DC Structure implementation statement

This Implementation Statement ("the Statement") has been prepared by the Trustee and relates to the DC Structure of the Plan, covering both the Shift Pay Pension Plan (and relevant additional voluntary contributions) and members in the Defined Contribution (DC) New Joiners Benefit Structure.

This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018; the guidance published by the Pensions Regulator; and The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This Statement covers the Statement of Investment Principles ("SIP") in relation to the DC Structure only and any reference to SIP in this Statement will mean the SIP for the DC Structure. The Trustee has a separate SIP and relevant Implementation Statement for the DB Structure. The regulations state that the Statement must:

- Set out how, and the extent to which, in the opinion of the Trustee, the SIP has been followed during the year;
- Describe any review of the SIP undertaken during the year, explain any change made to the SIP during the year and the reason for the change (or where no such review was undertaken during the year, state the date of the last review) (see the section entitled "SIP review and update" below); and
- Describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) during the year and state any use of the services of a proxy voter during that year (see the section entitled "Voting Behaviour" below).

Based on regulatory requirements, the Statement will cover the period from 1 April 2022 to the end of the Plan's financial year on 31 March 2023.

The Statement is split into three sections:

1. An overview of the Trustee's actions and highlights during the period covered;
2. The policies set out in the Plan's SIP and the extent to which they have been followed in the reporting period, including the stewardship and engagement policies of the fund managers used by the Plan; and
3. The voting behaviour and significant votes undertaken by the fund managers on behalf of the Plan.

1. Overview of Trustee actions

During the relevant reporting period, the Trustee with support from the Plan's investment adviser:

1. Completed a value for members assessment in accordance with the statutory guidance for trustees published by the Department of Work and Pensions on 'Completing the annual Value for Members assessment and Reporting of Net Investment Returns' effective from 1 October 2021, which included an update to the relative weightings to assessment areas.
2. Demonstrated rigour in investment analysis, challenge to investment advice received and evidenced risk monitoring by adding more risk measures in quarterly discussions.
3. Reviewed the investment beliefs and confirmed they remain suitable for the Plan.
4. Reviewed member demographics and were satisfied with the choice of glidepath options for the default investment arrangement and fund range of self-select white-labelled funds.
5. Reviewed and were satisfied that the Prudential with-profits remain suitable for members.
6. Reviewed the 'portfolio alignment' climate metric for the Task Force on Climate-related Financial Disclosures ("TCFD") and approved the Implied Temperature Rise ("ITR") model for this purpose.
7. Implemented a reduction of fees for the default strategy, as well as the self-select range, which came into effect in June 2022.
8. Agreed the closure of the CNPP Property Fund and replacement Cash Fund in light of ongoing liquidity issues.

SIP review and update
The SIP was both reviewed and updated in December 2022 to:

- Recognise the growing importance of ESG and climate change risk for members.

Overview of Trustee actions (continued)

Financially material considerations
The Trustee has selected the LifePath Target Date Fund range by BlackRock (referred to as the manager below) as the default investment strategy for Plan members. This means that BlackRock has been delegated the responsibility of managing the mix of assets, where members' savings will be invested in, on a day-to-day basis.

The Trustee acknowledges that many members will have a long time until their retirement, therefore any investment decisions should be considered over a long period of time, with suitable growth targets across a range of asset types. The Trustee's long-term focus leads to the belief that, for investors, the most effective way of enforcing a strong ESG policy is through responsible ownership and proactive engagement with companies.

ESG integration
Within the default
BlackRock continue to develop how members' investments can be better positioned against potential risks arising from ESG factors. A formal ESG policy, which includes a climate objective and other sustainable related objectives, was adopted to LifePath funds within the fund prospectus effective 7 December 2022.

Within the self-select range
The Trustee launched the CNPP ESG Multi-asset Fund during the scheme year.

Non-Financial Factors
The Trustee continues to make one ethical fund available to members – the CNPP Sharia Law Fund.

The Default Investment Arrangement
During the scheme year, the Trustee reviewed on a quarterly basis, the performance of each fund against the stated performance objective for that fund. The most recent assessment as of the Plan Year was in Q2 2023. The Trustee concluded that the managers remained well suited for the purpose. The Trustee will continue to monitor the managers on a quarterly basis - considering both the funds' performance and other prevailing circumstances.

The last triennial review of the Plan's default investment options and self-select fund range was conducted by the Trustee in Q4 2020. Following the review, the Trustee was satisfied that both the default investment options and self-select fund range continue to remain suitable for the respective memberships of the Sections of the Plan. The next triennial review is scheduled for Q4 2023.

In light of the liquidity issues regarding the CNPP Property Fund, the Trustee reviewed the suitability of the Plan's Property Fund and considered alternative implementation routes in Q3 2021. At the time of the review the CNPP Property Fund remained suspended since the start of the Covid-19 pandemic due to the continuing suspension of one of the underlying funds, the Aviva Property Fund.

With the help of their adviser, the Trustee reviewed the Plan's self-select range and found it to be sufficiently broad without the inclusion of a property fund. For this reason, together with the liquidity issues with the CNPP Property Fund and the absence of a suitable alternative direct property fund on the Plan's platform, the Trustee agreed to close and remove the Fund from the Plan's self-select range.

Following the CNPP Property Fund's reopening in January 2022 the Trustee agreed to issue affected members a communication notifying them of the proposed change and giving them a month to select and alternate investment option. If members did not make an alternative choice within the month notice period, the Trustee agreed to move their savings to the members relevant default investment options. This also applies to members invested in the associated Replacement Cash Fund.

The communication was issued to members on the 26th of March 2022 with the switch of members funds completed on the 26th of April 2022.

2. Review of policies contained in the SIP

This section sets out a summary of the policies which form the Plan's SIP and the Trustee's opinion as to how and the extent to which those policies (and, consequently, the SIP) have been followed during this reporting period.

