Capita

Wincanton plc Pension Scheme

Scheme Registration Number: 10254968

Trustee's Annual Report and Financial Statements For the Year ended 31 March 2023 – Chair Statement Only

Wincanton plc Pension Scheme
Annual Implementation Statement
31 March 2023

1. Introduction

This statement, prepared by the Trustee of the Wincanton plc Pension Scheme ("the Scheme") sets out how, and the extent to which, the Statement of Investment Principles ("SIP") has been followed during the year to 31 March 2023 ("the Scheme year"). This statement covers the Defined Benefits ("DB") and Defined Contribution ("DC") Sections of the Scheme and should be read in conjunction with the DB Section and DC Section SIPs[1].

This statement also includes a summary of the voting activity that was carried out on behalf of the Trustee over the Scheme year by the DC Section equity investment managers, that is consistent with the Trustee's policy in relation to significant votes.

2. Statement of Investment Principles

2.1. Investment Objectives of the Fund

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

DB Section

- *The Trustee's primary objective is to invest the Scheme's assets in the best interests of the members and beneficiaries, and specifically to meet members' benefit obligations in full, with as high a level of certainty as possible.*
- *The Trustee has also agreed a long-term objective for the Scheme to have sufficient assets to be able to "buy-in" all liabilities in respect of retired members through an insured annuity policy and so that the majority of remaining investment risks can be reduced, with the Scheme being able to run on until further buy-ins are possible with a low probability of requiring additional contributions from the principal employer.*

DC Section

- *To make available a range of investment funds to members that should enable members to tailor their investment choices to meet their own individual needs.*
- *To offer funds which facilitate diversification and long-term capital growth.*
- *To offer funds which have competitive total expense ratios relative to similar funds which members might access directly.*
- *To offer funds that enable members to reduce volatility in the value of their investments as they approach retirement.*
- *To restrict the number of funds to avoid unnecessarily complicating members' investment decisions.*
- *To provide a suitable default Lifestyle investment option for those members who do not wish to make their own investment decisions, particularly taking into account each member's remaining period of service until normal retirement age and the form in which the benefits are anticipated to be taken.*
- *To provide alternative Lifestyle option(s) should the Trustee determine that there is sufficient demand from members for such alternative(s) or based on demographic / attitudes of the members.*

2.2. Review of the SIP

During the Scheme year the Trustee reviewed the Scheme's SIP, but no changes resulted. This review occurred and was minuted at the ISC meeting in June 2022.

The information provided in the following section highlights the work undertaken by the Trustee during the Scheme year to 31 March 2023 and sets out how this work followed the Trustee's policies in the SIP, relating to the Scheme as a whole and the default investment arrangement within the DC Section.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme year to 31 March 2023.

[1] Both available on the member website: http://www.wincantonpensions.co.uk/scheme-specific-information/newsletters-and-reports

Strategic Asset Allocation

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2023
1	**Kinds of investments to be held and the balance between different kinds of investments**	**DB Section:** The Trustee has set a range of asset classes it deems suitable for investment in order to meet the long-term objectives of the Scheme. By dynamically allocating assets to this range of asset classes, coupled with the use of active management where appropriate, as well as a buy and maintain approach to corporate bond investments, it is intended that the target return is generated in an efficient manner, while also reducing overall levels of risk. The spread of asset types and the investment managers' policies on investing in individual securities within each asset type is anticipated to provide adequate diversification of investments **DC Section:** The Trustee has made available a range of individual self-select fund options for investment in addition to the default investment option and other lifestyle arrangements. A range of asset classes are included within the default investment option, including: developed market equities, emerging market equities, money market investments, diversified growth funds and pre-retirement funds. Members can combine the investment funds in any proportion in order to achieve the desired level of return and risk, in line with their own attitude towards, and tolerance of, risk. Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.	**DB Section:** For the DB section of the Scheme, the Trustee reviewed the continuing appropriateness of the investment strategy over the year, taking into consideration the following: the Scheme's liability profile and requirements of the Statutory Funding Objective, the Trustee's appetite for risk (including financially material risks such as Environmental, Social and Governance risks, including climate change), the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The outcome of the review was that the Trustee considered the current investment strategy appropriate. The strategy will be reviewed again subsequent to the finalisation of the 2022 actuarial valuation. **DC Section:** The default investment option was subject to further review, following on from the formal triennial review in the previous Scheme year. The Trustee concluded that a change to the glidepath of the default investment option (Cash at Retirement Lifestyle) was in the best interest of members and agreed to reduce the length of the glidepath from 26 years to 15 years, at which point the allocation to a DGF would be introduced. This change was also agreed for the Income at Retirement Lifestyle Option The Trustee also agreed to replace BlackRock's Aquila Life Market Advantage Fund and has selected the LGIM Diversified Fund. At the year end, the Trustee was planning the implementation of these changes with Capita, the Scheme's administrator.

