

Hilti Pension Scheme Implementation Statement for the year ended 31 December 2021

Purpose

This statement provides information on how, and the extent to which, the Trustees' policies in relation to the exercising of rights (including voting rights), attached to the Scheme's investments, and engagement activities have been followed during the year ended 31 December 2021 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

In Q3 2019, the Trustees received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS") and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers' own equivalent policies. The Trustees' new policy was documented in the updated Statement of Investment Principles dated 26 September 2019 and then further updated in the version dated 30 September 2020 to reflect additional detail on stewardship.

The Trustees' updated policy

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustees require the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

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

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees' views on ESG (including climate change) and stewardship.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees were satisfied that they followed their policy on the exercise of rights and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme has specific allocations to private equities as part of the diversified private markets fund, and investments in equities also forms part of the strategies for the diversified growth funds in which the Scheme invests. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is as follows:

Disclaimer: All voting information is provided for the 12-month period to 31st December 2021, as provided by the investment manager. Neither XPS Investment Limited nor the Trustees have vetted these votes. These summaries have been provided by the investment manager and any reference to "our", "we" etc. is from the investment manager's perspective.

Voting Information

Baillie Gifford Multi Asset Growth Fund

The manager voted on 87.55% of resolutions of which they were eligible out of 1,357 eligible votes.

Investment Manager Client Consultation Policy on Voting

All voting decisions are made by our Governance & Sustainability team in conjunction with investment managers. We do not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then we will engage with them on this. If a vote is particularly contentious, we may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Investment Manager Process to determine how to Vote

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the longterm investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' shares also strengthens our position when engaging with investee companies. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource any part of the responsibility for voting to third-party suppliers. We utilise research from proxy advisers for information only. Baillie Gifford analyses all meetings in-house in line with our Governance & Sustainability Principles and Guidelines and we endeavour to vote every one of our clients' holdings in all markets.

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

The list below is not exhaustive, but exemplifies potentially significant voting situations:

- Baillie Gifford's holding had a material impact on the outcome of the meeting
- The resolution received 20% or more opposition and Baillie Gifford opposed

- Egregious remuneration
- Controversial equity issuance
- Shareholder resolutions that Baillie Gifford supported and received 20% or more support from shareholders
 - Where there has been a significant audit failing
 - Where we have opposed mergers and acquisitions
 - Where we have opposed the financial statements/annual report
 - Where we have opposed the election of directors and executives.

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

Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
RIO TINTO PLC	Remuneration - Report	Against	Pass
Following the submission of our votes we engaged with the company to communicate our concerns. Whilst we did not support the backwards looking remuneration report, we took the decision to support the forward looking remuneration policy. We continue to be focussed on having good open communication with the leadership team which we believe is valuable as long-term investors.			
VONOVIA SE	Amendment of Share Capital	Against	Pass
In advance of the AGM we contacted the company to see if they could provide an assurance they would not issue shares below Net Tangible Asset (NTA). The company were not able to provide that assurance therefore we did not feel it was in our clients' interest to support the two equity issuance resolutions. We encourage the company to provide this additional assurance so we could consider supporting in future.			
VONOVIA SE	Amendment of Share Capital	Against	Pass
In advance of the AGM we contacted the company to see if they could provide an assurance they would not issue shares below Net Tangible Asset (NTA). The company were not able to provide that assurance therefore we did not feel it was in our clients' interest to support the two equity issuance resolutions. We encourage the company to provide this additional assurance so we could consider supporting in future.			
SIX FLAGS ENTERTAINMENT CORPORATION	Remuneration - Say on Pay	Against	Pass

<p>We opposed executive compensation for a multitude of reasons however our primary concern was the size of the long-term incentive award paid to the CEO. In light of COVID-19, when reviewing proposals relating to executive compensation we assess whether executive pay is aligned with the experience of employees and shareholders. We felt we could not justify supporting a sizeable long-term incentive award for the CEO, which was equal to the previous year, when framed against a background of company-wide salary reductions and employee lay-offs. We communicated our concerns to the company following the submission of our votes and we will continue to engage on our concerns. Although this proposal was passed, 41% of shareholders opposed it.</p>			
GALAXY ENTERTAINMENT GROUP LTD	Amendment of Share Capital	Against	Pass
<p>We have opposed similar resolutions in previous years and will continue to advise the company of our concerns. And seek to obtain proposals that we can support.</p>			

Voting Information

Schroders Diversified Growth Fund

Not Provided

Investment Manager Client Consultation Policy on Voting

In order to maintain the necessary flexibility to meet client needs, local offices of Schroders may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Clients in the UK will need to contact their usual client services person(s) on whether or not this is available for the type of investment(s) they hold with Schroders.