Policy	Has the policy been followed?	How has the policy been followed during the scheme year?
Primary objective		
The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee's objective is therefore to make available a range of investment options that, whilst avoiding excessive complexity, should assist the members in achieving the following objectives: • Optimising the value of retirement benefits from the given contributions; • Protecting the value of those benefits in the years approaching retirement against market falls; • Protecting the value of those benefits in the years approaching retirement against fluctuations when turning fund values into retirement benefits; and • Tailoring their investments to meet their own needs.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee continues to provide two default investment arrangements specific to the different needs of members in the New Joiners DC Structure and Shift Pay Pension Plan._ Where the Default Options do not meet the needs of a wider cross-section of members, the Plan provides 11 self-select funds. This self-select range includes both passive and active funds covering multi-assets and single asset strategies as well as an option for members who wish to invest in accordance with Sharia Law. In the Plan Year, a new ESG Multi-asset fund was launched to the range. The last triennial review of the default investment options and self-select fund range was conducted by the Trustee in Q4 2020. The Trustee was satisfied that default investment options continue to remain suitable for the respective membership of the Plan. The next triennial review is scheduled for Q4 2023.
Default arrangements		
The main objective of the default arrangements is to support good member outcomes at retirement while subject to a level of investment risk appropriate to the majority of members who do not make active investment choices. Manage the principal investment risks members face, gradually changing where they are invested as they approach retirement; and reflect that New Joiners DC Structure and Shift Pay Pension Plan ("SPPP") members are expected to choose different benefits at retirement.	Yes, the Trustee is satisfied that this policy has been followed.	The LifePath Funds are sets of Target Date Funds ("TDFs"), each managed to an asset allocation appropriate to its target retirement age range and retirement benefits. To reflect the different ways that members in the New Joiners DC Structure and SPPP sections are likely to access their retirement benefits, the default strategy for these sections differs, targeting income drawdown and cash at retirement respectively. The Trustee continues to receive regular reporting from its DC investment advisers, Redington, on the investment performance. Member outcome modelling is assessed using the PLSA Retirement Living Standards. Performance of the BlackRock LifePath funds returns (after charges) has been broadly in line with their respective objectives. Based on the Plan's membership this is a suitable

Designing and maintaining a default arrangement meets the expected different benefits at retirement for the membership.		investment option with the propensity to deliver good retirement outcomes for members at competitive charges.
Choosing the default arrangements and other investment options		
The Trustee believes that understanding the Plan's membership is essential to designing and maintaining a default arrangement which meets the needs of the majority of members. The Plan should offer members a choice of investment options because the default may: 1) not meet the needs of a wider cross-section of members; 2) members' attitude to risk and needs for returns will vary from member to member. The Trustee reviews the range of funds available on a regular basis. These reviews will consider a range of inputs such as the changing composition of members and potential member feedback. Advice is received as required from professional advisers. In addition, the Trustee reviews the performance of the Plan's investments on a regular basis.	Yes, the Trustee is satisfied that this policy has been followed.	The last triennial review of the Plan's default investment options was conducted by the Trustee in Q4 2020. The Trustee was satisfied that default investment options continue to remain suitable for the respective membership of the Plan. The next triennial review is scheduled for Q4 2023. The Trustee reviewed the self-select range twice over the Plan Year in Q3 and Q4 2021. As a result of this review the Trustee agreed the following: 1) Closure and removal of the CNPP Property Fund from the range due to ongoing liquidity issues with the fund and the absence of a suitable alternative. 2) Closure and removal of the Replacement Cash fund, which had been where contributions were invested whilst CNPP Property Fund was suspended. The implementation of these changes was completed in April 2022. Performance of the Plan's investments were reviewed on a quarterly basis during Investment Sub-Committee meetings. Following two reviews of the self-select range in the previous year, the Trustee agreed to the introduction of an ESG Multi-asset fund to the self-select range for members to choose to invest in and this was launched in June 2022.
Kinds of Investments to be held		
The investment managers may invest in UK and overseas investments including equities, property, fixed and index linked bonds and cash. However, the investments in each fund will depend on the nature of each fund, its objective and benchmark and the risk controls which operate.	Yes, the Trustee is satisfied that this policy has been followed.	BlackRock as investment manager for the default investment options, make sure of the range of asset classes is as described in the Policy. In the Plan Year to March 2023 the Trustee's Investment Sub-Committee, met on a quarterly basis to monitor, with the assistance of the Plan's investment advisers, how well each fund performed against its objective and relevant benchmark. Specifically, the Committee met on the 7th June 2022, 9th August 2022, 8th November 2022 and 7th March 2023 to discuss this.

Investment Risks		
The Trustee believes that the three principal risks most members will face are: inflation risk, benefit conversion risk and volatility/market risk. The Trustee has developed and maintains a framework for assessing the impact of all investment risks on long-term investment returns.	Yes, the Trustee is satisfied that this policy has been followed.	In the Plan Year to March 2023 the Trustee received Quarterly Monitoring Reports from its DC investment adviser. These reports are centred around the monitoring framework that assesses the impact of all investment risks on long-term investment returns. This framework looks at member retirement outcome modelling, which considers the long-term investment returns in a base case and downside situations. These reports were discussed at their respective quarterly meetings on the 7th June 2022, 9th August 2022, 8th November 2022 and 7th March 2023. Following each discussion, the Trustee remained comfortable that the investment risks were suitability mitigated in the Plan's investments.
The default investment options manage the three main investment risks as members grow older by automatically switching from assets which are expected to give long-term growth relative to inflation into assets whose values should fluctuate less in the short-term relative to the benefits members are expected to take at retirement.	Yes, the Trustee is satisfied this policy has been followed.	The Plan continues to make use of target date fund structures to implement the default investment options for members. The last triennial assessment of the suitability of the default investment options, including the suitability of the automatic switching of assets (i.e. de-risking glidepath), was carried out in Q4 2020. The Trustee concluded, based on advice from the Plan's investment adviser, that the default options remain suitable for the membership of the Plan. The Trustee continues to monitor the target date fund structures as part of their quarterly monitoring and is satisfied the funds continue to work as expected and remain suitable for the membership of the Plan.
The self-select fund range provides members with a choice of funds with differing risk and return characteristics.	Yes, the Trustee is satisfied this policy has been followed.	The Trustee undertook member demographic review over the Plan Year in Q4 2022. The review found that the range of self-select options remain suitable for members, following the introduction of the new CNPP ESG Multi-aset Fund. Based on this assessment and with the advice of their adviser the Trustee agreed to close and remove the CNPP Property Fund from the range due to ongoing liquidity issues with the fund and the absence of a suitable alternative. The implementation of these changes was completed in April 2022, followed by the introduction of the new CNPP ESG Multi-asset Fund.