2	**Risks, including the ways in which risks are to be measured and managed**	**DB & DC Sections:** The Trustee has considered a range of risks (both investment and operational) in relation to the DB Section and, within the DC Section, the self-select funds, alternative lifestyles and the default investment option.	Section 3 (DB Section) and Section 4 (DC Section) of the Statement of Investment Principles set out the risks that the Trustee explicitly considers. The Trustee considers both quantitative and qualitative measures of these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. As part of the regular quarterly investment performance monitoring, the Trustee monitored changes in these risks and their potential impact. In the aftermath of the gilt crisis in Q4 2022, the Trustee paid particular attention to the risks arising from hedging the Scheme's interest rate and inflation. On review, the Trustee was comfortable that the high level of collateral in the Liability Driven Investment portfolio and the collateral monitoring and replenishment framework in place adequately mitigated the risk of rising rates. Subsequent to the Scheme year end, the Trustee made adjustments to the collateral monitoring framework to further mitigate risk.
3	**Expected return on investments**	**DB Section:** The Trustee has decided that the Scheme's investment strategy should target a return of 0.8% p.a. above a theoretical portfolio of liability-matching gilts (net of fees) until March 2027. The target return is then expected to step down to Gilts + 0.4% p.a. from April 2027 onwards. **DB & DC Sections:** The funds available are expected to provide an investment return commensurate with the level of risk being taken. **DC Section:** In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns. The expectation is that the default will generate returns in excess of inflation during the growth phase and de-risk towards the retirement date to match the likely benefits post-retirement.	Investment performance reporting is reviewed by the Trustee on a quarterly basis – this includes an assessment of the Scheme's progress against its long-term funding target (DB Section) and the risk and return characteristics of the default and additional investment fund choices (DC Section). The investment performance report also includes information on how each investment manager is delivering against their specific mandates, including more detailed metrics for certain asset classes where appropriate. For the DC Section, example member experience for four different member profiles was considered from a risk/return perspective to assess any trade-offs and to monitor if the planned de-risking was being experienced by members. These were considered at each of the quarterly meetings during the Scheme year and updated to assess changes in member's real buying power.

Investment Mandates

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2023
4	**Securing compliance with the legal requirements about choosing investments**	The Trustee obtains advice from their investment adviser, who can provide expert advice enabling the Trustee to choose investment vehicles that can fulfil the Scheme's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.	The Scheme's investment advisors attended all Investment Committee meetings during the year. The investment advisors provided updates on fund performance and, where required, appropriateness of the funds used, as well as advice on asset allocation and investment risks. **DB Section:** There were no new investments made over the year. **DC Section:** The Trustee carried out further analysis in relation the two lifestyle options and agreed to make the changes as set out in Strategic Asset Allocation section above.
5	**Realisation of Investments**	**DB Section:** The Trustee invests the assets of the Fund in a range of pooled and segregated portfolios. The investment managers have discretion over the investment of the assets, subject to the restrictions set out in their respective investment management agreements ("IMA") or pooled fund guidelines, which define the funds' liquidity requirements and dealing frequency. **DC Section:** The Trustee's administrators will realise assets following member requests on retirement or earlier where required. The Trustee considers the liquidity of the investment in the context of the likely needs of members.	**DB Section:** The Trustee has set a policy to address the expected cashflow requirements of the Scheme. Where cashflow is required to meet benefit payments, it is disinvested from the most overweight fund(s) within the Mercer Qualifying Investor Fund ("QIF"). There were no changes over the year to the liquidity of the funds used by the Scheme. **DC Section:** The Trustee receives an administration report on a quarterly basis to confirm that core financial transactions are processed within Service Level Agreements (SLAs) and regulatory timelines. All funds are in daily dealt pooled investment vehicles, accessed by an insurance contract.

