Wincanton plc Pension Scheme

Annual Implementation Statement – 31 March 2025

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 2025 ("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 meet all liabilities 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 DB Section SIP, but no changes were needed. This review occurred and was minuted at the Investment Sub-Committee ("ISC") meeting in June 2024. The DC Section SIP was reviewed in September 2024 and updated to reflect the required policy on illiquid assets.

The information provided in the following section highlights the work undertaken by the Trustee during the Scheme year to 31 March 2025 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 2025.

[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 2025
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: The Trustee reviewed the continuing appropriateness of the investment strategy over the year and its alignment with the Scheme's long-term funding objectives. The Trustee agreed to include an allocation to asset-backed securities (ABS) within the Scheme's strategic asset allocation to make efficient use of the headroom within the Liability Driven Investment (LDI) portfolio. The ABS allocation was implemented post Scheme Year end, in May 2025. DC Section: During the Scheme Year, it was agreed that the BlackRock 30:70 (Currency Hedged) Global Equity Fund will be replaced by a blended fund, made up of two underlying BlackRock funds, as part of the growth phase in both lifestyle options.

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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. The Trustee carefully considered collateral requirements alongside regulatory guidance on collateral adequacy and having taken advice, the Trustee decided the Scheme should hold eligible collateral within the LDI portfolio such as to be in a position to deal with increases in gilt yields of at least 3.5%. The Trustee delegate collateral adequacy monitoring to BlackRock.
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 members' real buying power.

Investment Mandates

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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. However, the Trustee did decide to introduce a new allocation to ABS which was implemented post Scheme Year, in May 2025. DC Section: During the Scheme Year, changes to the equity fund within the two lifestyle options available to the members of the Scheme were agreed, including the replacement of the BlackRock 30:70 (Currency Hedged) Global Equity Fund with a new blended fund which is made up of the two underlying funds Suitability investment advice was provided to the Trustee in line with the requirements of Section 36 of the Pensions Act 1995. The target for implementing is after the Scheme Year end in October 2025.
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 LDI portfolio within the Mercer Qualifying Investor Fund ("QIF"). Excess cash from the Trustee Bank Account is invested in the buy and maintain credit portfolios within the Mercer QIF. Over the Scheme Year, the Trustee arranged for the distributions from the private markets holdings to be directed to the Mercer QIF rather than to the Trustee Bank Account. 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.

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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, as part of the changes to the equity fund in the growth phase, taking ESG factors into account when selecting investments. This is part of a broader move across the Scheme to ensure long-term investments are better aligned to the Trustee's objectives. This will be implemented following the Scheme Year end in October 2025. 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 Global Investments Europe Limited's ("MGIE") (the Scheme's Delegated Manager) and the underlying investment managers' stewardship and engagement framework. 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, metrics and targets. These were captured in the Scheme's second TCFD report, which was made publicly available on the member website in October 2024. 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 2025
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, it was agreed that the BlackRock 30:70 (Currency Hedged) Global Equity Fund will be replaced by a blended fund, made up of two underlying BlackRock funds, as part of the growth phase in both lifestyle options. The incentivisation for BlackRock is consistent with the approach taken for the existing funds and aligned with the principles set out in the SIP. The mandate is in line with the strategic risk and return requirements, which were unchanged during the year.
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 met with Insight to discuss its Secured Finance Fund during the September 2024 ISC meeting. Additionally, the MGIE Fixed Income Portfolio Management team provided an update on Schroders' Secured Finance Fund. The Trustee confirmed that both funds continue to be appropriate investments for the Scheme. During the Scheme Year, the Trustee also 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 incumbent managers were held during the year as performance was broadly in line with expectations for the fund options.

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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. For example member experiences were reviewed from a risk and return perspective for both lifestyle options., including an assessment of outcomes in real terms. 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 2025, portfolio turnover and costs for the corporate bond portfolios over the Scheme year were assessed and deemed in line with expectations. 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.

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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. 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. No changes were made during the Scheme Year. The new blended equity fund, to be implemented in October 2025, does not have a fixed duration.

	Policy	Policy Summary	How the policy has been met over the year to 31 March 2025
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 Q4 2024 quarterly meeting that it was broadly comfortable with the managers' engagement and stewardship activities. The Trustee may also engage directly with the investment managers from time to time, and has 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 their appointment.

Voting Disclosures

	Policy	Location in SIP	How the policy has been met over the year to 31 March 2025
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.

Insight engages with a multinational power company

Insight have engaged with a multinational manufacturer and distributor of electricity and gas historically on various issues, including its net zero objectives and governance.

The current engagement was prompted by research indicating that the company operates many sites in high-water stress areas such as Italy, Spain and Chile. Insight sought to understand the company's awareness of these conditions and their mitigation strategies.

The company reported that it perceives water risk as less significant than before, attributing this to a reduction in coal and nuclear energy use, which has led to decreased water requirements and overall consumption. The company has set specific targets for water withdrawal and has achieved significant reductions in recent years. It believes that historical water usage issues, primarily linked to coal and nuclear operations, will resolve naturally as it transitions to renewable energy, which is less water intensive.