Review of policies contained in the SIP (continued)

Policy	Has the policy been followed?	How has the policy been followed?
Non-financial Factors		
The Trustee recognises that some members will have strong personal views on religious convictions that influence where they believe their savings should, or should not, be invested.	Yes, the Trustee is satisfied that this policy has been followed.	The Plan continues to make available a self-select fund appropriate for members with Sharia beliefs.
The Trustee will take into account what, in its reasonable opinion, members' views of non-financial factors are likely to be. Noting that the arrangements for receiving member feedback on the Plan in general gives members an opportunity to express views on non-financial factors relating to the Plan's investments.	Yes, the Trustee is satisfied that this policy has been followed.	The Plan continues to seek member feedback annually in the annual newsletter publication. During the Plan Year, Aegon made DC presentations to employees and this was used as an opportunity to issue surveys for targeted member feedback.
Financially Material Considerations		
The Trustee regularly monitors the Plan's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee's policies,	Yes, the Trustee is satisfied that this policy has been followed.	Over the Plan Year with the help of their adviser, the Trustee has agreed and launched the CNPP ESG Multi-asset Fund. The addition of the fund reflects the Trustee's acknowledgement of growing appetite for ESG focused funds among members.
The Trustee recognises that the importance of financially material considerations, including ESG factors and climate risk and seeks to manage these risks and factors.		In line with the recommendations of the Task Force on Climate-related Financial Disclosures, in September 2022, the Trustee – with the help of its advisers - published the Plan's annual Task Force on Climate-

The Trustee seeks to manage these financially material considerations, to protect long-term returns, by: • Considering the extent to which ESG issues, including climate risk, where relevant, are integrated into the fund managers' investment processes and are satisfied that the fund managers follow an approach, which takes account of financially material factors; • For actively managed funds (where the fund manager decides where to invest), expect the fund managers to take financially material considerations into account when selecting which companies and markets to invest in; and • For passively managed funds, the Trustee recognises that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the benchmark index (which may or may not include ESG factors) and believes this approach is in line with the basis on which their current strategy has been set. The Trustee will review periodically the choice of fund and index benchmarks used and the extent to which these reflect ESG factors.	Yes, the Trustee is satisfied that this policy has been followed.	related Financial Disclosures ("TCFD") Report. The results for the 4th 'Portfolio Alignment' metric were included as per the new regulations.
Implementation		
Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments. The Trustee reviews the governing documentation associated with any new investment and will consider the extent to which it aligns with the Trustee's policies. Where possible, the Trustee will seek to amend that documentation so that there is more alignment.	Yes, the Trustee is satisfied that this policy has been followed.	Over the Plan Year the Trustee launched the CNPP ESG Multi-asset Fund in the self-select fund range.

The Trustee and the investment manager, to whom discretion has been delegated, exercise their powers (in line with the principles in the SIP) to encourage business strategies which should improve or protect the value of these investments where reasonably practicable.	Yes, the Trustee is satisfied that this policy has been followed.	Additional details are provided in the "Voting Behaviour" section of this Statement that highlights how the investment manager has encouraged business strategies, which should improve or protect the value of investments (where reasonably practicable).
When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short -term performance.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee has quarterly Investment Sub Committee meetings where its investment adviser shares an assessment of manager performance. To maintain the focus on long-term outcomes, these reviews are structured to show longer term performance (5-year, 3-year) before mention of shorter-term performance (12-month, 3-month).
The following steps are taken to encourage alignment between the Plan and the managers:	See 3 points below	See 3 points below
• Before investing, the Trustee will seek to understand the manager's approach to ESG (including engagement and climate change). The Trustee has limited influence over managers' investment practices because all the Plan's assets are held in pooled funds. However, the Trustee will ensure the investment objectives and guidelines of the vehicle are consistent with its own objectives where practicable.	Yes, the Trustee is satisfied that this policy has been followed.	Over the Plan Year the Trustee added CNPP ESG Multi-asset Fund to the Plan's self-select range. Before recommending the Fund, the Trustee's adviser reviewed the Fund's investment objectives and guidelines to ensure they were consistent with the Trustee's objectives.
• To maintain alignment, managers are provided with the most recent version of the Plan's SIP, which includes the Trustee's policy on sustainable investment, on an annual basis and are required to explicitly confirm that the assets are managed in line with the Trustee's policies as outlined in those documents.	Yes, the Trustee is satisfied that this policy has been followed.	Over the Plan Year the Plan's SIP – including the Trustee's policy on sustainable investment – was shared with the Plan's manager.

• Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment and ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager may be terminated and replaced.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee receives regular reporting from its investment adviser on its managers' portfolios. The Trustee found that BlackRock's portfolio was aligned with the Trustee's policies.
Additionally, the Trustee has a preference for fund managers who are signatories to the Financial Reporting Council's Stewardship Code in the UK and the United Nations supported Principles for Responsible Investment.	Yes, the Trustee is satisfied that this policy has been followed.	All fund managers used by the DC section are signatories to both the Financial Reporting Council's Stewardship Code in the UK and the United Nations supported Principles for Responsible Investment over the period of the Plan Year.

Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustee reviews the costs and value for money incurred in managing the Plan's assets annually, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate. On a quarterly basis the Trustee also monitors manager performance relative to the relevant benchmark, with a focus on long-term performance.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee assessed the costs and value for money in preparing the Chair's Statement – a publicly available document on the Plan's website. Further details around the findings (including details on portfolio turnover costs) can be located on the Plan's website. Chair's Statements for earlier Plan Years are publicly accessible through the document library on the Plan's website (www.cnpp.org.uk/document-library). In summary, the Trustee is comfortable with the costs incurred and continues to believe that CNPP offers value for money for members. The main reasons that the Trustee reached this conclusion are: • The continuation of strong governance and oversight from the Trustee Board, a competitive contribution structure and low charges. • The quality of the default investment options continues to improve with further ESG integration into the LifePath funds. • For members who choose to self-select they continue to receive a competitive range of self-select investment options. • In the context of the AVC assets, Prudential continues to offer one of the best performing and well rated with-profits funds, which represents good vale for members of the Plan. The costs associated with portfolio turnover are provided in the Chair's Statement – a publicly available document on the Plan's website. The Trustee is comfortable that these costs are aligned with the expected portfolio turnover costs for similar funds. The Trustee also monitors the manager performance relative to relevant benchmarks at quarterly Investment Sub-Committee meetings. To maintain the focus on long-term outcomes, these reviews are structured to show longer term performance (5-year, 3-year) before mention of shorter-term performance (12-month, 3-month). The purpose of this monitoring is to ensure that the performance of the BlackRock LifePath funds returns (after charges) are broadly in line with their respective objectives.
Expected Return on Investments		
The objective of the equity, property, and multi-asset funds is to achieve an attractive real return over the long term. The objective of the cash and bond funds is to provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return.	Yes, the Trustee is satisfied that this policy has been followed.	Over the Plan Year to March 2023 the Trustee's Investment Sub-Committee received quarterly reporting from its DC investment advisers, Redington. These reports include long-term retirement outcome modelling that uses an expected return approach that is aligned with the asset class objectives detailed in the Trustee's SIP policy on expected returns. Each quarterly monitoring report was discussed at the respective Investment Sub-Committee meeting on 7th June 2022, 9th August 2022, 8th November 2022 and 7th March 2023. Following these discussions, the Trustee's Investment Sub Committee remained comfortable that each of the asset class specific funds were performing in line with expectations.