Investment Manager Process to determine how to Vote

We evaluate voting issues arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. We utilise company engagement, internal research, investor views and governance expertise to confirm our intention. Further information can be found in our Environmental, Social and Governance Policy for Listed Assets policy:
<https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf>

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

We consider "most significant" votes as those against company management.

We are not afraid to oppose management if we believe that doing so is in the best interests of shareholders and our clients. For example, if we believe a proposal diminishes shareholder rights or if remuneration incentives are not aligned with the company's long term performance and creation of shareholder value. Such votes against will typically follow an

engagement and we will inform the company of our intention to vote against before the meeting, along with our rationale. Where there have been ongoing and significant areas of concerns with a company's performance we may chose to vote against individuals on the board.

However, as active fund managers we usually look to support the management of the companies that we invest in. Where we do not do this we classify the vote as significant and will disclose the reason behind this to the company and the public.

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

We receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into our voting decisions. In addition to relying on our policies we will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

It is important to stress that our own research is also integral to our final voting decision; this will be conducted by both our financial and ESG analysts. For contentious issues, our Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

We continue to review our voting practices and policies during our ongoing dialogue with our portfolio managers. This has led us to raise the bar on what we consider 'good governance practice.'

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Skandinaviska Enskilda Banken AB	The Bank shall Exclude Fossil Fuels as Investment Objects	Against	n/a
The company is being asked to exclude fossil fuels as investment objects. We support action on climate change, and agree that fossil fuel investments expose banks to climate-related financial risks. However, we do not support this proposal. This is because it makes no distinction between different types of fossil fuels and activities, their respective transition pathways and level of financing compatible with a net zero or 1.5 degree world. It could also undermine the efforts of those fossil fuel companies that are taking concrete steps to transition to a more sustainable business model. If the resolution had considered these points, or targeted fossil fuel companies that had not produced a Paris-aligned transition plan or set science-based targets within a certain amount of time, it would have been easier to support.			
The Goldman Sachs Group, Inc.	Report on the Impacts of Using Mandatory Arbitration	For	n/a
The Board is being asked to oversee the preparation of a public report on the impact of the use of mandatory arbitration on Goldman Sachs' employees and workplace culture. Given the company has faced multiple allegations of discrimination and harassment in the past, and a number of large companies have decided to end "mandatory" arbitration policies, we would value greater transparency on this issue to help us better assess the risks associated with the company's approach. Therefore we support this resolution.			
Royal Dutch Shell Plc		For	n/a

	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions		
<p>The company is being asked to set and publish targets aligned with the goal of Paris Climate Agreement. The resolution asks for short, medium and long term targets on scope 1,2 and 3 emissions. We acknowledge elements of overlap between this resolution and that of the advisory vote on Company's Climate Transition Strategy. A vote for this resolution is given as whilst we praise the progress made by the company and the climate transition strategy reported, on climate targets specifically we support the ambition of this resolution with regards to Paris alignment and evolving best practice for the industry in terms of setting ambitious, absolute emissions reduction targets.</p>			
Amazon.com, Inc.	Report on Customers' Use of its Surveillance and Computer Vision Products Capabilities or Cloud Products Contribute to Human Rights Violations	For	n/a
<p>We voted for a similar resolution last year. The resolution this year differs slightly in that it specifically asks for an independent report on Amazon's customer due diligence process, to evaluate the extent to which surveillance or computer vision technologies may contribute to human rights violations. Given the negative media attention and lawsuits around the use of Rekognition software and its use by law enforcement, the use of the Parler app in the attack on the US Capitol and controversy around Ring video data an independent report would provide investors with an assessment of the effectiveness of the company's policies.</p>			
Facebook, Inc.	Report on Platform Misuse	For	n/a
<p>The Board is asked to prepare a report assessing the benefits and drawbacks of the enhanced efforts to reduce mis- and dis-information on its platform that were put in place during the 2020 election cycle. Such information would be valuable given growing reputational and strategic risks in this area. As such, we support this proposal.</p>			

*The manager provided all 24,156 votes but does not rank its votes in order of significance. As such, XPS Investment Limited have sampled 5 votes from the list which are deemed to be relatively significant.

Voting Information

BlackRock Dynamic Diversified Growth Fund

The manager voted on 100% of resolutions of which they were eligible out of 12,082 eligible votes.

Investment Manager Client Consultation Policy on Voting

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

Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through

engagement with management teams and/or board members on material business issues including environmental, social, and governance (“ESG”) matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients’ interests as long-term shareholders.