The company has improved cooling water management for its remaining thermal plants, particularly following the 2022 Italian drought, implementing techniques such as using drones for cleaning Photovoltaic Panels (“PV”) panels without water and increasing wastewater usage. Despite being flagged as high risk due to its assets in vulnerable areas, the company's decarbonisation strategy is expected to lower its water risk over time.

Moving forward, Insight will monitor the company's progress on its coal phase-out plan and any updates regarding its gas phase-out plan, which may not be available until 2030.

PGIM engages with Spanish multinational financial services company

PGIM engaged with a Spanish multinational financial services company on the issues of biodiversity and land use.

After press reports of the company’s funding projects were circulated, that appeared to be at odds with their stated policies, the manager wanted to establish whether the company’s rules were being followed strictly and what the control process is.

Two specific projects were scrutinised - a refinery linked to a major pipeline in the Amazon, a vulnerable ecosystem, and a Liquefied Natural Gas (“LNG”) terminal in the US that obtained LNG from fracked, despite the company's ban on fracking.

PGIM sought to understand the governance and control processes in place for environmental policy compliance, particularly what happens if a project violates these policies during its execution. As a result of their findings, PGIM downgraded the company's ESG Impact Rating, citing concerns over the robustness of internal controls, the presence of loopholes allowing environmentally harmful projects, and vague guidelines for terminating relationships with clients that breach policies.

They concluded that the company was not fully committed to environmental protection, as it financed projects that, while not technically violating policies, undermined the spirit of those policies.

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 30/70 Currency Hedged Global Equity	LGIM Diversified Fund
How many meetings were you eligible to vote at over the year?	4,838	10,796
How many resolutions were you eligible to vote on over the year?	53,250	107,020
What % of resolutions did you vote on for which you were eligible?	97%	99.8%
Of the resolutions on which you voted, what % did you vote with management?	93%	77%
Of the resolutions on which you voted, what % did you vote against management?	6%	22%
Of the resolutions on which you voted, what % did you abstain from?	1%	1%
In what % of meetings, for which you did vote, did you vote at least once against management?	31%	69.3%
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%	14%

Data as at 31 March 2025 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.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Significant votes

The Trustee has reviewed voting records from the managers. The information in this section has been provided directly by the investment managers. The managers have provided detailed information on their voting. The Trustee has considered this information and disclosed the votes that it deems to be most significant. A "significant vote" is defined as one that is linked to the Trust's stewardship priorities/themes, as defined earlier in this Statement. Furthermore, the Trustee has deemed a "significant vote" as one related to investments in the default strategy, where most members are invested, and the approximate size of holdings is at least 1% in each of the underlying funds (i.e. most significant holdings).

Fund	Company	Size of Fund holding	Date	Resolutions	Vote	Rationale
BlackRock 30/70 Currency Hedged Global Equity	Shell Plc	2.21%	21/05/2024	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against	A vote against is warranted as the request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company
				Approve the Shell Energy Transition Strategy	For	N/A*
	Amazon.com, Inc.	1.63%	22/05/2024	Report on Efforts to Reduce Plastic Use	Against	A vote against is warranted the company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.

Source: BlackRock.

*BlackRock did not provide the rationale for this vote.

Example of Voting and Engagement Activity

BlackRock engages with Chevron Corporation and Hess Corporation on the U.S. energy sector

During the Scheme Year, activity in the oil and gas sector has continued to pick up pace, significantly altering the U.S. energy landscape. Numerous companies announced and sought shareholder approval for various transactions during the 2023-24 proxy year.

One notable example is Chevron Corporation, which revealed in October 2023 that it had reached a definitive agreement to acquire Hess Corporation in an all-stock deal valued at $53 billion. Hess later sought shareholder approval for this transaction at a special meeting in May 2024. In assessing the economic advantages of the proposed deal for our clients as long-term investors, BIS, in collaboration with BlackRock's active investment teams, engaged in multiple discussions with the leadership of both Hess and Chevron. Ultimately, we concluded that the potential value of the combined entity, along with the strategic and financial rationale, aligned with our clients' long-term financial interests. BlackRock voted in favour of the proposed transaction, which garnered a narrow majority of shareholder support.

LGIM engages with Hindalco Industries

Hindalco, an integrated aluminium producer and copper manufacturer based in India. Given India's status as a major carbon emitter, Hindalco has been selected for direct engagement.

In 2023, IIGCC launched the Net Zero Engagement Initiative (NZEI) to broaden investor engagement with companies that heavily use fossil fuels. LGIM co-led the engagement with Hindalco under this initiative. Hindalco signed the International Aluminium Institute (IAI) GHG initiative in 2023, committing to disclose a transition plan by year-end to meet decarbonisation goals. While the company's 2023/24 integrated annual report highlighted positive steps, it lacked a coherent and quantified transition plan, which did not meet LGIM's expectations. Additionally, Hindalco postponed its short-term scope 1 and 2 emission intensity reduction target from 2025 to 2027.

LGIM was disappointed that shareholders could not assess the adequacy of Hindalco's transition plan at the 2024 AGM. In addition to voting against the chair's re-election, LGIM pre-declared its voting intention to elevate the issue and foster constructive dialogue.