

Bristol Street Pension Scheme Implementation Statement Year Ending 5 April 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Scheme	Bristol Street Pension Scheme
Scheme Year	6 April 2024 to 5 April 2025
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 Trustees have followed their 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 Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Investment manager voting relates to equity investments and, although funds which included exposure to equity markets were held by the Scheme during the Scheme year, by 5 April 2025, the BlackRock Dynamic Diversified Growth Fund (which included an allocation to equities) had been removed from the Scheme's investment strategy. Consequently, the Trustees could not take any action for the manager of this fund even if a review of the voting records of previously held funds identified any concern. For this reason, the Trustees have concluded that a review of voting behaviour for the manager of this fund would not be beneficial for the purpose of this Implementation Statement.

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.

The Trustee's policy relating to the exercise of rights

Summary of the policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy. Wording relating to the exercise of rights was also updated. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment manager's own policies on such matters.
- When selecting a fund, the Trustees consider amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect its Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the policy been followed during the Scheme Year?

The Trustees' opinion is that their 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 Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to the L&G Future World Global Equity Index Fund (hedged & unhedged versions). The Trustees considered the ESG characteristics of the funds before selecting them and this included consideration of the investment manager's approach towards the exercise of voting rights.
- The Trustees also introduced allocations to the following funds:
 - M&G Total Return Credit Investment Fund
 - Allianz Global Multi-Sector Credit Fund
 - L&G Maturing Buy & Maintain Credit funds
 - Insight LDI Partially Funded Gilt & Index-Linked Gilt funds

The Trustees considered the ESG characteristics of the funds before selecting them but, because the funds do not include an allocation to equities consideration of the exercise of voting rights was not relevant.

- During the Scheme Year, the Trustees considered the voting records of the previous investment managers over the period ending 31 March 2024.
- 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 2025* 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 are signatories to the UNPRI.

**Note the voting analysis was over the year ending 31 March 2025 because this was the most recent data available at the time of preparing this statement. The Trustees are satisfied that the analysis provides a fair representation of the investment manager's voting approach over the Scheme Year.*

The investment manager's voting record

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

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
L&G	120,000	76%	23%	1%

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2025 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?
L&G	Several advisers	Uses ISS for research and voting administration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.

The investment manager's voting behaviour

The Trustees have reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes it cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

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

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

The Trustees' key observations are set out below.

Voting in significant votes

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

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment manager are listed in the Appendix. In addition, the Trustees 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

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

The Trustees have considered their investment manager's approach to NZAM as part of this analysis.

The Trustees note that L&G's voting record continues to compare very favourably with its peers. As in previous years, analysis of L&G's voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues. It is unsurprising that the manager has committed to remaining a member of NZAM, irrespective of the review's outcome.

While L&G has come under some criticism from the campaign group Make My Money Matter, the Trustees are satisfied that L&G is among the most proactive on tackling climate-related proposals. Indeed, the manager has opposed several climate-related proposals based on an assessment that proposals put forward by a company's management did not go far enough and has supported shareholder proposals designed to tackle a range of ESG issues.

Conclusion

Based on the analysis undertaken, the Trustees have no concerns regarding the voting records of L&G.

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

Signed: Date:

For and on behalf of the Trustees 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 Trustees.