Realisation of Investments		
The Trustee expects that the investment platform provider and the fund managers will normally be able to sell the funds within a reasonable timescale. There may, however, be occasions where the investment platform or fund managers needs to impose restrictions on the timing of sales and purchases of funds in some market conditions to protect the interest of all investors in that fund.	Yes, the Trustee is satisfied that this policy has been followed.	During the Plan Year the Trustee agreed to close and remove the CNPP Property Fund from the Plan's self-select fund due to ongoing liquidity issues prompted by the Covid-19 pandemic. Following the Funds reopening in January 2022, the Trustee agreed to issue affected members a communication notifying them of the proposed change and giving them a month to select and alternate investment option. If members did not make an alternative choice within the month notice period, the Trustee agreed to move their savings to the members relevant default investment options. The communication was issued to members on the 26th of March 2022 with the switch of members funds scheduled for the 26th of April 2022. The implementation of this change was completed in May 2022.
Balance of Investments		
Overall the Trustee believes that the Plan's investment options: • Provide a balance of investments; and • Are appropriate for managing the risks typically faced by members.	Yes, the Trustee is satisfied that this policy has been followed.	The last triennial review of the default investment options and self-select range was conducted in Q4 2020 concluding that they remain suitable for the membership of the Plan. The next triennial review is scheduled for Q4 2023. In the meantime, the Trustee continues to review the default investment options on a quarterly basis. The Trustee undertook an assessment of the Plan's self-select range in Q3/Q4 of the previous Plan Year. Based on this assessment and with the advice of their adviser the Trustee agreed to close and remove the CNPP Property Fund from the range due to ongoing liquidity issues with the fund and the absence of a suitable alternative. The implementation of this changes was completed in April 2022,

Stewardship		
The Trustee recognises that an important part of its role as a steward of capital is to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests, as ultimately this creates long-term financial value for the Plan and its beneficiaries. The Trustee recognises that good stewardship practices, including engagement and voting activities, are important as they help preserve and enhance asset value over the long-term.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee is satisfied that BlackRock, through the work of their Investment Stewardship team, comply with the requirements in the Shareholder Rights Directive II relating to engagement with public companies and other parties in the investment ecosystem. The key responsibilities of BlackRock's Investment Stewardship Team are to: (i) Engage with company leadership and vote on proxies to maximise long-term value for their client. (ii) Encourage business and management practices that support sustainable financial performance over the long-term. (iii) Work with BlackRock's various investment teams to provide insight on ESG considerations. (iv) Participate in market-level dialogue to understand and contribute to the development of policies that support sustainable long-term value creation. In 2021, BlackRock's Investment Stewardship Team held more than 3,600 engagements with more than 2,300 unique companies across 57 markets. The responsibilities of BlackRock's Investment Stewardship Team as outlined above, are aligned with the Trustee's policy to ensure high standards of governance and promote corporate responsibility, reflecting the Trustee's belief that it may be appropriate for fund managers to engage with key stakeholders including corporate management, regulators and governance bodies.

Voting and Engagement		
The Trustee has adopted a policy of delegating voting decisions on stocks to the underlying fund managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The fund managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee continues to delegate voting decisions to underlying fund managers. Additional details on significant votes can be found in the “Voting Behaviour” section of this Statement.
Where relevant, the Trustee has reviewed the voting and engagement policies of the fund managers as well as the approach to governance of the investment platform provider and determined that these policies are appropriate. On an annual basis, the Trustee will request that the investment platform provider and fund managers provide details of any change in their house policy.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee’s fund manager reviews and updates their “Global Principles and market-specific voting guidelines” on an annual basis. The aim of these annual updates is to reflect the continuous strengthening of the fund manager’s stewardship practices. The Trustee Secretariat has a copy of the fund manager’s summary of the latest annual update.
Where appropriate, the Trustee will engage with and may seek further information from the investment platform provider and fund managers on how portfolios may be affected by a particular issue. If an incumbent fund manager is found to be falling short of the Trustee's standards, the Trustee will undertake to engage with the fund manager and seek a more sustainable position.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee did not find cause to engage with the investment platform provider or investment managers for further information on how portfolios may be affected by particular issues.
Monitoring		
The Trustee receives reports from the investment platform provider on the fund managers voting activity on a periodic basis.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee receives voting reports from the investment platform provider at least annually and further details on the managers' voting activity relevant to this period can be found in the “Voting Behaviour” section of this Statement.
The Trustee reviews the fund managers’ voting activity on a periodic basis in conjunction with the Plan’s investment adviser and uses this information as a basis for discussion with the investment platform provider and fund managers. Where the Trustee deems it appropriate, any issues of concern will be raised with the manager for further explanation.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee has reviewed managers’ voting activity and did not identify any issues of concern to be raised with the relevant managers.

The Trustee meets with the investment platform provider on a regular basis. The fund managers may be challenged both directly by the Trustee and by the Plan's investment advisers on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.	Yes, the Trustee is satisfied that this policy has been followed.	The investment adviser has regular engagement and meetings with the investment platform provider on behalf of the Trustee.
Voting		
The fund managers are expected to exercise the voting rights attached to individual' investments in accordance with their own house policy. The Trustee aims to review engagement activity undertaken by the fund managers as part of its broader monitoring activity.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee was provided with voting reports relating to the period of the SIP. (See the section entitled "Voting behaviour")
Where appropriate, the Trustee will engage with and may seek further information from the Investment platform provider, and fund managers on how portfolios may be affected by a particular issue. The Trustee does not engage directly, but believes it is sometimes appropriate for the fund managers to engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours.	Yes, the Trustee is satisfied that this policy has been followed.	

