

# **Implementation Statement for the Hills Group Limited Retirement Benefits Plan (1973)**

**Covering 1 July 2019 to 30 June 2020**

## **1. Background**

The Trustees of the Hills Group Limited Retirement Benefits Plan (1973) (the “Plan”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Plan’s Statement of Investment Principles (“SIP”) during the previous Plan 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.hills-group.co.uk/wp-content/uploads/2020/10/04B-Hills-Group-SIP-September-2020-Final-draft-with-signatures-1.pdf>

## **2. Investment Objectives and activity**

The objective of the Plan is to achieve, over the long term, a return on the Plan’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 Plan’s SIP includes 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 Plan 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 Plan 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 Plan is invested in the following funds:

- LGIM World Emerging Markets Equity Index Fund
- LGIM Global Equities Fixed Weight (50:50) Index Fund
- BNY Mellon Real Return Fund
- Aberdeen Standard Investments (ASI) Investment Grade Corporate Bond Fund
- ASI High Yield Bond Fund
- LGIM Over 5 year Index-Linked Gilt Index Fund

The Trustees were unable to include voting data for some of the pooled funds (ASI Investment Grade Corporate Bond Fund, ASI High Yield Bond Fund and LGIM Over 5 year Index-Linked Gilt Index 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.

[For more information, please refer to our policy document on the topic:   
https://www.lgim.com/landq-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf](https://www.lgim.com/landq-assets/lgim/document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf)

The Investment Stewardship team works in coordination with investment and client teams. Where different views arise, our conflicts of interests policy may be activated to ensure we can operate independently. Where necessary, matters arising from this meeting can be escalated to the LGIM CEO and, under the Conflicts of Interest policy.

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.£1.7m 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%
Summary Info*	
Manager name	Legal & General Investment Management
Fund name	Global Equity Fixed Weight (50:50) Index Fund
Approximate value of trustees' assets	c.£8.8m as at 30 June 2020
Number of equity holdings at year end	3024
Number of meetings eligible to vote	2973
Number of resolutions eligible to vote	38130
% of resolutions voted	99.55%
% of resolutions voted with management	83.76%
% of resolutions voted against management	16.13%
% of resolutions abstained	0.11%
% of meetings with at least one vote against managements	69.12%
% of resolutions voted contrary to the proxy adviser recommendation	11.48%

## 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: "

## LGIM Global Equities Fixed Weight (50:50) Index Fund

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	BARCLAYS	AMAZON	EXXONMOBIL	LAGARDERE
Date of vote	07/05/2020	27/05/2020	27/05/2020	06/05/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.47%	0.71%	0.13%	0.00%
Summary of the resolution	Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution	Shareholder resolutions 5 to 16	Resolution 110 - Elect Director Darren W. Woods	Shareholder resolutions A to P Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardère, as well as to remove all the incumbent directors (apart from two 2019 appointments).
How you voted	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14).	Against	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H, J, K, L, M) and voted off five of the incumbent Lagardère SB directors (resolutions B, C, E, F, G).
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to Shareholder meeting topics.	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to Shareholder meeting topics.	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to Shareholder meeting topics.	LGIM publicly communicates its vote instructions in monthly regional vote reports on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to Shareholder meeting topics.
Rationale for the voting decision	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.	In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2016, which depicted a misleading culture. The news of a sting of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics: - Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings - Environment: Details about the data transparency committed to in their 'Climate Pledge' - Social: Establishment of workplace culture, employee health and safety The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of \$2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention.	In June 2019, under our annual 'Climate Impact Pledge', asking of corporate climate leaders, and we announced that we will be removing ExxonMobil from our Future World fund range, and will be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, we also announced we will be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring company concerns, our voting policy also sanctioned the reappointment of the director responsible for nominations and remuneration.	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7% share capital and 11% voting rights. LGIM engages with companies on their strategies, any lack of challenge to these, and with governance concerns. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where we were able to speak to the proposed new SB Chair, and also Lagardère, where we spoke to the incumbent SB Chair. This allowed us to gain direct perspectives from the individual changed with ensuring their board includes the right individuals to challenge management.
Outcome of the vote	Resolution 29 - supported by 99.9% of shareholders Resolution 30 - supported by 23.9% of shareholders (source: Company website)	Resolutions 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 13.7% support. Resolution 13 received 12.2% support. (Source: ISS data)	93.2% of shareholders supported the re-election of the combined chair and CEO Darren Woods. Approximately 30% of shareholders supported the proposals for independence and lobbying. (Source: ISS data)	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions revealed approval: between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data)
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The hard work is just beginning. Our focus will now be to help Barclays on the detail of their plans and targets, more detail of which is to be published this year. We plan to continue to work closely with the Barclays board and management team in the development of their other large investors, to ensure a consistency of messaging and to continue to drive positive change.	Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. Our engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.	We believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. Our voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Echos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.	LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.
On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?	Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.	The market attention was significant leading up to the AGM, with: - Diverse investor coalitions submitting and rallying behind the proposals, including global, different types of investors and first time co-filers/engagers - Substantial press coverage - with largely negative sentiment related to the company's governance profile and its initial management of COVID-19 - Multiple state treasurers speaking out and even holding an online targeted pre-annual meeting investor forum entitled "Workplace & Investor Risks in Amazon.com, Inc.'s COVID-19 Response" - Anecdotaly, the Stewardship team received more inquiries related to Amazon than any other company this season.	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.	