6	**Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments**	**DB and DC Sections:** The Trustee considers financially material considerations in the selection, retention and realisation of investments. Within the funds, consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager. Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.	Investment performance reports for both the DB and DC Sections are reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG ratings) from the investment advisers. The managers remained generally highly rated during the Scheme year. Where managers are not highly rated from an ESG perspective the Trustee monitors them closely, including asset classes where an ESG rating is difficult to obtain (such as LDI). When appointing a new manager the Trustee considers the ESG rating of the manager. Within the DC Section, the LGIM Diversified Fund was selected for the two lifestyle options and as a self-select option. The Trustee reviewed LGIM's approach to ESG integration as part of the selection exercise during the year and was satisfied with the capabilities and engagement being undertaken. The Scheme's SIP includes the Trustee's policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. During the year, the Trustee received training on Mercer's (the Scheme's Investment Consultant) ESG research process, and in particular the drivers of ESG ratings allocated to managers that the Scheme invests in. The Trustee also undertook training and activities related to delivering the reporting requirements for the Task Force on Climate Related Disclosures ('TCFD'), including scenarios analysis and metrics. These will be captured in the Scheme's TCFD report, which will be made publically available on the member website no later than 31 October 2023. The Trustee also has an ESG Implementation Plan, which sets out a structured plan to determine and deliver its ESG, climate change and stewardship goals. Progress against this plan was reviewed quarterly.

Monitoring the Investment Managers

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2023
7	**How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies**	**DB and DC Sections:** Managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for. Where the Trustee invests in pooled investment vehicles it accepts that it has no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy. Where the mandate is segregated, the Trustee can, and does, set specific targets and constraints (DB Section only).	**DB Section:** There were no changes to the Trustee's policy on incentivising investment managers to align their investment strategies and decisions with the Trustee's policies during the Scheme year. The majority of the Scheme's appointed investment managers are compensated with a fee based on the total assets under management. However, the Trustee has agreed to the use of performance fees for a small number of mandates (for example, the private debt mandates). If an investment manager is not meeting performance objectives or targets, or the investment objectives for a mandate have changed, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives. Manager appointments were reviewed over the Scheme year, with no changes deemed necessary. **DC Section:** During the Scheme year, LGIM was appointed for a Diversified Growth Fund mandate, with the implementation in progress as at the Scheme year end. The appointed investment managers are compensated with a fee based on assets under management, and no changes were made to this arrangement over the Scheme year. The incentivisation for LGIM is consistent with the approach taken for the existing funds and aligned with the principles set out in the SIP.
8	**How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.**	**DB and DC Sections:** The Trustee meets with its managers and challenges decisions made as appropriate. Managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the manager.	**DB Section:** The Trustee chose not to meet with any of the managers over the year, but reviewed a detailed annual report with the investment adviser and concluded that they retained confidence in all managers' ability to deliver the required mandate, as well as how ESG factors are embedded in the managers' investment processes. **DC Section:** No meetings with managers were held during the year as performance was broadly in line with expectations for the fund options, with the exception of the Aquila Life Market Advantage Fund, where the Trustee took the decision to replace with the LGIM Diversified Fund. The Trustee met with LGIM and one other manager, as part of a manager selection exercise.