Stewardship and Engagement
The Trustee, without prejudice, delegates to the manager the responsibility for the stewardship activities that apply to the Plan's investments. The Trustee expects the manager to exercise their voting powers with the objective of preserving and enhancing long-term shareholder value.

Use of Proxy Voting Services
Due to the delegation of responsibility for the stewardship activities to underlying asset managers, any use of proxy voting services on the Trustee's behalf is at the respective asset managers' discretion. The Trustee does not appoint or utilise a dedicated proxy voting service provider.

Investment Stewardship Engagements
The Trustee recognises that stewardship encompasses the exercise of engagement with the companies in which the Plan invests, as this can improve the longer-term returns of Plan's investments. The Trustee notes that sustainable financial outcomes are better leveraged when supported by good governing practices, such as board accountability.

Long-term perspective on the Plan's member's assets
In the Statement of Compliance for Shareholder Rights Directive II ('SRD II'), BlackRock states, "BlackRock takes a long-term perspective in its investment stewardship work informed by two key characteristics of our business:

- The majority of end beneficiaries are saving for long-term goals so the Trustee presumes they are long-term shareholders; and
- The majority of equity holdings are invested in index-tracked portfolios, so end beneficiaries are, by definition, are long-term shareholders."

The Trustee finds that BlackRock is well positioned to protect and enhance the long-term value of members' assets. Notably BlackRock has confirmed that they are enhancing their reporting and level of voting and engagement disclosures. They have focussed their improvement on three key themes:

- Moving from annual to quarterly voting disclosure,
- Prompting disclosure around key votes including an explanation of their voting decisions, and
- Enhancing disclosure of their company engagements.

The topics listed below highlight the engagement themes that have been prioritised by BlackRock during the reporting period to encourage good governance practices and to deliver long-term financial performance.

Lifepath Flexi Fund

Top Engagement Topic	Times Discussed
Governance	
Board Composition and Effectiveness	1,580
Corporate Strategy	1,488
Remuneration	1,437
Environmental	
Climate Risk Management	1,529
Operational Sustainability	245
Social	
Human Capital Management	927

CNPP UK Equity Fund

Top Engagement Topic	Times Discussed
Governance	
Board Composition and Effectiveness	1,357
Corporate Strategy	1,281
Remuneration	1,243
Environmental	
Climate Risk Management	1,406
Operational Sustainability	239
Social	
Human Capital Management	843

CNPP Global Equity Fund

Top Engagement Topic	Times Discussed
Governance	
Board Composition and Effectiveness	897
Corporate Strategy	821
Remuneration	885
Environmental	
Climate Risk Management	901
Operational Sustainability	128
Social	
Human Capital Management	589

CNPP Global Equity (ex UK) Fund

Top Engagement Topic	Times Discussed
Governance	
Board Composition and Effectiveness	685
Corporate Strategy	648
Remuneration	681
Environmental	
Climate Risk Management	726
Operational Sustainability	96
Social	
Human Capital Management	499

CNPP Emerging Markets Equity Fund

Top Engagement Topic	Times Discussed
Governance	
Board Composition and Effectiveness	260
Corporate Strategy	329
Remuneration	151
Environmental	
Climate Risk Management	300
Operational Sustainability	82
Social	
Human Capital Management	106

BlackRock's Investment Stewardship ("BIS") team's approach is in line with the Trustees investment policies.

3. Voting Behaviour

Voting
The Plan invests in pooled fund arrangements, and as such, it is not necessary for managers to consult with the Trustee before voting. However, as part of its wider due diligence of the implementation of investment strategies, the Trustee asks the managers to produce information that demonstrates the manager is exercising good stewardship.

Year to 31/03/2023:	CNPP Global Equity (ex UK) Fund	CNPP Global Equity Fund	CNPP UK Equity Fund	CNPP Emerging Markets Equity Fund
Number of meetings at which eligible to vote	1991	2581	1087	2782
Number of resolutions on which eligible to vote	25196	34376	15027	25350
Proportion of eligible resolutions on which voted	95%	96%	96%	98%
Of the resolutions on which you voted, what % did you vote with management?	93%	94%	94%	88%
Of the resolutions on which you voted, what % did you vote against management?	6%	5%	5%	11%
Of the resolutions on which you voted, what % did you abstain from voting?	0%	0%	1%	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?	BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, they work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision.			

Most Significant Votes
BlackRock takes a thematic approach towards voting and engagement. The 5 themes that BlackRock prioritised in their voting behaviour over the Plan Year were:

- Board Quality and Effectiveness
- Strategy, Purpose and Financial Resilience
- Incentives Aligned with Value Creation
- Climate and Natural Capital
- Company Impacts on People

The Trustee considers voting to be significant on the basis of ESG factors, such as climate related themes, which aligns with the views of BlackRock.

Therefore, the most significant votes cast by the fund manager on behalf of the Trustee will relate to both some of the largest holdings as well as relevance to the 5 key themes listed above, with emphasis on the climate change and natural capital theme specifically.

Below are the examples of the most significant votes – as defined by BlackRock which aligns with the Trustee – cast over the period, split by fund. All first-person references (e.g. to us, we, our etc.) in the tables below will refer to BlackRock and their views as opposed to those of the Trustee of CNPP.

