

The British & Foreign Bible Society 1972 Pension Scheme

Implementation Statement

Purpose of this Statement

This Implementation Statement has been produced by the Trustees of the British & Foreign Bible Society 1972 Pension Scheme ("the Scheme") and sets out the following information over the year to 31 March 2022:

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

Stewardship policy

The Trustees' Statement of Investment Principles ("SIP") in force at the time of writing this Implementation Statement describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. The SIP was last reviewed in May 2022 and has been made available online here:

https://www.biblesociety.org.uk/content/pension-scheme/2022_05_Bible_Society_SIP_v1.1.pdf

How voting and engagement policies have been followed over the year

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

- At the Scheme year-end, the managers appointed to manage assets on behalf of the Scheme were Aegon, Baillie Gifford, Legal & General Investment Management ("LGIM"), M&G and Ruffer. The Trustees consider the performance of the Scheme's funds and any significant developments at least twice a year.
- The Scheme invests entirely in pooled funds and, as such, the Trustees delegate responsibility for carrying out voting and engagement activities to the managers. Investment rights (including voting rights) have been exercised by the managers in line with the managers' general policies on corporate governance. The Trustees also expect the managers to have engaged with the companies in which they invest in relation to ESG matters.
- Annually, the Trustees receive and review information on the voting behaviour and engagement activities of the managers from both the managers themselves and the Scheme's Investment Consultant. The Trustees review this information to ensure alignment with the Scheme's policies (as set out in the Scheme's SIP). This exercise was undertaken as part of preparation of the Implementation Statement in respect to the managers' activities over the year to March 2022. The Trustees are satisfied that no remedial action is required as a result of this process.
- Ruffer attended the May 2021 Trustees' meeting and their presentation touched on environmental, social and governance ("ESG") issues. No action was taken in light of these discussions.
- The Scheme appointed LGIM to run a Liability Driven Investment ("LDI") mandate over the year. However, the Trustees are of the view that there is less scope for the consideration of ESG issues to improve risk-adjusted returns within LDI strategies due to the nature of the instruments used within these funds.

Summary

Based on the information contained in this Implementation Statement, the Trustees are comfortable that the actions of the managers are in alignment with the Scheme's policies. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which they hold shares.

Approved by the Trustees of the British & Foreign Bible Society 1972 Pension Scheme

September 2022

Voting data

This section provides a summary of the voting activity undertaken by the managers within the Scheme's growth portfolio on behalf of the Trustees over the year to 31 March 2022.

There are no voting rights attached to the M&G Long Dated Corporate Bond Fund, the LGIM Active Corporate Bond (All Stocks) Fund or the LGIM Matching Core Real Long Fund. As such, these funds are not included in the tables below.

Manager	Aegon	Baillie Gifford	M&G	Ruffer
Fund name	Ethical Cautious Managed Fund	Diversified Growth Fund	Discretionary Fund	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			
Number of company meetings the investment managers was eligible to vote at	76	133	1,629	96
Number of resolutions the investment manager was eligible to vote on	76	1,537	20,779	1,307
Percentage of resolutions voted on for which the investment manager was eligible	100%	88%	97%	100%
Percentage of resolutions abstained from*	1%	1%	1%	2%
Percentage of resolutions voted with management*	98%	96%	93%	92%
Percentage of resolutions voted against management*	1%	3%	7%	6%
Proxy advisory services used	ISS and IVIS	ISS and Glass Lewis	ISS and IVIS	ISS
Percentage of resolutions voted contrary to the recommendation of the proxy advisor*	2%	Information not provided	6%	7%

*As a percentage of the resolutions on which the investment manager voted.

Source: information provided by the managers.

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 in the Implementation Statement. The guidance does not currently define what constitutes a “significant” vote, so for this Implementation Statement, the Trustees have asked the managers to determine what they believe to be a significant vote.

In the interest of concise reporting, a selection of the significant votes provided for each of the relevant funds is set out below.

Aegon Ethical Cautious Managed Fund

	Vote 1	Vote 2	Vote 3
Company name	Ascential PLC	Informa	Kin & Carta
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	1.70%	1.50%	0.90%
Summary of the resolution	Approval of the 10 year equity plan and the remuneration policy	Re-elect the chair of the remuneration committee	Amend the articles of association
How the manager voted	Against	Against	For
Rationale for the voting decision	Aegon fundamentally did not agree with the structure of the plan	The chair of the remuneration committee was aware of Aegon's reservations over changes to remuneration and they failed to prevent these changes from happening	This is the first UK Listed company to change its articles of association to become a B Corp (that is, a company that elevates consideration of the impact on society and the environment in the context of decision making, seeking to ensure that the company has an overall material positive impact in these areas, such that those matters and stakeholder interests are considered in the same manner as shareholders' interests)
Outcome of the vote	The resolutions were withdrawn	47% voted against the resolution	Over 99% voted for the resolution
Implications of the outcome	Aegon felt they were successful at communicating their views on the structure and lack of alignment with shareholders	The company is making efforts to listen to shareholders since this vote	<i>Information not provided</i>
Criteria on which the vote is considered “significant”	The resolutions were withdrawn due to significant opposition	Significant level of dissent	First of its kind within the UK

Source: information provided by the manager.