9	**Evaluation of the asset manager's performance and the remuneration for asset management services**	**DB and DC Sections:** The Trustee recognises the importance of various time horizons across the DB and DC Sections, as noted in the SIP. Managers' performance net of fees is therefore reviewed over both short and long time horizons. Remuneration is agreed upon prior to manager appointment and is reviewed on a regular basis.	**DB Section:** Each quarter the Trustee considered performance over the prior quarter, one year and three year periods, alongside other relevant metrics depending on the mandate. For example, within the buy and maintain corporate bond mandates, metrics such as defaults and turnover are explicitly considered within the quarterly reporting. The Trustee reviewed manager remuneration versus the investment advisers' manager fee database during the year. Based on these exercises the Trustee concluded that the investment managers' remuneration remained appropriate and in line with the Trustee's policies. **DC Section:** In addition to the monitoring noted on the DB Section, the Trustee also considers member experience in terms of performance. Three example member experiences were reviewed from a risk and return perspective for both lifestyle options. The Pre-Retirement Fund is also considered against estimated annuity pricing. Manager remuneration is reviewed annually by the Trustee as part of the Value for Members' assessment, the findings of which are summarised in the Chair's Statement.
10	**Monitoring portfolio turnover and costs**	**DB and DC Sections:** The Trustee's policy in relation to the monitoring of portfolio turnover costs is set out in the SIP.	**DB Section:** In the year to 31 March 2023, the Trustee received the MIFID Costs and Charges statement from their investment adviser, containing portfolio turnover costs for the Mercer Fund and private markets holdings. Portfolio turnover and costs for the corporate bond portfolios over the Scheme year were also assessed and deemed in line with expectations. As such, the Trustee did not need to engage with the managers on portfolio turnover over the Scheme year. The Trustee did not explicitly monitor portfolio turnover costs across the whole portfolio in its entirety. **DC Section:** Transaction costs, using the 'slippage cost methodology' (as defined in COBS 19.8 of the FCA Handbook), are disclosed in the annual Chair's Statement. The Trustee is required to assess these costs for value on an annual basis. However, at present, the Trustee notes a number of challenges in assessing these costs: -No industry-wide benchmarks for transaction costs exist; -The methodology leads to some curious results, most notably "negative" transaction costs; and

			-Explicit elements of the overall transaction costs are already taken into account when investment returns are reporting, so any assessment must also be mindful of the return side of the costs. As noted in the most recent Chair's Statement, there is little flexibility for the Trustee to impact transaction costs as the DC Section invests in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the DC Section invests in, there is not as yet any "industry standard" or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. The Trustee will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.
11	**The duration of the arrangement with the asset manager**	**DB Section:** The Scheme invests in a number of closed ended funds, such as the private markets funds. At the time of appointment the life of the fund is indicated, however this could be extended in line with the relevant documentation. **DB and DC Section:** For the majority of funds, there is no set duration for the manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee is dissatisfied with the manager's ongoing ability to deliver the mandate promised or because of a change of investment strategy.	The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager, as was the case for BlackRock's Aquila Life Market Advantage Fund during the year within the DC Section. **DB Section:** For open-ended funds, there is no set duration for the manager appointments. The Trustee's last commitment to a private markets fund was in 2016 and the fund is expected to have fully paid out in the latter part of the 2020s. The Trustee at present does not have plans to commit to a further closed ended fund. **DC Section:** The performance for all funds is reviewed quarterly and A decision was taken to replace the BlackRock Aquila Life Market Advantage Fund within the two lifestyle options and as a self-select option. This has been a long standing appointment by the Trustee. No other changes were made during the Scheme year.

ESG Stewardship and Climate Change

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2023
12	**Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters)**	**DB and DC Sections:** Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice. The Trustee will also engage with the underlying managers as appropriate.	Where relevant to the asset class, investment managers are expected to provide reporting on their engagement activity on a regular basis, at least annually, including stewardship monitoring results. These are reviewed by the Trustee. **DB Section:** The Trustee requires the investment managers to engage with the investee companies on their behalf. Given the de-risked nature of the Scheme and the asset classes utilised, the Trustee notes that there are limited opportunities for engagement, with activity concentrated on the corporate bond mandates. As these are held within a Mercer Fund, Mercer monitors the managers' stewardship activities and engages actively with them to promote effective stewardship practices and ensure attention is given to strategic themes and topics. These activities and the outcomes thereof are tracked and reported to the Trustee. The Trustee noted during the Q3 2022 quarterly meeting that it was comfortable with the managers' engagement and stewardship activities. The Trustee may also engage directly with the investment managers from time to time, and have done so historically, but not over the Scheme year. **DC Section:** The voting policies and the ESG integration policies of BlackRock, as the underlying equity manager of the funds within the DC Section, have been considered by the Trustee and the Trustee deems them consistent with the Scheme's investment beliefs. The Trustee, via its advisers, has continued to push for greater transparency from BlackRock on its stewardship activity. The same transparency has been requested from LGIM as part of the appointment.