LifePath Flexi Fund – Most Significant Votes

Company:	**SHELL PLC**
Date:	24th May 2022
Resolution:	Item 20: Approve the Shell Energy Transition Progress Update (Management proposal) Item 21: Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions (Shareholder proposal)
BlackRock Vote:	BlackRock Investment Stewardship voted FOR Item 20 and AGAINST Item 21
Rationale:	**Item 20:** BIS supported this proposal in recognition of the company's disclosed energy transition plan to manage climate-related risks and opportunities and the company's progress against this strategy. BIS considers Shell to be an industry leader on the management, oversight and disclosure of climate-related risks and opportunities. Shell's strategy is consistent with what BIS looks for from companies to demonstrate that their strategy is likely to be resilient under a range of scenarios, including likely decarbonisation pathways to limit global temperature rise to well below 2°C, ideally closer to the global aspiration of 1.5°C.7 In 2021, Shell included ambitious emissions reduction targets for all scopes (1, 2 and 3) across short-, medium-and long term timeframes, including an aspiration to reduce the net carbon intensity of the portfolio of energy products sold by 45% by 2035 and 100% by 2050 from a 2016 base year. This is equivalent to a target to reduce total absolute emissions to net-zero by 2050. Since then, Shell has updated the company's emissions reduction targets to reduce scope 1 and 2 emissions by 50% by 2030. In addition, the company removed a previous condition included in the original Energy Transition Strategy to achieve net-zero emissions by 2050. Specifically, Shell had tied the ability to achieve net-zero emissions by the mid-century with society's progress towards that aspiration. That conditional requirement is no longer included. Moreover, in the past year, Shell has made large investments in low-carbon fuels, renewables, and hydrogen, while also significantly growing their power business to 1.6 million retail customers by the end of February 2022. Overall, BIS recognises that Shell has a clearly disclosed plan to manage climate-related risks and opportunities and has started to make progress against the plan. Therefore, they believe their support for this proposal is in the best long-term economic interests of clients. **Item 21:** BIS did not support this shareholder proposal because they believe that it is not additive to Shell's Energy Transition Strategy and that the company's ability to set absolute short-and medium-term scope 3 emissions reduction targets is impeded by the current uncertainty around the pace of declines in oil and gas demand as well as energy security considerations. At this stage, however, they view scope 3 emissions differently from scope 1 and 2, given methodological complexity, regulatory uncertainty, concerns about double-counting, and lack of direct control by companies. In their view, Shell's ability to set aspirational absolute scope 3 emissions reduction targets is also impeded by the current context of significant uncertainty about the pace of declines in oil and gas demand as well as energy security considerations. They note that companies face particular challenges in the near-term, given under investment in both traditional and renewable energy, exacerbated by the current geopolitical environment.

Company:	**GLENCORE PLC.**
Date:	28th April 2022
Resolution:	Item 13: Approve Climate Progress Report
BlackRock Vote:	BlackRock voted FOR Item 13
Rationale:	BIS supported this proposal in recognition of the company's disclosed plan to manage climate-related risks and opportunities and the company's progress against this plan. We do, however, believe there are areas where the company could enhance its disclosure. As expectations regarding the mitigation of climate risks increased for the sector, Glencore was one of the first mining companies to propose an advisory vote on its climate action plan at the company's

	2021 AGM. Glencore was also one of the first large, diversified mining companies to publish a target for reducing scope 3 emissions. Many of Glencore's peers have since also proposed climate plan votes and disclosed scope 3 emissions reduction targets. Previously, Glencore had a target to reduce absolute scope 1, 2 and 3 emissions by 40% by 2035 (over a 2019 base year). The company raised this target to a 50% reduction in emissions over the same time period in the recent progress report. The updated target also includes a restated baseline to account for Glencore's 100% ownership of the Cerrejón coal mine in Colombia following the acquisition of the stakes of two joint venture partners. Although this will increase reported coal production in the short term, Glencore has clearly explained how acquiring full ownership is consistent with their commitment to a responsible and managed phase down of their coal portfolio and confirmed that the progressive expiration of the project's current mining concessions by 2034 is in line with Glencore's stated climate ambitions. There are areas where Glencore's disclosure through the progress report and underlying action plan could be enhanced. While we understand the potential sensitivities of mine closure plans, additional details on the key milestones for the phase down of coal operations would be helpful for investors to better understand the climate risks, challenges and opportunities Glencore is facing and to measure progress on an ongoing basis, as well as to foster confidence in the Climate Action Transition Plan. BlackRock will continue to engage with Glencore to monitor progress against the Climate Action Transition Plan and the above-mentioned areas for enhanced reporting on progress, which will be carefully considered in future voting decisions, as well as the consistency between corporate decisions and stated climate ambitions.

Company:	**EXXONMOBIL CORPORATION**
Date:	25TH May 2022
Resolution:	Item 6: Reduce Company Emissions and Hydrocarbon Sales (Shareholder proposal) Item 7: Report on Low Carbon Business Planning (Shareholder proposal) Item 8: Report on Scenario Analysis (Shareholder proposal) Item 9: Report on Reducing Plastic Production (Shareholder proposal) Item 10: Report on Political Contributions (Shareholder proposal)
BlackRock Vote:	BlackRock Investment Stewardship voted AGAINST 6, 7, 9, 10 and FOR Item 8
Rationale:	**Item 6:** BIS did not support this shareholder proposal in recognition of the steps the company has taken in the past year on setting scope 1 and 2 GHG emissions reduction targets. They also acknowledge the current complexities surrounding scope 3 emissions reduction targets for the oil and gas industry in particular. Exxon currently has an ambition to achieve scope 1 and 2 net zero GHG emissions from all operated assets by 2050 and to reach scope 1 and 2 net zero emissions in the Upstream Permian Basin by 2030. Exxon has also made notable improvements on their medium-term target setting since the 2021 AGM. The company has not set scope 3 emissions reduction targets; however, they recognise that the issue of scope 3 emissions targets is complex, particularly for the oil and gas industry. In the commentary, climate risk and the global energy transition, we describe our view that scope 3 emissions are a major global societal issue and, for companies where they are material, the prospect of future policy change could affect the economic viability of their business models. At this stage, however, BlackRock view scope 3 emissions differently from scope 1 and 2 emissions, given the methodological complexity, regulatory uncertainty, concerns about double-counting, and lack of direct control by companies. **Item 7:** BIS did not support this shareholder proposal based on their assessment that it is overly prescriptive in nature and unduly constraining on management, and therefore not in our clients' long-term economic interests. The shareholder proposal requested that Exxon "issue a report (at reasonable cost, omitting proprietary information) describing how the company could alter its business model to yield profits within the limits of a 1.5-degree Celsius global temperature rise by substantially reducing its dependence on fossil fuels.

In particular, the proposal asks Exxon to report on how it can alter its business model specifically within the limits of a 1.5°Celsius temperature rise scenario. BlackRock do not believe that it is the position of shareholders to tell companies what their corporate strategies should entail, including whether changes to the business model are warranted. Rather, based on a company's disclosures, BIS assesses the robustness of their climate action plan, board oversight and capital allocation plan in addressing the risks and opportunities presented by the global energy transition.