Director Proposals	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	L&G
Audit & Reporting					
SWISS LIFE HOLDING	15/05/2024	Appoint the Auditors	80	19	Against
TOTALENERGIES SE	24/05/2024	Appoint EY as the Auditors of Sustainability Reporting	75	19	For
SALESFORCE.COM INC	27/06/2024	Appoint the Auditors	81	18	Against
COMPAGNIE FINANCIERE RICHEMONT SA	11/09/2024	Appoint the Auditors	79	18	Against
GEBERIT AG	17/04/2024	Appoint PwC as Auditors	82	18	Against
Shareholder Capital & Rights					
ENERGEAN PLC	23/05/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	76	24	For
ORANGE S.A	22/05/2024	Approve Issue of Shares for Employee Saving Plan	19	78	Against
RIO TINTO PLC	04/04/2024	Authorise Share Repurchase	79	20	For
Pay & Remuneration					
ALCON AG	08/05/2024	Approve the Remuneration Report	49	49	Against
PALO ALTO NETWORKS	10/12/2024	Advisory Vote on Executive Compensation	50	49	Against
WARNER BROS DISCOVERY INC	03/06/2024	Advisory Vote on Executive Compensation	53	46	Against
3M COMPANY	14/05/2024	Advisory Vote on Executive Compensation	45	54	Against
CONAGRA BRANDS INC.	18/09/2024	Advisory Vote on Executive Compensation	45	55	Against
Constitution of Company, Board & Advisers					
UBER TECHNOLOGIES INC	06/05/2024	Elect David I. Trujillo - Non-Executive Director	56	44	Against
ALEXANDRIA R E EQUITIES INC	14/05/2024	Elect James P. Cain - Non-Executive Director	57	43	Against
CBOE GLOBAL MARKETS INC	16/05/2024	Right to Call Special Meeting	60	39	Against
THE COCA-COLA COMPANY	01/05/2024	Elect Thomas S. Gayner - Non-Executive Director	61	39	Against
CME GROUP INC.	09/05/2024	Elect Phyllis M. Lockett - Non-Executive Director	64	36	Against
Merger, Acquisition, Sales & Finance					
SYMRISE AG	15/05/2024	Authority to issue bonds with warrants and/or convertible bonds; create a conditional capital and related amendments to the articles of association	86	14	For
RHEINMETALL AG	14/05/2024	Issue warrants/convertible bonds	92	8	For
REDEIA CORPORATION	03/06/2024	Issue Bonds	93	6	For
IBERDROLA SA	17/05/2024	Authorisation to Issue Bonds Exchangeable and/or Convertible into Shares and Warrant	93	5	For
SOCIETE GENERALE SA	22/05/2024	Issue Bonds/Debt Securities	96	4	For
Climate Related Resolutions					
REPSOL SA	09/05/2024	Advisory Vote on the Company's Energy Transition Strategy	70	21	Against
TOTALENERGIES SE	24/05/2024	Opinion on the Sustainability & Climate - Progress Report 2024	94	4	Against
UNILEVER PLC	01/05/2024	Say on Climate	91	2	For
HOLCIM LTD	08/05/2024	Approve Climate Report	95	2	For
NATIONAL GRID PLC	10/07/2024	Approve the Climate Transition Plan	94	1	For
Other Company Resolutions					
ENERGEAN PLC	23/05/2024	Meeting Notification-related Proposal	78	22	For
BAE SYSTEMS PLC	09/05/2024	Approve Political Donations	87	13	For
SEGRO PLC	18/04/2024	Notice of General Meetings	89	10	For
KERRY GROUP PLC	02/05/2024	Notice of General Meetings	90	10	For

Shareholder Proposals	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	L&G
Governance & Other Shareholder Resolutions					
ABBVIE INC	03/05/2024	Simple Majority Voting	49	51	For
HUMANA INC.	18/04/2024	Introduce Majority Voting for Director Elections	51	49	For
DEXCOM INC	22/05/2024	Transparency in Lobbying	51	48	For
WARNER BROS DISCOVERY INC	03/06/2024	Right to Call Special Meetings	52	48	For
CIGNA CORPORATION	24/04/2024	Right to Call Special Meetings	48	51	For
Environmental & Socially Focused Shareholder Resolutions					
AMERICAN TOWER CORPORATION	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	For
NETFLIX INC	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	For
QUEST DIAGNOSTICS INCORPORATED	16/05/2024	Climate Change Targets	42	57	For
CINTAS CORPORATION	29/10/2024	Shareholder Resolution: Political Disclosure	39	60	For
GENERAL MILLS INC	24/09/2024	Report on the use of plastic	39	58	For

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 Trustees believe 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 Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were 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 number of Significant Votes is large. This is helpful for assessing a 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 Trustees have 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 Trustees are 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 a manager's voting behaviour. The Trustees have 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

[L&G](https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/) – <https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/>