

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 2024**:



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;

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

The voting behaviour is not given over the Scheme year end to 31 October 2024 because investment managers only report on this data quarterly. The Trustees have therefore given the information over the year to 30 September 2024.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. The Trustees believe the Scheme's investment managers have demonstrated transparency in their voting and engagement activities where possible and are satisfied that their policies are reasonable and require no remedial action.

However, not all managers were able to provide all the voting and engagement information requested. We will continue to engage with the managers to encourage them to improve the availability and quality of data.

Stewardship policy

The Trustees' SIP in force at 31 October 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in November 2024 and has been made available online here: <https://www.bidwells.co.uk/globalassets/policy-docs/2024-10-bidwells-sip-db-and-avc-v1.0-21-11-24.pdf>

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, considering cost, that they are constrained by the policies of the managers. Additionally, only 30% (c.£8.1m as at 31 October 2024) of the Scheme assets were invested in assets with voting rights attached. However, in line with the policies in the SIP, the Trustees consider climate risk, and ESG factors during manager selection. 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 believe 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 fund managers.
- The Trustees undertook their most recent review of the stewardship and engagement activities of the current managers in January 2023, and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- 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 fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Bidwells Life and Assurance Pension Scheme
January 2025**

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 2024**.

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).

The **LDI and liquidity portfolio held** with Columbia Threadneedle has no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. The Columbia Threadneedle Equity-linked Nominal 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 and the equity exposure in the portfolio is achieved synthetically, i.e. via derivative positions rather than physically holding the shares.

Additionally, voting activities are limited for the Arcmont Direct Lending III Fund and Cheyne Strategic Value Credit II Fund due to the illiquid nature of their underlying holdings, so voting information for these assets have not been shown.

Manager	Ruffer LLP
Fund name	Absolute Return Fund
Structure	Pooled
No. of eligible meetings	62
No. of eligible votes	1,036
% of resolutions voted	100.0%
% of resolutions abstained	0.1%
% of resolutions voted with management¹	96.5%
% of resolutions voted against management Error! Bookmark not defined.	3.4%
Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS).	
Proxy voting advisor employed Error! Bookmark not defined.	Ruffer have developed their own internal voting guidelines, however they take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on clients' shares.
% of resolutions voted against proxy voter recommendation	4.8%

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



Significant votes

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 Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

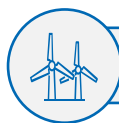
Ruffer LLP have provided a selection of 10 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of 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.

Significant votes – Ruffer, Absolute Return Fund

Company name	Coty Inc	Bank of America	Amazon
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%	0.2%	0.6%
Summary of the resolution	Governance - remuneration	Energy transition	Human labour rights
How the manager voted	For	Against	For
Rationale for the voting decision	Given that the CEO (Ms Nabi) is the 5th CEO since 2015, Ruffer believes it would be disruptive and potentially value-destroying to lose her. Upon review, they consider the single number to be sufficiently long-term to motivate the CEO with enough potential incentive for retention.	Ruffer voted in line with management for the request of a report on clean energy supply financing ratio. Ruffer believe the company is committed to its Net Zero targets and provides the data to support this. While Ruffer support enhanced disclosures more broadly, the proponent's required ratio is already available via a third-	Ruffer's support for the resolution is based on the belief that an independent third-party report, assessing Amazon's customer due diligence process contributes to human rights violations, may highlight some concerning issues that may protect Amazon from future reputational damage.

	party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer feel a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.		
Criteria on which the vote is considered “significant”	Ruffer defines significant vote as: any vote against management or against an ISS recommendation, any vote in breach of criteria included in Ruffer’s internal voting guidelines, any shareholder resolution, any climate related resolution, any management-proposed climate-related resolution or dissident shareholder slate (US only).		
Outcome of the vote	The resolution passed with 68.3% in favour.	The resolution failed to pass.	The resolution failed to pass.
Implications of the outcome	Ruffer will continue to monitor company performance to ensure the remuneration policy is appropriate.	Ruffer will continue to monitor the company.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Ruffer voted with management and met with the company prior to the vote to discuss how they intended to vote.	No	No



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. Please note the information