Voting Disclosures

	Policy	Location in SIP	How the policy has been met over the year to 31 March 2023
13	**The exercise of the rights (including voting rights) attaching to the investments**	**DB and DC Sections:** Investment managers are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.	The Trustee has delegated its voting rights to the investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually, where possible (noting that the DB Section is predominantly invested in assets where voting is not applicable). The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy. The Trustee does not use the direct services of a proxy voter. **DC Section:** Voting activity carried out over the last 12 months on behalf of the Trustee is shown in the appendix of this Statement, focusing on the votes that were deemed to be in line with the Trustee's policy on significant votes.

Voting and Engagement Activity

DB Section – Corporate Bond Portfolios

Insight engages with a European car manufacturer

Insight attended the investor call with the Human Rights Officer at the car manufacturer, following the forced labour allegations from Morgan Stanley Capital International (MSCI). Additionally, Insight had a separate call with the company's Investor Relations team regarding this topic.

The company stated that MSCI has confirmed there was no forced labour in any of its operations in China. However, MSCI reports the allegations made by some Non-Governmental Organization (NGOs) that some employees in the Chinese plant might have been transferred from re-education camps in the region (these camps have been criticised by the governments of many countries and human rights organizations for alleged human rights abuses).

The manufacturer stated that they are unlikely to cease participation in the Chinese plant and firstly wants to send executives to visit the plant and to elaborate a full update on the situation. MSCI will review the red flag if an independent third-party investigation or compliance monitoring agency has concluded (through onsite inspection or an independent audit) there is no connection to state-sponsored labour-transfer schemes or 'Vocational Education and Training Centres'.

The manager believes that several areas of improvement are necessary and recommended to the company that audits of ethical standards should occur annually, to appoint a new chairman and to introduce a renewable energy target in China. Consequently, Insight has changed the company from 'buy' to 'hold' for their buy and maintain funds, including the Scheme's mandate. Hence, they will continue to hold the allocation for now, but will not add to it. If they see no improvement following engagement in 12 months they will likely sell the holdings.

PGIM engages with a major downstream energy company

PGIM engaged with an American petroleum refining and transportation company, on its ESG framework and current initiatives, including GHG emissions reduction, methane intensity reduction and freshwater withdrawal intensity reduction plans.

The company has set a scope 1 and 2 GHG intensity reduction goal. The company aims to achieve a 30% reduction by 2030 from 2014 levels. It also has a short term plan to achieve 15% reduction of scope 3 – category 11 GHG emissions by 2030 from 2019 levels. The company informed PGIM that these goals are already 75% complete.

One of the company's subsidiaries also has a plan to reduce 50% of methane emissions intensity by 2025 and 75% by 2030 from 2016 levels. The main driver for achieving these goals has been the reduction of petroleum refineries in the parent company's portfolio and the increase in the renewable diesel and pre-treatment facilities.

PGIM will monitor the refiner's progress on the investments in renewables operations whenever the manager has direct communication with management. PGIM expects the renewables operations to become more topical in the future.

DC Section

The voting policies of the managers in the DC Section have been considered by the Trustee and the Trustee deems them consistent with the Scheme's investment beliefs. The Trustee has delegated its voting rights to the investment managers and has considered what the Scheme's stewardship priorities should be as a result of the new requirements introduced this year for the SIP Implementation Statement in relation to 'significant votes'.