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

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

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

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

Investment Manager Process to determine how to Vote

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

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

BlackRock Investment Stewardship prioritizes its work around themes that we believe will encourage sound governance practices and deliver sustainable long-term financial performance. Our year-round engagement with clients to understand their priorities and expectations, as well as our active participation in market-wide policy debates, help inform these themes.

The themes we have identified in turn shape our Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which we look at the sustainable long-term financial performance of investee companies.

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

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

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

While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote.

We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company’s own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.

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

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

voting decision

- The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
VINCI SA	Approve Company's Environmental Transition Plan	For	Pass
<p>BIS voted FOR the proposal because it provides a clear roadmap towards the company's stated climate ambitions and targets. VINCI's environmental transition plans meets BIS' expectations that companies have clear policies and action plans to manage climate risks and to realize opportunities presented by the global energy transition. On balance, while BIS is supportive of this "say on climate" proposal, we will continue to monitor the company's progress on the environmental transition plan and hold its directors responsible by voting against the re-election of board members should we have concerns with planning, implementation or disclosures.</p>			
Berkshire Hathaway Inc.	Report on Climate-Related Risks and Opportunities	For	Fail
<p>BIS supported this proposal because of the lack of progress that the company has made regarding the management and disclosure of climate-related risks and opportunities. The company does not currently meet our expectations for disclosing a plan for how its business model will be compatible with a low-carbon economy. On our assessment, the shareholder proposal is reasonable and not unduly constraining to management, and therefore our support may help accelerate action on climate-related business risks by the company.</p>			
General Electric Company	Require Independent Board Chair	Against	Fail
<p>BIS voted against this proposal because the company has a designated Lead Independent Director with sufficient responsibilities and authority. BIS will look to support the Board in the structure of its choice, so long as we have confidence that the Lead Independent Director is appropriately challenging management and demonstrating independence.</p>			
Rio Tinto Limited	Approve Emissions Targets and Climate-Related Lobbying (Item 19 & 20)	For	Pass
<p>BIS voted for these two shareholder proposals because we believe that greater disclosure on climate and climate-related lobbying disclosures would benefit shareholders. Specifically, for item 19, we believe that the companies that critically evaluate their current baseline, set rigorous GHG emissions reduction targets, and act on an accelerated timeline are those most likely to avoid operational disruption in the future. For item 20, we believe that improved disclosures regarding the company's ability to influence its industry associations would help investors understand and assess the possible misalignment in public positions on key strategic policy issues with those of certain associations of which it is a member.</p>			
Chevron Corporation	Amend Certificate of Incorporation to Become a Public Benefit Corporation	Against	Fail

BIS voted against this proposal as we believe that making changes to the corporate structure of a company is a clearly defined management action and therefore, such a proposal is overly prescriptive and would constrain the business decision-making of management.

*The manager provided 176 votes which it deemed to be significant and therefore produced a publicised 'voting bulletin'. The manager does not rank these votes in order of significance. As such, XPS Investment Limited have sampled 5 votes from the list which are deemed to be relatively significant.

Voting Information

Partners Group Partners Fund (SICAV)

The manager voted on 89% of resolutions of which they were eligible out of 834 eligible votes.

Investment Manager Client Consultation Policy on Voting

We do not consult with clients before voting.

Investment Manager Process to determine how to Vote

Our voting is based on the internal Proxy Voting Directive.

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

Size of the holding in the fund

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

We hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with our Proxy Voting Directive. Wherever the recommendations for Glass Lewis, our proxy voting directive, and the company's management differ, we vote manually on those proposals.

Top 5 Significant Votes during the Period

Company	Voting Subject		Result
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		How did the Investment Manager Vote?	
VSB Renewables Platform	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.			
Techem Metering GmbH	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
After successfully completing a detailed materiality assessment, Techem published its first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, the company commits to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.			
Civica	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized its first carbon plan.			
International Schools Partnership	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
On the environmental side, ISP has ramped up their efforts on tracking their energy consumption, and now has information to inform its carbon footprint exercise. The company is also working on reducing it, for instance by assessing the feasibility of installing solar panels in all its Spanish schools. In addition, ISP planted one tree in India for each staff member.			
Foncia	As we control the Board, please see below the ESG efforts of the portfolio company.	Control of board	n.a.
Foncia made a commitment to improve the diversity of its employee base. The core operations of the company (the "UES Foncia") scores 83 points in the French "Index d'égalité professionnelle entre les femmes et les hommes" (gender professional equality index), 8 points above the minimum required by the French government. The company is targeting a score of 90 within the next three years. In addition, Foncia's subsidiaries aim to reach or exceed 75 points within the next three years.			