee), Ratify PricewaterhouseCoopers LLP as Auditors and Shareholder Proposal to Require Independent Board Chairman.
How you voted	AGAINST management proposals and FOR the shareholder proposal
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	<p>We voted against the remuneration report and members of the remuneration committee owing to insufficient performance conditions attached to management's long-term incentive award, and given a lack of clarity on the measures which are used to calculate the annual bonus. In addition, we also voted against the external auditor owing to an excessively long tenure which brings its independence and objectivity into question.</p> <p>Finally, for a second consecutive year, we supported a shareholder resolution requiring that the CEO and chair roles be separated.</p>
Outcome of the vote	5.3% vote AGAINST pay, 4.6% AGAINST the auditor, 28.7% FOR the appointment of an independent chair.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	While the voting outcomes were not significant, we expect to continue recognising our fundamental governance concerns through our voting and engagement activities.
On which criteria have you assessed this vote to be "most significant"?	In addition to being votes against the recommendations of management, we felt these were significant votes given they highlight several of the common governance concerns we have with US-based companies.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 5

Company name	Linde plc
Date of vote	26-Jul-19
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.83
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation and Elect Directors
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	<p>We voted against the advisory vote on the executives' compensation and also against the remuneration committee members. We had a variety of concerns:</p> <ul style="list-style-type: none"> - The continued granting of long-term pay awards that vest purely based on time served. - The CEO received \$185,808 for his personal use of the company's aircraft. - The vesting of outstanding share awards is accelerated in the event of a change in control. - Finally, the CEO received additional years of service credits beyond time-served at the company for the purposes calculating his pension provisions.
Outcome of the vote	8.0% vote AGAINST pay.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We believe better alignment of executive pay with performance is a fundamental imperative that investors should encourage. We will continue to do this via our stewardship activities.
On which criteria have you assessed this vote to be "most significant"?	We expect more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions; as such, shareholder dissent may increase and result in unnecessary media attention that can foster both financial and reputational issues.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 6

Company name	Microsoft Corporation
Date of vote	04-Dec-19
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.17
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Board Directors (members of the compensation committee), Ratify PricewaterhouseCoopers LLP as Auditors and Shareholder Proposal to report on Gender Pay Gap.
How you voted	AGAINST management proposals and FOR the shareholder proposal
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	<p>Despite improvements to executive remuneration practices over recent years, the company failed to justify a 40% increase in total compensation for the CEO, which included a significant increase in basic salary. In addition, we remained concerned that approximately half of long-term pay awards vest irrespective of performance. We voted against the executive compensation arrangements and against the three members of the compensation committee.</p> <p>We also voted against the re-appointment of the company's external auditor given it had served in this role for 36 consecutive years.</p> <p>A shareholder resolution proposed that the company report on its gender pay gap. In contrast to the recommendation of management, we supported this resolution in view of the insights a company can benefit from by undertaking such an exercise.</p>
Outcome of the vote	23.3% vote AGAINST pay, 3.5% vote AGAINST the auditor, 29.6% vote FOR gender pay gap.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We considered the vote outcome on the pay resolutions to be material and of a level where the company is expected to address concerns to avoid further dissent in future years. We have been encouraged by the company's improvements and momentum. Debate surrounding long tenured auditors is not well developed in the US but we expect this to change.
On which criteria have you assessed this vote to be "most significant"?	We expect more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions; as such, shareholder dissent may increase and result in unnecessary media attention that can foster both financial and reputational issues.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 7

Company name	Mastercard Incorporated
Date of vote	16-Jun-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.93
Summary of the resolution	Ratify PricewaterhouseCoopers LLP as Auditors, Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Directors.
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	<p>Votes were instructed against the executive compensation structure and the members of the compensation committee. We were concerned that a significant proportion of the long-term pay awards are subject only to time served and not performance.</p> <p>We also voted against the appointment of the auditor as it had been in place for 30 years which raised concerns surrounding independence.</p>
Outcome of the vote	<p>2.0 % AGAINST elect Director 3.3% AGAINST elect Director 1.1% AGAINST elect Director 1.1% AGAINST elect Director 0.3% AGAINST elect Director 0.2% AGAINST elect Director 4.5% AGAINST Advisory Vote to Ratify Named Executive Officers' Compensation 3.7% AGAINST ratify PricewaterhouseCoopers LLP as Auditors</p>
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We did not consider the vote outcome on the pay resolutions to be material and of a level where the company is expected to address concerns. However, we expect domestic investors voting policies to change over time on this topic.
On which criteria have you assessed this vote to be "most significant"?	We expect more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions; as such, shareholder dissent may increase and result in unnecessary media attention that can foster both financial and reputational issues.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 8