## **6a. 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."

## **6b. Summary of voting behaviour over the year**

	<b>Summary Info</b>
Manager name	BNY Mellon
Fund name	Real Return Fund
Approximate value of trustees' assets	c.£4.4m 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%

### **6c. 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 PLAN?**

**VOTE 1**

<b>Company name</b>	Associated British Foods Plc
<b>Date of vote</b>	06-Dec-19
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.67
<b>Summary of the resolution</b>	Approve Remuneration Report
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	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.
<b>Outcome of the vote</b>	3.3% vote AGAINST.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 2

<b>Company name</b>	Zurich Insurance Group
<b>Date of vote</b>	01-Apr-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.87
<b>Summary of the resolution</b>	Transact Other Business (Voting)
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	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.
<b>Outcome of the vote</b>	Not reported
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 3

<b>Company name</b>	The Goldman Sachs Group
<b>Date of vote</b>	30-Apr-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.87
<b>Summary of the resolution</b>	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.
<b>How you voted</b>	FOR shareholder proposals
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	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.
<b>Outcome of the vote</b>	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.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 4

<b>Company name</b>	Cisco Systems, Inc.
<b>Date of vote</b>	10-Dec-19
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.73
<b>Summary of the resolution</b>	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.
<b>How you voted</b>	AGAINST management proposals and FOR the shareholder proposal
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	<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>
<b>Outcome of the vote</b>	5.3% vote AGAINST pay, 4.6% AGAINST the auditor, 28.7% FOR the appointment of an independent chair.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	While the voting outcomes were not significant, we expect to continue recognising our fundamental governance concerns through our voting and engagement activities.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 5

<b>Company name</b>	Linde plc
<b>Date of vote</b>	26-Jul-19
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.83
<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation and Elect Directors
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	<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"> <li>- The continued granting of long-term pay awards that vest purely based on time served.</li> <li>- The CEO received \$185,808 for his personal use of the company's aircraft.</li> <li>- The vesting of outstanding share awards is accelerated in the event of a change in control.</li> <li>- Finally, the CEO received additional years of service credits beyond time-served at the company for the purposes calculating his pension provisions.</li> </ul>
<b>Outcome of the vote</b>	8.0% vote AGAINST pay.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 6

<b>Company name</b>	Microsoft Corporation
<b>Date of vote</b>	04-Dec-19
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.17
<b>Summary of the resolution</b>	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.
<b>How you voted</b>	AGAINST management proposals and FOR the shareholder proposal
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	<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>
<b>Outcome of the vote</b>	23.3% vote AGAINST pay, 3.5% vote AGAINST the auditor, 29.6% vote FOR gender pay gap.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<p>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.</p> <p>Debate surrounding long tenured auditors is not well developed in the US but we expect this to change.</p>
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?

VOTE 7

<b>Company name</b>	Mastercard Incorporated
<b>Date of vote</b>	16-Jun-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.93
<b>Summary of the resolution</b>	Ratify PricewaterhouseCoopers LLP as Auditors, Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Directors.
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	<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>
<b>Outcome of the vote</b>	<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>
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?**

**VOTE 8**

<b>Company name</b>	Vivendi
<b>Date of vote</b>	20-Apr-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.79
<b>Summary of the resolution</b>	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.
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	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.
<b>Outcome of the vote</b>	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.
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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 PLAN?**

**VOTE 9**

<b>Company name</b>	Abbott Laboratories
<b>Date of vote</b>	24-Apr-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.68
<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation, Elect Directors, Increase Disclosure of Executive Compensation
<b>How you voted</b>	AGAINST management proposals and FOR the shareholder proposal
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
<b>Rationale for the voting decision</b>	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- Equity 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. 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.
<b>Outcome of the vote</b>	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 adopt simple majority vote
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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.

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 PLAN?

VOTE 10

<b>Company name</b>	Unilever NV
<b>Date of vote</b>	30-Apr-20
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.81
<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation, re-elect non-executive directors
<b>How you voted</b>	AGAINST
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes
<b>Rationale for the voting decision</b>	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.
<b>Outcome of the vote</b>	3.6% AGAINST approve remuneration report 1.5% AGAINST re-elect non-executive director 0.8% AGAINST re-elect non-executive director
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	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.
<b>On which criteria have you assessed this vote to be "most significant"?</b>	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.