

Pianoforte Supplies Pension Plan

Implementation Statement

Year Ending 30 June 2021

Glossary

BlackRock	BlackRock Investment Management (UK) Limited
ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Scheme	Pianoforte Supplies Pension Plan
Scheme Year	1 July 2020 to 30 June 2021
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

The Trustee has reviewed the extent to which its policy from the SIP relating to the exercise of rights (including voting rights) attaching to the investments was followed over the Scheme Year and this statement confirms the outcome of that review.

In addition, the statement summarises the voting record of the Scheme's investment manager and provides information on the significant votes made in respect of the Trustee's equity holdings. Information is also provided on the how the Scheme's investment manager makes use of the services of proxy voting advisers.

Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- BlackRock Aquila Life Currency Hedged World (ex UK) Equity Fund
- BlackRock Aquila Life UK Equity Index Fund
- BlackRock iShares Emerging Markets Index Fund

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme Year to comply with new legislation which required additional information to be stated about the nature of the arrangements in place with the investment manager. Part of the new wording provided a more detailed explanation of the Trustee's policy relating to the exercise of rights.

A summary of the Trustee's policy in relation to the exercise of the rights (including voting rights) attaching to the investments is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment manager's own policies on such matters.
- When selecting a pooled fund, the Trustee considers, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.

- The Trustee will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustee did not select any new funds during the period.
- During the Scheme Year, the Trustees considered the voting records of the investment manager over the period ending 30 June 2021.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 30 June 2021 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme are UNPRI signatories.

The Investment Manager's Voting Record

A summary of the investment manager's voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against	Did not vote/ abstained / withheld
BlackRock	165,738	55%	5%	2%

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Split of votes may not sum to 100% due to rounding.

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2021 rather than votes related solely to the funds held by the Scheme.

Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
BlackRock	Several Advisers	Proxy advisers provide information but voting is determined by BlackRock

The Investment Manager's Voting Behaviour

The Trustee has reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes it cast in the year to 30 June 2021 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with its peers over the same period.

The Trustee's key observations are set out below.

Voting in Significant Votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustee considered the investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Description of Voting Behaviour

BlackRock

The analysis indicates that BlackRock's voting pattern has changed materially over the last 12 months.

Although the manager tends to vote in favour of management proposals to a greater extent than is the case with many of its peers, there is evidence of BlackRock opposing director proposals on a range of issues.

Last year's analysis indicated that BlackRock would tend to oppose shareholder resolutions designed to address issues such as climate change, human rights and forced labour. However, this year's analysis reveals a materially different picture with the manager much more willing to support shareholder proposals of this nature.

The revised voting approach is consistent with public statements made by BlackRock over the last two years. In particular, in January 2020, BlackRock made a public commitment to vote against management when a company's management team is failing to make progress on climate change issues. Later that year, in July 2020, the manager stated that it had "implemented a new approach to shareholder proposals". The manager now states that supporting shareholder proposals "plays an increasingly important role in our stewardship efforts around sustainability".

The analysis identifies that BlackRock's voting record is now more closely aligned with their stated governance approach.

Conclusions

Based on the analysis undertaken, the Trustee has no concerns regarding the voting records of BlackRock.

The Trustee will keep the voting actions of the investment manager under review.

..... Date:

Signed on behalf of the Trustee of the Pianoforte Supplies Pension Plan

Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustee.

