

Bournemouth Transport Limited Pension Plan Implementation Statement for the year ended 5 April 2022

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Bournemouth Transport Limited Pension Plan (“the Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 5th April 2022 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

The Trustees’ responsible investment policies

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

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments. This is most relevant to the Plan’s equity fund, where the investment manager invests in equity assets on the Trustees’ behalf.

Manager selection exercises

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

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

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the Plan’s investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in this statement. Where XPS has any concerns with the Plan’s manager, this will be raised with the Trustees and appropriate action taken if required.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters will evolve over time based on developments within the industry.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree, namely, to delegate this activity to the underlying investment managers.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has specific allocations to equities within the BlackRock ACS 50:50 Global Equity Index Fund. Therefore, a summary of the voting behaviour and most significant votes cast for this fund is shown below.

BlackRock ACS 50:50 Global Equity Tracker Fund

Voting Information
The manager voted on 94.9% of resolutions of which they were eligible out of 35,117 eligible votes.
Investment Manager Client Consultation Policy on Voting
<p>BlackRock believes that companies are responsible for ensuring they have appropriate governance structures to serve the interests of shareholders and other key stakeholders. BlackRock believe that there are certain fundamental rights attached to shareholding. Companies and their boards should be accountable to shareholders and structured with appropriate checks and balances to ensure that they operate in shareholders' best interests to create sustainable value. Shareholders should have the right to vote to elect, remove, and nominate directors, approve the appointment of the auditor, and amend the corporate charter or by-laws.</p> <p>Consistent with these shareholder rights, BlackRock has a responsibility to monitor and provide feedback to companies, in BlackRock's role as stewards of BlackRock's clients' investments. BlackRock's Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given them authority, through voting proxies in the best long-term economic interests of BlackRock's clients. BlackRock also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with BlackRock's clients' interests as long-term shareholders.</p>
Investment Manager Process to determine how to Vote
<p>The team and its voting and engagement work continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure BlackRock consider a company's unique circumstances by market, where relevant. BlackRock inform BlackRock's vote decisions through research and engage as necessary. BlackRock's engagement priorities are global in nature and are informed by BlackRock's observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may also update BlackRock's regional engagement priorities based on issues that BlackRock believe could impact the long-term sustainable financial performance of companies in those markets. BlackRock welcome discussions with BlackRock's clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in BlackRock's Global Principles, BlackRock determines which companies to engage directly based on BlackRock's assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of BlackRock's engagement being productive. BlackRock's voting guidelines are intended to help clients and companies understand BlackRock's thinking on key governance matters. They are the benchmark against which BlackRock assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock apply BlackRock's guidelines pragmatically, taking into account a</p>

company's unique circumstances where relevant. BlackRock inform BlackRock's vote decisions through research and engage as necessary. If a client wants to implement their own voting policy, they will need to be in a segregated account. BlackRock's Investment Stewardship team would not implement the policy ourselves, but the client would engage a third-party voting execution platform to cast the votes.

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

BlackRock's Stewardship team prioritizes its work around themes that BlackRock believe will encourage sound governance practices and deliver sustainable long-term financial performance. BlackRock's year-round engagement with clients to understand their priorities and expectations, as well as BlackRock active participation in market-wide policy debates, help inform these themes. The themes BlackRock have identified in turn shape BlackRock's Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which BlackRock look at the sustainable long-term financial performance of investee companies.

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

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

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas, Asia-Pacific, and Europe, Middle East and Africa - 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 subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into BlackRock's vote analysis process, and BlackRock do not blindly follow their recommendations on how to vote. BlackRock primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that BlackRock's investment stewardship analysts can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial. Other sources of information BlackRock use include the company's own reporting (such as the proxy statement and the website), BlackRock's engagement and voting history with the company, and the views of BlackRock's active investors, public information and ESG research.

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

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using BlackRock's voice as a shareholder on their behalf to ensure that companies are well led and well managed
- BlackRock use proxy research firms in BlackRock's voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that BlackRock's analysts can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial

- BlackRock do not follow any single proxy research firm's voting recommendations and in most markets, BlackRock subscribe to two research providers and use several other inputs, including a company's own disclosures, in BlackRock's voting and engagement analysis
- BlackRock also work with proxy research firms, which apply BlackRock's proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform BlackRock's voting decision
- The proxy voting operating environment is complex and BlackRock work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

Detail of 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
3M Company	Item 5: Consider Pay Disparity Between Executives and Other Employees Item 6: Amend Certificate of Incorporation to Become a Public Benefit Corporation	AGAINST BOTH	Not Provided
Reason why BlackRock voted the way they did: Executive compensation matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors. Corporate policy decisions are best left to the board absent demonstrable harm to shareholders by prior board action or inaction. The board can be held accountable for its decisions through the election of directors.			
4imprint Group Plc	Item 5: Re-elect Charles Brady as Director Item 9: Re-elect Christina Southall as Director	AGAINST BOTH	Not Provided
Reason why BlackRock voted the way they did: Vote against Nominating/Governance Committee member for failure to adequately account for diversity on the board.			
888 Holdings Plc	Item 3: Approve Director Remuneration Policy	AGAINST	Not Provided
Reason why BlackRock voted the way they did: Remuneration committee discretion has been used poorly.			
A.G. BARR Plc	Item 2: Approve Remuneration Report	ABSTAIN	Not Provided
Reason why BlackRock voted the way they did: Poor use of remuneration committee discretion regarding increases.			
AmerisourceBergen Corporation	Item 6: reduce ownership threshold to call a special meeting	AGAINST	Not Provided
Reason why BlackRock voted the way they did: BlackRock do not believe the proposed threshold to call special meetings is sufficient to avoid waste of corporate resources.			