

Bristol Street Pension Scheme Implementation Statement Year Ending 5 April 2024

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
Scheme	Bristol Street Pension Scheme
Scheme Year	6 April 2023 to 5 April 2024
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

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 BlackRock Dynamic Diversified Growth Fund which included an allocation to equities.

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment returns, and that good stewardship can create and preserve values for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, presents risks and opportunities that increasingly may require explicit consideration.
- The Trustee accepts that where assets are managed via pooled funds it is not possible to specify investment restrictions. The Trustee expects investment managers to evaluate voting rights and stewardship obligations attached to investments in accordance with their own corporate governance policies and current best practice.
- The investment managers are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and the UK Stewardship Code.
- The Trustee considers how the managers' approach to ESG integration, climate change and stewardship and responsible investments aligns with the Trustee's policies when determining future investment strategy decisions including the selection, retention and realisation of manager appointments. This includes the investment managers' policies on voting and engagement which are monitored at least annually.
- The Trustee assesses the continuing suitability of the Scheme's investment managers.

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 Trustee considered the voting records of the investment manager over the period ending 31 March 2023.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment manager based on the period ending 31 March 2024* 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 managers used by the Scheme is a signatory to the UNPRI.

**Note the voting analysis was over the year ending 31 March 2024 because this was the most recent data available at the time of preparing this statement. The Trustee is satisfied that the analysis provides a fair representation of the investment manager's voting approach over the Scheme Year.*

The Investment Manager Voting record

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

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
BlackRock	160,000	88%	12%	0%

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2024 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 capital Voting Behaviour

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

- broad statistics of their 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 31 March 2024 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager 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 their peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

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 managers 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).

Analysis of Voting Behaviour

BlackRock

The Trustee recognises that analysis of BlackRock's latest voting data identifies that the manager has reverted to a stance of supporting directors and generally opposing shareholder proposals aimed at addressing ESG issues.

BlackRock has recently launched a Voting Choice program that enables an investor to direct BlackRock on how to vote on that investor's behalf. BlackRock has reported that 25% of eligible investors have taken up this option and it is possible that the manager has concluded that those investors are likely to be ones who have a strong view on ESG matters. Consequently, it is possible that BlackRock believes that the remaining investors are likely to be those who tend to be supportive of director proposals and that this has been an influence on the change in direction observed in BlackRock's voting pattern.

The Trustee has no material concerns regarding BlackRock's voting record.

Conclusion

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

The Trustee will keep the voting actions of the investment manager under review, noting that in some instances there are areas that could still be improved.

..... Date:

Signed on behalf of the Trustee of the Bristol Street Pension Scheme.