Company	ISIN	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock
Audit & Reporting						
PHILLIPS 66	US7185461040	12/05/2021	Ratify Ernst & Young LLP as Auditors	50	49	For
ACTIVISION BLIZZARD INC	US00507V1098	21/06/2021	Ratify PricewaterhouseCoopers LLP as Auditors	54	43	For
INTEL CORPORATION	US4581401001	13/05/2021	Appoint the Auditors	38	61	For
LABORATORY CORPORATION OF AMERICA	US50540R4092	12/05/2021	Ratify Deloitte & Touche LLP as Auditors	37	62	For
INVESCO PERPETUAL UK SMALLER COMPANIES	GB0000944909	10/06/2021	Re-appoint Ernst & Young LLP as the auditor of the Company	76	24	For
Shareholder Capital & Rights						
ORANGE S.A	FR0000133308	18/05/2021	Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to	57	43	Against
PLAYTECH PLC	VGG7131X1078	26/05/2021	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	63	37	For
BIFFA PLC	GB00808DR117	16/07/2020	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	63	36	For
KERING SA	FR0000121485	22/04/2021	Authorize Capital Issuances for Use in Employee Stock Purchase Plans	32	68	For
FERRARI NV	NL0011585146	15/04/2021	Issue Special Voting Shares	70	30	Against
Pay & Remuneration						
AT&T INC.	US00206R1023	30/04/2021	Advisory Vote on Executive Compensation	48	50	Against
AKZO NOBEL NV	NL0000009132	22/04/2021	Approve the Remuneration Report	50	50	Against
INTERNATIONAL BUSINESS MACHINES CORPORAT	US4592001014	27/04/2021	Advisory Vote on Executive Compensation	48	51	Against
NETFLIX INC	US64110L1061	03/06/2021	Advisory Vote on Executive Compensation	51	49	For
CHIPOTLE MEXICAN GRILL INC	US1696561059	18/05/2021	Advisory Vote on Executive Compensation	51	49	For
Constitution of Company, Board & Advisers						
BERKSHIRE HATHAWAY INC.	US0846701086	01/05/2021	Elect Meryl B. Witmer - Non-Executive Director	50	50	For
GEBERT AG	CH0008038223	14/04/2021	Elect Werner Karlen - Non-Executive Director	50	50	For
CORTEVA INC	US22052L1044	07/05/2021	Elect Janet P. Giesselman - Non-Executive Director	50	50	For
REGENERON PHARMACEUTICALS INC	US75886F1075	11/06/2021	Elect George L. Sing	51	49	Against
INTEGRAFIN HOLDINGS PLC	GB008D45SH49	08/03/2021	Re-elect Michael Howard - Executive Director	48	48	Against
Merger, Acquisition, Sales & Finance						
FIRSTGROUP PLC	GB0003452173	27/05/2021	Approve Sale of First Student and First Transit	61	39	For
INVESCO INCOME GROWTH TRUST PLC	GB0003585725	10/09/2020	Approve that the Company continue as a closed-ended investment company	79	21	For
VONOVIA SE	DE000A1ML7J1	16/04/2021	Issue Bonds/Debt Securities	79	21	For
STRATEGIC EQUITY CAPITAL PLC	GB0080BDCB21	11/11/2020	Approve the Continuation of the Company	72	19	For
NORTH ATLANTIC SMALLER COMPANIES I.T. PLC	GB0006439003	23/06/2021	Waive Rule 9 of the Take Over Code	33	17	Against
Climate Related Resolutions						
Royal Dutch Shell	GB00803MLX29	18/05/2021	Approve the Shell Energy Transition Strategy	83	11	For
TOTALENERGIES SE	FR0000120271	28/05/2021	Approve the Company's Sustainable Development and Energy Transition	83	7	For
AENA SA	ES0105046009	27/04/2021	Advisory Vote on Company's Climate Action Plan	96	4	For
FERROVIAL S.A.	ES0118900010	08/04/2021	Advisory Vote, as from the 2022 AGM, on the Company's Climate Strategy Report	97	2	For
MOODYS CORPORATION	US6153691059	20/04/2021	Say on Climate	93	1	For
Other Company Resolutions						
PEARSON PLC	GB0006776081	30/04/2021	Meeting Notification-related Proposal	55	45	Against
ORANGE S.A	FR0000133308	18/05/2021	Allow Board to Use Delegations under Item 23 Above in the Event of a Public Tender Offer	40	59	Against
PETROPAVLOVSK PLC	GB0031544546	30/06/2021	Meeting Notification-related Proposal	61	38	For
UNICREDIT SPA	IT0000064854	15/04/2021	Approve Severance Payments Policy	73	27	For
HOSTELWORLD GROUP PLC	GB008YNN4225	26/04/2021	Approve Political Donations	75	25	For
Governance & Other Shareholder Resolutions						
BORGWARNER INC	US0997241064	28/04/2021	Shareholder Resolution: Written Consent	50	50	Against
NETAPP INC	US64110D1046	10/09/2020	Shareholder Resolution: Written Consent	50	49	Against
GENERAL MOTORS COMPANY	US3704421052	14/06/2021	Shareholder Resolution: Written Consent	50	50	Against
COLGATE-PALMOLIVE COMPANY	US1941621039	07/05/2021	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call Special Meeting	51	49	Against
QUEST DIAGNOSTICS INCORPORATED	US74834L1008	21/05/2021	Shareholder Resolution: Written Consent	51	49	Against
Environmental & Socially Focussed Shareholder Resolutions						
CATERPILLAR INC.	US1491231015	09/06/2021	Shareholder Resolution: Report on Climate Policy	47	51	Against
EXXON MOBIL CORPORATION	US30231G1022	26/05/2021	Shareholder Resolution: Issue Audited Report on Financial Impacts of IEA's Net Zero 2050	47	49	For
ORACLE CORPORATION	US68389X1054	04/11/2020	Shareholder Resolution: Report on Gender Pay Gap	46	54	For
THE KROGER CO.	US5010441013	24/06/2021	Shareholder Resolution: Assess Environmental Impact of Non-Recyclable Packaging	45	54	For
BOOKING HOLDINGS INC.	US7415034039	03/06/2021	Shareholder Resolution: Report on Annual Climate Transition	56	43	Against

Note

Where the voting record has not been provided at the fund level, the analysis is based on the shares held within the Scheme's pooled funds as at points during the period. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote.