Implementation Statement

Bidwells Life and Assurance Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Bidwells Life and Assurance Pension Scheme ("the Scheme")** to set out the following information over the year to **31 October 2023**:

- how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

The voting behaviour is not given over the Scheme year end to 31 October 2023 because investment managers only report on this data quarterly. We have therefore given the information over the year to 30 September 2023.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) currently in force describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities as follows:

"The Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted returns.

The Trustees delegate the exercise of rights (including voting rights) attaching to the Scheme's investments to the investment managers. Managers are expected to exercise voting powers with the objective of preserving and enhancing long-term stakeholder value. The Trustees will monitor how these delegated powers are exercised by the managers.

The Trustees also expects investment managers to engage with key stakeholders (which may include issuers of debt or equity, corporate management, regulators and governance bodies) relating to their investments in order to improve corporate behaviours and governance, improve performance and social and environmental impact to mitigate financial risks.

The Trustees assess the investment managers' approach to engagement and voting rights with the support of their investment consultant and consider these to be of a satisfactory standard."

The SIP was last reviewed in September 2023 and has been made available online here: [Statement of Investment Principles (bidwells.co.uk)]

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's asset only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, only 32% (c. £7.8m as at 31 October 2023) of the Scheme assets were invested in assets with voting rights attached. However, the Trustees takes the stewardship priorities, climate risk, and ESG factors into account when selecting managers. The Trustees also review the stewardship and engagement activities of the investment managers annually.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- The Trustees undertook an initial review of the stewardship and engagement activities of the current investment managers and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustees have previously obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Annually the Trustees receive and review voting information and engagement policies from the investment managers, which they review to ensure alignment with the Trustees' stewardship policies. The Trustees believe that the voting and engagement activities undertaken by the investment managers on their behalf have been in the members' best interests. This exercise was undertaken in December 2023.
- The Trustees meet with each of their investment managers on an annual basis and consider ESG matters, voting and engagement as part of those presentations.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the investment managers is in alignment with the Scheme's stewardship policies.

Prepared by the Trustees of the Bidwells Life and Assurance Pension Scheme
December 2023

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to **30 September 2023**.

The Scheme's portfolio is invested through pooled diversified growth funds managed by Ruffer LLP, as well as pooled liability-driven funds managed by Columbia Threadneedle Investments (formerly BMO Investment Management).

The investment managers of these funds vote on behalf of the Trustees. The Columbia Threadneedle equity-linked LDI fund has equity market exposure which is achieved via equity futures held with the fund. Equity futures do not provide voting rights to the holders. The equity exposure in the portfolio is achieved synthetically, i.e. via derivative positions rather than physically holding the shares. As a result, there are no voting rights associated with the equity exposure and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	Ruffer LLP
Fund name	Absolute Return Fund
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
No. of eligible meetings	66
No. of eligible votes	1065
% of resolutions voted	100%
% of resolutions abstained	2.0%
% of resolutions voted with management[1]	95%
% of resolutions voted against management[1]	3.0%
Proxy voting advisor employed[1]	Institutional Shareholder Services (ISS)
% of resolutions voted against proxy voter recommendation	8.8%

[1] As a percentage of the total number of resolutions voted on

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beyond the expected

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Ruffer LLP have provided a selection of 11 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Swire Pacific Limited	BP Plc	ArcelorMittal
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.33%	0.48%	0.29%
Summary of the resolution	Governance - shareholders rights	Environmental - Approve Shareholder Resolution on Climate Change Targets	Governance - Re-elect Lakshmi Niwas Mittal as Director
How the manager voted	For	Against	For
Rationale for the voting decision	Ruffer voted in favour of the resolution to 'Approve Share Purchase Agreement and Related Transactions', supporting management, but against ISS. They believe that approving the sale of the US Coca-Cola bottling business to the controlling shareholder is in the best interests of the minority shareholders of Swire Pacific, such as themselves. The strategic rationale for this deal is in-line with the stated strategy of the company to focus geographically on operations in China and SE Asia. Also, this transaction realises significant hidden value for	In Ruffer's opinion, BP has outlined a credible transition strategy with appropriate decarbonisation targets, that reflects demand for oil & gas energy whilst allocating capital to the 'transition growth engines'. BP has retained it's 2050 net zero target and has committed to additional capital to the transition, which they argue is uncertain. This resolution asks for "BP to align its 2030 Scope 3 aims with Paris". Firstly, this would require a wholesale shift in strategy, which Ruffer believe is unnecessary given the Board	Ruffer are voting in line with the company but against ISS. ISS has flagged that Mr. Mittal is overboarded. He has two other boards, Aperam (Which is a spin out from ArcelorMittal), where he is a non-exec Chairman and Goldman Sachs Group, where he is a non-executive. Ruffer do not believe that Mr Mittal's commitments are excessive and believe that he is still able to commit the time required for his role at the company. Therefore, they are voting for his re-election.