Given the proposal's focus on "how the company could alter its business model," which BlackRock found unduly constraining on the company, BIS did not believe this proposal was in the long-term economic interests of their clients. As a result, they did not support this proposal.

Item 8:

BIS supported this shareholder proposal because BlackRock believe shareholders would benefit from more fulsome information on the company's scenario planning in relation to a range of pathways of the global energy transition.

The shareholder proposal requested that Exxon issue "an audited report assessing how applying the assumptions of the International Energy Agency's Net Zero by 2050 pathway would affect the assumptions, costs, estimates, and valuations underlying its financial statements, including those related to long-term commodity and carbon prices, remaining asset lives, future asset retirement obligations, capital expenditures and impairments."

They acknowledge that the IEA NZE 2050 scenario is one possible scenario and open to change and interpretation, as is typical of any long-term scenario planning exercise. However, thorough analysis and robust disclosure of this analysis is useful for investors to shed light on a company's preparedness and general position to mitigate the risks and capture opportunities from the energy transition - which supports the long-term shareholder value creation on which their clients, the asset owners, depend to meet their financial goals. It is for these reasons that they voted in favour of the proposal.

Item 9:

While BlackRock acknowledge the materiality of plastic pollution for the company, BIS did not support this shareholder proposal because they do not believe that the report as requested in the resolved clause set forth by the proponent would yield the most material information for investors. They also believe that the proposal is overly constricting on the Board.

The shareholder proposal requested that the Board issue "an audited report addressing whether and how a significant reduction in virgin plastic demand, as set forth in Breaking the Plastic Wave's System Change Scenario to reduce ocean plastic pollution, would affect the Company's financial position and assumptions underlying its financial statements."

Engaging on plastics pollution is an increasingly important topic for BIS, as discussed in their commentary on their approach to engagement on natural capital. BlackRock appreciate when companies who produce or rely heavily on plastics in their products or operations disclose information on how waste is managed. This disclosure might include how they are accelerating efforts related to recycling and reuse of plastic products to minimise waste, such as efforts to improve infrastructure support in challenged areas, efforts and investments around research and innovation to develop substitute products for single-use plastics such as biodegradable plastics, as well as targets established to limit runoff and waste and to support efforts to clean up existing plastics pollution.

While BIS believes that plastics pollution is a material risk for the company, BlackRock do not believe that the requested audited report focused on a single aspect of the issue, namely a significant reduction in virgin plastic demand, would provide them with the most decision useful information. Moreover, the proposal asks the company to assess the impacts on "the company's financial position and assumptions underlying its financial statements." They believe that this level of diligence on a limited scenario as encompassed in the "Breaking the Plastic Wave's System Change" is out of context with the type of disclosures typical of companies under relevant voluntary sustainability standards, such as the Sustainability Accounting Standards Board (SASB).

Item 10:

BIS did not support this shareholder proposal because, in our assessment, Exxon's enhanced disclosure regarding their political spending and lobbying activities provides sufficient information for investors to make informed investment decisions.

The shareholder proposal requested that the company "prepare and semi-annually update a report electoral contributions and expenditures (direct and indirect) with corporate funds, including the board's role (if any) in that process." Specifically, the proposal requests a report on Exxon's electioneering expenditures rather than their lobbying expenditures, which generally make up the majority of companies' expenditures made through trade associations. The company received a

	similar shareholder proposal in 2021 which received approximately 30% support, including from BIS, to which they believe the company has been responsive. As explained in the commentary on “Our perspective on corporate political activities”, BlackRock look to companies that engage in political activities to develop, maintain, and disclose robust processes, including effective board oversight, to guide these activities and mitigate associated risks. It is helpful to investors’ understanding if companies provide accessible and clear disclosures so that investors can easily understand how companies’ political activities support their long-term strategy, including on their stated public policy priorities. Since the 2021 AGM, Exxon has enhanced their political activities and lobbying disclosure, building on their existing disclosure which provided a list of trade associations where dues were paid of $100,000 or more and which used a portion of such payments for lobbying. Exxon publishes on their website a list of all third-party U.S. organisations in which they or their affiliates are members, and the portion of their membership fees that was reportedly used for lobbying. This list, along with an accounting of the company’s direct and grassroots lobbying, is available as part of their newly published Lobbying Report, which was developed after discussion with investors.

Company:	**ELECTRIC POWER DEVELOPMENT CO. (J-POWER)**
Date:	28th June 2022
Resolution:	Item 8: Partial Amendments to the Articles of Incorporation (AOI) to formulate and disclose a business plan to reduce greenhouse gas (GHG) emissions and align with the Paris Agreement Item 9: Partial Amendments to the AOI to disclose alignment of capital expenditure with GHG emissions reduction targets Item 10: Partial Amendments to the AOI to disclose how the remuneration policies facilitate the achievement of the company’s GHG emissions reduction targets
BlackRock Vote:	BlackRock voted AGAINST items 8, 9, and 10
Rationale:	Given that the company has provided disclosures aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) framework since 2020, as well as the progress achieved against their 2050 decarbonisation strategy to date, BIS did not support the shareholder proposals. The climate-related proposals asked the company to amend their AOI to formulate and disclose a Paris Agreement-aligned business plan, to report on progress against the business plan in their annual report, and to disclose how remuneration policies facilitate the achievement of GHG emissions reduction targets. BlackRock considered these proposals to be overly prescriptive unduly restricting on management’s ability to make business decisions. BIS did not support the three shareholder proposals as, in our assessment, J-POWER has published enhanced disclosures providing investors greater transparency in relation to their climate action plans and remuneration policies. In addition, we believe the three shareholder proposals are overly prescriptive and risk unduly restricting management’s ability to make business decisions. While BIS evaluates every proposal on a case-by-case basis, those filed in Japan often require an additional degree of consideration as they could entail amending the company articles of incorporation (AOI), which would make them legally binding. This introduces a unique degree of personal liability for directors and management. It also creates material legal liability for a company should a proposal pass, particularly if the proposal language is vague or open to interpretation, which could make it harder to determine whether the requests have been met. They recognise that the energy transition presents different challenges and varying potential rates of change for companies across sectors. BlackRock’s focus is therefore on engaging with companies on behalf of their clients to understand how they are managing the transition and monitoring their own progress — as well as how they are factoring it into their long-term business plans and emissions reduction targets. BIS will continue to engage with the company, including on progress against J-POWER’s plans to manage climate-related risks and opportunities. Long-term investors like BlackRock’s clients will benefit from greater transparency, particularly regarding how the board provides oversight of the company’s climate plans and actions.