	Arcmont Asset Management	Cheyne Capital Management	Ruffer LLP	Columbia Threadneedle Investments
Fund name	Direct Lending Fund III	European Strategic Value Credit Fund II	Absolute Return Fund	Equity-Linked Nominal LDI Fund, Credit-Linked Real LDI Fund; Sterling Liquidity Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	7	n/a*	23	n/a*
Number of entities engaged on behalf of the holdings in this fund in the year	5	4	17	710
Number of engagements undertaken at a firm level in the year	n/a**	n/a**	47	942

Based on the data received from fund managers

** Cheyne and Columbia Threadneedle were unable to provide detail on the number of engagements at a fund level*

***Arcmont and Cheyne were unable to provide engagement information at a firm level over the accounting period*



Examples of engagement activity undertaken over the year to 30 September 2024

Ruffer LLP, Absolute Return Fund

Bayer

Ruffer met with the Head of Investor Relations, the Head of Corporate Law and the Head of Public Affairs, Science, Sustainability and HSE.

The aim of the engagement was:

- Remuneration – to respond to the company's request for shareholder input on appropriate pay policy, given shareholder dissent against the pay report at the 2023 AGM, where litigation costs were excluded from the calculation of performance pay.
- Board structure and independence – to discuss the skills matrix of board directors, the size of the board and board diversity, with expected rotations of directors on the supervisory board.

As a result of the engagement:

- Remuneration – Bayer has revised its pay policy to include litigation in performance metrics, which Ruffer see as an important signal to shareholders that senior executives are focused on solving the Monsanto litigation.
- Board structure and independence – Bayer will release details of proposed candidates in due course.

Once the AGM materials are released, Ruffer will review in more detail the proposed candidates and decide whether to support their election or take other action.

Arcmont Asset Management, Direct Lending Fund III

Medisup

Arcmont began discussions with Medisup in the first quarter of 2022 and the ratchet (a mechanism that can vary the equity allocation held by management, employees and other shareholders), linking the cost of the loan to performance criteria was agreed in the second quarter of 2022. Arcmont engaged in direct dialogue with the portfolio company, other lenders and sponsor, as well as a collaborative process involving a number of email exchanges and calls with senior management and the sponsor's deal team.

The aim of the engagement was to encourage the company to:

- maintain a "high" overall customer satisfaction
- improve in its weakest material area - personal tutoring sessions
- design a more robust management tool for performance monitoring and decision-making.

As a result of the engagement, the entity acknowledged Arcmont's concern and developed a strategy to achieve the outlined objectives. As of the third quarter of 2024, the company had not met the desired performance levels expected by Arcmont and was therefore not awarded a margin discount. Arcmont will

continue to engage with the portfolio company to pinpoint the causes of the inadequate outcomes and implement improved engagement efforts.

Cheyne Capital Management, European Strategic Value Credit Fund

Nordic Hospitality Group

Cheyne identified significant areas on ESG that required improvement for the group. The objective of the engagement was to ensure that the management team could develop the foundations of a strong ESG programme and risk management framework that could be applied across the group.

Cheyne negotiated a margin ratchet, meaning that the level of interest payable on the debt was linked to specific KPIs and targets in 8 key focus areas, which was regularly assessed. As a result of the engagement, the group delivered on their first set of targets and have established a set of industry-leading policies. The management of the group have reported that the changes to their policies were attributable to Cheyne's engagement and incentivisation.

Columbia Threadneedle Investments

Fresenius SE & Co KGaA

Fresenius SE is a German healthcare group that has historically operated four specialised business segments. Columbia Threadneedle's (CT) engagement focus has been on ensuring the restructuring process of the company results in a more sustainable business model that embeds enhanced oversight on the material ESG issues into corporate strategy.

CT met with the company's sustainability leads to discuss the company's restructuring process and the impact this will have on key ESG topics such as product quality and animal welfare. From CT's discussions with the company, they believe that progress should be forthcoming as the business structure is being simplified. The group is progressing towards having quantified ESG-related KPIs for material issues of medical quality/patient satisfaction and employee engagement being embedded in performance incentive plans.

CT look forward to more granular data and targets being published in due course and will revisit progress in the coming months.