Company name	Vivendi
Date of vote	20-Apr-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.79
Summary of the resolution	Approve/amend retirement plan, Approve remuneration policy, Advisory vote to ratify named Executive Officers' compensation, approve special auditors' report regarding related-party transactions, elect supervisory board member, authorise directed share repurchase program.
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	We voted against several resolutions owing to significant corporate governance concerns about which the company was unable to provide us with sufficient reassurance. First, we voted against the re-election of the board chair owing to severe conflicts of interests raised by his position as chair and CEO of a subsidiary, and as a family member of the largest shareholder. We had several concerns related to executive remuneration pay practices which led us to vote against numerous related resolutions. Our overarching remuneration-related concern was that the company fails to provide sufficient information justifying the remuneration arrangements for those executives who are connected to a significant shareholder of the company. We also voted against resolutions related to the additional pension scheme arrangements provided to executive board members. Finally, we also voted against a proposed share buyback scheme which would authorise the management board to repurchase and cancel up to 30% of the company's share capital. We were concerned that the company's significant shareholder could achieve further control without paying an appropriate takeover premium.
Outcome of the vote	25.8% AGAINST the re-election of the chair. 29.5% AGAINST the related party transactions. Average of 25.4% AGAINST the 19 remuneration resolutions. 30.6% AGAINST the share buy back.
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The outcome of the vote is significant in the context of minority shareholders' ownership of the company - a majority of minority shareholders voted against the resolutions discussed. We will continue to engage with the company.

On which criteria have you assessed this vote to be "most significant"?

It is well understood that the company's structure has been created to ensure minority shareholder can only influence material transactions. It is therefore significant that a majority of the minority investors have fundamental concerns with this structure.

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 9

Company name	Abbott Laboratories
Date of vote	24-Apr-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.68
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Directors, Increase Disclosure of Executive Compensation
How you voted	AGAINST management proposals and FOR the shareholder proposal
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
Rationale for the voting decision	<p>We had concerns with Abbott's executive compensation structure, particularly with respect to the long-term incentive scheme where less than half the awards are subject to performance testing. For those awards that are performance tested, a third of the award vests for any year during the three-year testing period that the company achieves a Return return-on- eEquity target. Additionally, there was a lack of rationale as to the necessity for awarding non-performance based shares to the CEO given his alignment with shareholders by way of his sizeable ownership of the company's shares. Finally, the c. US\$460k benefits paid to the CEO were considered excessive at approximately USD 460k for his personal use of the company aircraft and security were considered excessive. We voted against the executive compensation arrangements and the five members of the compensation committee. We also supported a shareholder resolution requesting the company increase disclosure surrounding executive compensation arrangements.</p> <p>Specifically, the proposal sought for the company to provide rationale for any adjustments or modifications made to accepted accounting standards that effect affect the level or vesting of pay awards.</p>
Outcome of the vote	<p>7.4% AGAINST advisory vote to ratify named Executive Officers' Compensation 79.7% AGAINST report on lobbying payments and policy 97% AGAINST require shareholder approval of byelaw amendments adopted by the Board of Directors 15% AGAINST adopy simple majority vote</p>

<p>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</p>	<p>The vote outcome surrounding pay is unlikely to generate discussion either internally or externally, as our concerns were not reflected in others' voting actions. However, we will continue to press this matter. Support for the appointment of an independent chair was encouraging and is likely to increase over the next few years should the company fail to address this matter.</p>
<p>On which criteria have you assessed this vote to be "most significant"?</p>	<p>Abbott Laboratories has in place certain executive pay practices, seen at many US companies, that we consider to be sub optimal. US-based investors do not appear to share these concerns, currently, but we expect their focus will change. We are also noticing that companies that receive significant votes against their executive pay practices underperform their peers.</p>

IN RELATION TO THE BNY MELLON REAL RETURN FUND, WHICH 10 VOTES (AT A MINIMUM) DURING THE REPORTING PERIOD DO YOU CONSIDER TO BE MOST SIGNIFICANT FOR THE SCHEME?

VOTE 10

Company name	Unilever NV
Date of vote	30-Apr-20
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.81
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation, re-elect non-executive directors
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes
Rationale for the voting decision	Votes were instructed against the remuneration report and members of the remuneration committee. Our first concern was with the 'co-investment plan', into which directors must invest at least one third of their annual bonus. This means that if no bonuses are awarded, executives have no long-term incentive, which may force bonuses to be awarded more generously than deserved in order to provide executives with a meaningful long-term award. Secondly, variable pay awards continue to be determined as a multiple of fixed pay into which other benefits like pensions are bundled, rather than as a multiple of base salary.
Outcome of the vote	3.6% AGAINST approve remuneration report 1.5% AGAINST re-elect non-executive director 0.8% AGAINST re-elect non-executive director
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	The vote outcome was such that the company is unlikely to instigate further consultation with shareholders on this matter. We will continue to monitor the company's pay structure and exercise our stewardship responsibilities in line with our beliefs and expectations.
On which criteria have you assessed this vote to be "most significant"?	We considered this a significant vote given the attention the subject receives from investors and wider stakeholders and that certain elements of the pay structure is not in line with established UK best practice.

Signed: *Alan Armour*

Chairman of Climax Molybdenum UK Limited Pension And Death Benefit Scheme.