Company:	**MARATHON PETROLEOUM CORPORATION**
Date:	27th April 2022
Resolution:	Item 7: Reduce Ownership Threshold for Shareholders to Call Special Meeting Item 8: Amend Compensation Clawback Policy Item 9: Report on Climate Strategy Consistent with ILO's "Just Transition Guidelines"
BlackRock Vote:	BlackRock voted AGAINST the shareholder proposals (Items 7-9)
Rationale:	**Item 7: Reduce Ownership Threshold for Shareholders to Call Special Meeting (AGAINST)** BIS did not support this proposal because we believe that the company's 25% threshold for shareholders to call a special meeting is appropriate. The proposal asks MPC's board to "take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting." As stated in their Proxy voting guidelines for U.S. securities, BlackRock believe that shareholders should have the right to call a special meeting in cases where a reasonably high proportion of shareholders (typically a minimum of 15% but no higher than 25%) share concerns about an issue that should go to a shareholder vote. In their view, MPC already provides shareholders the right to call a special meeting at an appropriate threshold of 25%, which they believe offers shareholders a reasonable opportunity to raise issues of substantial importance without having to wait for management to schedule a meeting. For these reasons, they did not support the proposal. **Item 8: Amend Compensation Clawback Policy (AGAINST)** BIS did not support this shareholder proposal because we believe that the company's existing clawback policy is aligned with market practice and they recognise the potential for near-term Securities and Exchange Commission (SEC) rule making on clawback policies. The shareholder proposal urges the company to amend the "recoupment/clawback policy to add that the [Compensation and Organization Development] Committee will review and determine whether to seek recoupment of long-term incentive and short-term incentive compensation paid, granted or awarded to an executive officer" in certain situations and that the company "disclose to shareholders the circumstances of any recoupment or decision not to pursue recoupment in those situations." BIS recognises that the U.S. Securities and Exchange Commission (SEC) reopened the comment period on the Dodd-Frank clawback rule on October 14, 2021, signalling that final rulemaking may be close at hand. BIS believes that their clients will be best served if companies that already have a market-standard clawback policy have the flexibility to incorporate changes to their policy with the full knowledge and benefit of a final Dodd-Frank rule once it becomes available. As companies adjust alignments with the final Dodd-Frank clawback rule, BIS encourages boards to keep in mind our preferences for clawback policy provisions as communicated in their proxy voting guidelines. In the interim, companies with market-meeting clawback policies should operate within their full recoupment authority for the long-term benefit of shareholders. **Item 7: Report on Climate Strategy Consistent with ILO's "Just Transition Guidelines" (AGAINST)** BIS did not support this shareholder proposal because they believe the company's recently published disclosure addresses the topic of a 'just transition' and provides BIS with meaningful information to understand the company's approach and risk oversight process. MPC received a shareholder proposal requesting that the board "prepare a report stating how Marathon is responding to the social impact of Marathon's climate change strategy on workers and communities, consistent with the "Just Transition" guidelines of the International Labour Organization ("ILO")." BlackRock believe that MPC's disclosure is sufficiently comprehensive for their assessment of their approach to supporting a just transition. In their view, it also seems to cover the information sought by the proponent. BIS did not, therefore, believe support was warranted. They recognise that reporting around a just transition is an evolving and complex topic, and BlackRock are closely following the development of reporting frameworks and standards which can help companies effectively disclose

	their management and oversight of this material business risk and opportunity. They will continue to discuss the subject with MPC as their approach evolves and the company has likewise assured investors of a "continued commitment to stakeholder listening and engagement."

ACS 5050 Global Equity Fund – Most Significant Votes

Company:	**Glencore Plc**
Date:	**28 April 2022**
Resolutions:	Item 13: Approve Climate Progress Report
BlackRock Vote:	BlackRock voted FOR this item in recognition of the company's disclosed plan to manage climate-related risks and opportunities and the company's progress against this plan. We do, however, believe there are areas where the company could enhance its disclosure.
Rationale:	At the 2022 annual general meeting (AGM), management proposed an advisory, non-binding shareholder vote on the company's Climate Action Transition Plan. The proposal "provides an opportunity for shareholders to provide an advisory vote on Glencore's activities and progress against the company's Climate Action Transition Plan," which was first proposed to shareholders at the 2021 AGM and received 94% support, including from BlackRock. As expectations regarding the mitigation of climate risks increased for the sector, Glencore was one of the first mining companies to propose an advisory vote on its climate action plan at the company's 2021 AGM. Glencore was also one of the first large, diversified mining companies to publish a target for reducing scope 3 emissions. Many of Glencore's peers have since also proposed climate plan votes and disclosed scope 3 emissions reduction targets. Regarding scope 1 and 2 GHG emissions, Glencore's operations have a high carbon intensity relative to peers, and about 40% of the company's annual emissions are from the purchase of electricity. The Climate Progress Report describes how Glencore is addressing these emissions through a combination of initiatives including the electrification of the company's mining fleet and the increased usage of renewable power. By supporting this proposal, BIS recognises that the company has a clearly disclosed plan to manage climate-related risks and opportunities and has started to make progress against the plan, a transition that will entail a journey over years, not months. That said, we believe there are areas where Glencore's disclosure through the progress report and underlying action plan could be enhanced. While we understand the potential sensitivities of mine closure plans, additional details on the key milestones for the phase down of coal operations would be helpful for investors to better understand the climate risks, challenges and opportunities Glencore is facing and to measure progress on an ongoing basis, as well as to foster confidence in the Climate Action Transition Plan. We will continue to engage with Glencore to monitor progress against the Climate Action Transition Plan and the above-mentioned areas for enhanced reporting on progress, which will be carefully considered in future voting decisions, as well as the consistency between corporate decisions and stated climate ambitions.

Conclusion

Overall, the Plan has demonstrated key actions by the Trustee during the relevant reporting period that highlight how it continues to make investment decisions in line with the policies set out in the SIP.

From a stewardship and engagement perspective, the Plan is limited in its scope to directly influence how asset managers invest and engage with underlying companies due to the use of pooled funds to implement the Plan's investments, however, the Plan will endeavour to engage with managers where possible and ensure alignment with the Trustees views on significant votes.