	Vote 1	Vote 2	Vote 3
	shareholders which is being returned to Ruffer in the form of a special dividend. Lastly, given the higher-interest rate environment, they believes it makes sense to lower the leverage employed in the business, which a part of the proceeds of this transaction is going to be put towards. ISS abstained from the vote, and Ruffer believe their analysis is poor and lacking thoughtfulness. Ruffer had a robust in-person discussion with the Chairman and the Finance Director about the price paid for the transaction. They concluded that receiving a fair price while unlocking latent value within the conglomerate and refocussing the company on its core strengths in China and SE Asia are sufficient reasons to support this transaction.	has opined on net zero and published a strategy. Secondly, BP in isolation has no control over what global scope 3 emissions should be under Paris, given the world continues to emit carbon and one would expect the Scope 3 reduction will have to be steeper the nearer society gets to 2030. This burden is unfair, particularly in the context of BP making long-cycle investment decisions.	
Outcome of the vote	The resolution passed with 100% in favour.	The resolution failed with 83.3% votes against.	The resolution passed with 94.9% votes in favour.
Implications of the outcome	Ruffer will monitor the business transaction and the way it is being executed, and will engage accordingly, if needed.	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.	Ruffer will continue to engage with the company on governance issues and feedback their concerns on the representation on the Board.
Criteria on which the vote is considered "significant"	Ruffer believe this vote will be of particular interest to their clients. They analyse and support companies in conducting business transactions that are in the best interest of shareholders.	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide clean, reliable and affordable energy.	Votes on the election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	**Arcmont Asset Management**	**Cheyne Capital Management**	**Columbia Threadneedle Investments**		**Ruffer LLP**
Fund name	Direct Lending Fund III	European Strategic Value Credit Fund	Equity-Linked Nominal LDI Fund, Equity-Linked Real LDI Fund	Sterling Liquidity Fund	Dynamic Real Return Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	n/a*	Around 12			30
Number of entities engaged on behalf of the holdings in this fund in the year	n/a*	Around 12	689**		24
Number of engagements undertaken at a firm level in the year	n/a*	Around 263	1049		79

Based on the data received form the Mangers:
** Arcmont were not able to provide engagements statistics over the accounting period.*
*** Individual fund statistics for Columbia Threadneedle Investments are not provided, figures are given at a firm level.*

Examples of engagement activity undertaken over the year to 30 September 2023

Ruffer LLP, Absolute Return Fund

H&M Hennes & Mauritz AB

Ruffer met with members of H&M's management last quarter to discuss the independence of two Board Directors and their position on the Audit Committee. They further escalated engagement by writing to the Board of Directors and reiterated their view that the Chair of the Audit Committee, Christian Sievert, is compromised by his position as CEO of the investment firm of which the founding family of H&M is a majority shareholder. He has also been a director for 12 years, which Ruffer believe can lead to a director becoming entrenched and therefore less independent. Anders Dahlvig, another member of the Audit Committee, has a similar tenure, so they believe a refresh is overdue.

Columbia Threadneedle Investments

Cranswick PLC

Columbia Threadneedle visited Cranswick's facility based in Hull, UK, discussing company strategy with the CFO and site management. The site produces raw and cooked meats for food retailers and outlets and is being upgraded to increase productivity as well as improved health and safety. The company has set science-based targets for a 1.5-degree pathway and aims to reach net-zero by 2040. It is currently upgrading the Hull site to be more energy efficient as well as increasing its use of renewable energy.

Columbia Threadneedle's perspective is that reducing food waste will be key to achieving Cranswick's climate targets, as well as helping reduce their biodiversity impact. Cranswick has focused on utilising more of the animal carcass with as much as 25% of chicken carcass remains (i.e., remains after processing the carcass for human consumption) now being diverted to use in pet food, thereby improving carcass yield and linking value chains. Columbia Threadneedle discussed manure management and highlighted the need for comprehensive impacts assessments and target-setting. The CFO stated they have been making efforts towards animal waste circularity by trading it with farmers for use as fertiliser. This reduces the use of chemical fertiliser although current regulations to reduce pollution impact on local communities limits the volume of waste that can be used in this way.

Cheyne Capital Management, European Strategic Value Credit Fund

Hospitality Group

Cheyne engaged with the group on 5 key ESG metrics including gender pay gap, staff turnover, staff engagement, carbon emissions, board oversight. They had third party consultancy, Mazars, do an independent assessment to determine if the current KPIs had been met or whether Cheyne needed to engage with the company to effect further change. Mazars determined through their assessment that the group had met all their KPIs and additional engagement was not necessary.