The Trustees has decided to align with the following BlackRock policies, sourced from and published in BlackRock's Annual Stewardship Report, in relation to significant votes:

1) ***Board quality and effectiveness*** - *investment stewardship efforts have always started with the board and executive leadership. We believe that the performance of the board is critical to the financial success of a company and the protection of shareholders' interests over the long-term.*
2) ***Strategy, purpose, and financial resilience*** - *engaging on long-term corporate strategy, purpose, and financial resilience to understand how boards and management are aligning their business decision-making with the company's purpose and adjusting strategy and/or capital allocation plans as necessary as business dynamics change.*
3) ***Incentives aligned with financial value creation*** - *looks to a company's board of directors – typically a relevant committee – to put in place a compensation policy that incentivizes and rewards executives against appropriate and stretching goals tied to relevant strategic metrics.*
4) ***Climate and natural capital*** - *engages with companies to better understand their approach to, and oversight of, climate-related risks and opportunities as well as how they manage material natural capital impacts and dependencies.*
5) ***Company impacts on people*** - *companies that invest in the relationships that are critical to their ability to meet their strategic objectives are more likely to deliver durable, long-term financial performance*

BlackRock

Voting undertaken over the prior year is summarised in the table below:

Votes Cast	BlackRock Market Advantage	BlackRock UK Equity Index	BlackRock 30/70 Currency Hedged Global Equity
How many meetings were you eligible to vote at over the year?	2,300	680	5,386
How many resolutions were you eligible to vote on over the year?	25,413	10,135	59,844
What % of resolutions did you vote on for which you were eligible?	91%	99%	97%
Of the resolutions on which you voted, what % did you vote with management?	93%	96%	91%
Of the resolutions on which you voted, what % did you vote against management?	6%	3%	8%
Of the resolutions on which you voted, what % did you abstain from?	0%	0%	2%

In what % of meetings, for which you did vote, did you vote at least once against management?	21%	28%	36%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	See below		
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	0%	0%	0%

Data as at 31 March 2023 covering a 12 month period. May not sum due to rounding.

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 BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process, and they do not blindly follow their recommendations on how to vote. BlackRock primarily uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial.

Significant votes

Company	Date	Resolutions	BlackRock Vote	Rationale
Rio Tinto (2,3)	08/04/2022	Election of new Directors and re-election of some existing Directors	For	Appointments are in line with stewardship policies
Equinor ASA (3)	11/05/2022	Instruct Company to Divest all International Operations, First Within Renewable Energy, then Within Petroleum Production	Against	Proposal is not in shareholders' best interests
Ocado Group (2,3)	04/05/2022	Approve Remuneration Policy	Against	Remuneration arrangements are poorly structured in BlackRock's view
Netflix In (3)	02/06/2022	Advisory Vote to Ratify Named Executive Officers' Compensation	Against	Pay is not aligned with performance and peers
J Sainsbury (1,2,3)	07/07/2022	Shareholder Resolution on Living Wage Accreditation	Against	Proposal is not in shareholders' best interests

1 – applicable to BlackRock Market Advantage, 2 – applicable to BlackRock UK Equity, 3 – applicable to 30/70 Global Equity Fund.

Voting and Engagement Activity

BlackRock engages with a global online retailer on reducing plastics

BlackRock engages with companies in certain sectors on their approach to plastic packaging. Given the impact on long term shareholder value (such as potential reputational risk related to waste management and increasing customer demand for recyclable packaging), the manager appreciates when companies who produce or rely heavily on plastics in their products or operations disclose information on how waste is managed.

The online retailer had a shareholder proposal on the agenda for their Annual General Meeting (AGM) that asked the board to issue a report "describing how the company could reduce its plastics use".

While BlackRock believed that the company's goals in relation to plastic recycling were clear, at the time of the AGM, the company did not explicitly disclose the total amount of plastic used, making it difficult for investors to determine how effectively the company was managing this material risk and what progress they were making year over year. As a result, BlackRock supported this shareholder proposal, as they believed having a better understanding, from enhanced disclosures, of how the company was addressing this material long term business risk was aligned with BlackRock's clients' financial interests.

Following the intervention, the company published an update to their packaging reduction strategy, detailing efforts to reduce and replace plastic packaging, among other initiatives. BlackRock will continue to engage with the company to discuss these issues and will monitor progress against stated plans.