Significant Votes

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

Director Proposals	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock
Audit & Reporting					
NETAPP INC	13/09/2023	Appoint the Auditors	40	60	For
VEOLIA ENVIRONNEMENT SA	27/04/2023	Appoint the Auditors	72	28	For
PETS AT HOME GROUP PLC	06/07/2023	Re-appoint KPMG LLP as auditor of the Company.	78	22	For
SANOFI	25/05/2023	Appoint the Auditors	85	15	For
TI FLUID SYSTEMS PLC	16/05/2023	Re-appoint PwC as the Auditors	88	12	For
Shareholder Capital & Rights					
TOPPS TILES PLC	18/01/2024	Issue Shares with Pre-emption Rights	63	37	For
FERREXPO PLC	25/05/2023	Issue Shares with Pre-emption Rights	34	64	For
		Issue Special Voting Shares			
CNH INDUSTRIAL NV	14/04/2023		67	33	Against
LINCOLN NATIONAL CORPORATION	25/05/2023	Issuance of Shares for Existing Incentive Plan	70	30	For
HARGREAVES LANSDOWN PLC	08/12/2023	Authorise Share Repurchase	75	25	For
Pay & Remuneration					
BIOGEN INC.	26/06/2023	Advisory Vote on Executive Compensation	52	48	For
AMERICAN EXPRESS COMPANY	02/05/2023	Advisory Vote on Executive Compensation	53	45	Against
UNILEVER PLC	03/05/2023	Approve the Remuneration Report	40	55	Against
STELLANTIS N.V.	13/04/2023	Approve the Remuneration Report including pre-merger legacy matters	46	43	Against
eBAY INC.	21/06/2023	Approval of the Amendment and Restatement of Ebay Equity Incentive Plan	58	42	For
Constitution of Company, Board & Advisers					
BIOGEN INC.	26/06/2023	Elect Eric K. Rowinsky - Non-Executive Director	60	39	Against
MOTOROLA SOLUTIONS INC.	16/05/2023	Elect Egon P. Durban - Non-Executive Director	61	38	For
ECOLAB INC.	04/05/2023	Elect John J. Zillmer - Non-Executive Director	62	38	Against
TOPPS TILES PLC	18/01/2024	Re-elect Diana Breeze - Non-Executive Director	63	37	For
STRAUMANN HOLDING AG	05/04/2023	Elect Remuneration Committee Member: Marco Gadola	65	35	Against
Merger, Acquisition, Sales & Finance					
LVMH (MOET HENNESSY - LOUIS VUITTON) SE	20/04/2023	Approve Issuance of Debt Securities Giving Access to New Shares of Debt	80	19	Against
BALTIC CLASSIFIEDS GROUP PLC	27/09/2023	Approve Waiver of Rule 9 of the Takeover Code	88	11	For
HERMES INTERNATIONAL	20/04/2023	Approve Demerger	90	10	Against
LUCECO PLC	10/05/2023	Approve Waiver of Rule 9 of the Takeover Code	88	7	For
TUI AG	13/02/2024	Approve the Authorisation for convertible bonds/bonds with warrants with the option to disapply pre-emption rights and creation of Conditional Capital 2024	92	7	For
Climate Related Resolutions					
GLENCORE PLC	26/05/2023	Approve the Company's 2022 Climate Report.	68	30	Against
UBS GROUP AG	05/04/2023	Say on Climate	81	15	For
TOTALENERGIES SE	26/05/2023	Say on Climate	86	11	For
PENNON GROUP PLC	20/07/2023	Approve the Climate-related financial disclosures	88	10	For
AVIVA PLC	04/05/2023	Approve Climate-Related Financial Disclosure	97	3	For
Other Company Resolutions					
INVESTECH PLC	03/08/2023	Investec plc: Approve Political Donations	76	23	For
HSBC HOLDINGS PLC	05/05/2023	Meeting Notification-related Proposal	76	23	For
NCC GROUP PLC	30/11/2023	Approve Political Donations	79	21	For
LIONTRUST ASSET MANAGEMENT	21/09/2023	Approve Political Donations	83	17	For
TT ELECTRONICS PLC	09/05/2023	Approve Political Donations	87	13	For
Shareholder Proposals					
	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	BlackRock
Governance & Other Shareholder Resolutions					
WELLS FARGO & COMPANY	25/04/2023	Simple Majority Voting	50	49	Against
MCDONALD'S CORPORATION	25/05/2023	Annual Report on Lobbying Activities	50	49	Against
MARATHON PETROLEUM CORPORATION	26/04/2023	Simple Majority Voting	51	48	Against
NEXTERA ENERGY INC	18/05/2023	Board Skills Disclosure	48	51	Against
eBAY INC.	21/06/2023	Right to Call Special Meetings	48	52	Against
Environmental & Socially Focussed Shareholder Resolutions					
WELLS FARGO & COMPANY	25/04/2023	Annual Report on Prevention of Workplace Harassment and Discrimination	52	43	Against
QUEST DIAGNOSTICS INCORPORATED	17/05/2023	Greenhouse Gas Reduction and Transition Plan	48	52	Against
THE BOEING COMPANY	18/04/2023	Pay Equity Disclosure	47	52	Against
		Report on on the effectiveness of the Company's diversity, equity, and inclusion efforts			
EXPEDITORS INTERNATIONAL OF WASHINGTON INC.	02/05/2023		57	42	For
AMERICAN WATER WORKS COMPANY INC.	10/05/2023	Racial Equity Audit	39	59	Against

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for Determining Significant Votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believes that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustee has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

Investment Manager Voting Policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links:

[BlackRock](https://www.blackrock.com/corporate/literature/brochure/voting-choice-voting-policy-comparison.pdf) - <https://www.blackrock.com/corporate/literature/brochure/voting-choice-voting-policy-comparison.pdf>