Baillie Gifford Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Rio Tinto PLC	Galaxy Entertainment Group LTD	JC Decaux SA
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	0.19%	0.18%	0.19%
Summary of the resolution	Remuneration report	Incentive plan	Amendment of share capital
How the manager voted	Against	Against	Against
Rationale for the voting decision	Baillie Gifford did not agree with decisions taken last year regarding executive severance payments and the vesting of long-term incentive awards	Baillie Gifford felt the potential dilution levels were not in the interests of shareholders	Baillie Gifford felt the potential dilution levels were not in the interests of shareholders
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	Baillie Gifford engaged with the company to communicate their concerns	Following the Annual General Meeting, Baillie Gifford contacted the company to encourage improved disclosure in this area	Baillie Gifford plan to engage with the company to communicate their concerns and seek to obtain proposals they can support in future
Criteria on which the vote is considered "significant"	Baillie Gifford opposed remuneration	The resolution received greater than 20% opposition	The resolution received greater than 20% opposition

Source: information provided by the manager.

M&G Discretionary Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	QBE Insurance Group Limited	Aston Martin Lagonda Global Holdings Plc
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	<i>Information not provided</i>	<i>Information not provided</i>	<i>Information not provided</i>
Summary of the resolution	Set and publish targets for greenhouse gas emissions	Approve exposure reduction targets	Re-elect Lawrence Stroll as director
How the manager voted	Against	For	Against
Rationale for the voting decision	M&G feel the resolution is not beneficial to the company	M&G feel the resolution is in shareholders' interests	Concerns over board diversity
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	<i>Information not provided</i>	<i>Information not provided</i>	<i>Information not provided</i>
Criteria on which the vote is considered "significant"	Concerns environmental and social issues	Concerns environmental and social issues	Concerns shareholder rights and governance issues

Source: information provided by the manager.

Ruffer Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell	Aena	NEC
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	1.33%	0.81%	0.34%
Summary of the resolution	Management resolution relating to the company's climate transition plan	Advisory vote on the company's climate action plan	Election of independent director
How the manager voted	For	For	Against
Rationale for the voting decision	The voting decision was made in the context of the progress Shell has made as a result of engagement and the commitment of the company leadership to continue to meaningfully engage on the remaining areas of Climate Action 100+	Ruffer believe climate change-related risks may be significant for the long-term performance of Aena and should be taken into consideration	As the proposed director has an affiliation to a company linked by cross-shareholdings to NEC, Ruffer deem him not to be independent
Outcome of the vote	The resolution passed with 88.7% votes in favour	The resolution passed with 95.7% votes in favour	The proposal passed with 64.7% votes in favour
Implications of the outcome	Ruffer will monitor how the company progresses and improves over time, supporting credible energy transition strategies and initiatives	Management have committed to giving shareholders an annual vote on its climate transition plan	Ruffer will continue to engage with the company on governance issues and feedback their concerns on the lack of independent representation on the board
Criteria on which the vote is considered "significant"	Ruffer believe this vote will be of particular interest to their clients	Ruffer believe this vote will be of particular interest to their clients	Ruffer deem votes against the election of directors for material holdings to be significant

Source: information provided by the manager.

Fund-level engagement

The 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 to 31 March 2022 for the relevant funds.

Engagement activities are limited for the Scheme's LDI fund due to the nature of the underlying holdings, therefore engagement information for this fund has not been shown.

Manager	Aegon*	Baillie Gifford*	M&G	M&G	LGIM	Ruffer
Fund name	Ethical Cautious Managed Fund	Diversified Growth Fund	Discretionary Fund	Long Dated Corporate Bond Fund	Active Corporate Bond (All Stocks) Fund	Absolute Return Fund
Number of engagements undertaken on behalf of the holdings in the Fund over the year	64	43	67	7	175	26
Number of entities engaged on behalf of the holdings in the Fund over the year	46	36	62	7	82	25
Number of engagements undertaken at a firm-level over the year	596	3,133	179	179	593**	41

* Aegon and Baillie Gifford only provide this information on an annual basis, Therefore, the data shown is for the year to the end of December 2021.

**LGIM provide the total number of companies engaged with on a quarterly basis. As such, it is not possible to discern whether a single company has been counted more than once within the above figures (e.g. this would be the case if the manager engaged with the same company in more than one quarter).

Source: information provided by the managers.

Examples of engagement activities

The table below contains an example engagement activity for each manager over the year to 31 March 2022.

Manager	Example engagement activity
Aegon Ethical Cautious Managed Fund	In June 2021, Aegon were approached by Kin & Carta with a proposal that they become a B Corp. They participated in a meeting to thoroughly understand the implications on matters such as strategy and capital allocation. Aegon were satisfied that there was robust methodology to prevent the issue of green-washing and therefore approved the changes to the articles of association.
Baillie Gifford Diversified Growth Fund	Siemens Gamesa Renewable Energy (SGRE) develops, constructs and sells wind power turbines and wind farms. Sustainalytics (an independent ESG and corporate governance research, ratings and analytics firm) reported that SGRE had not provided sufficient evidence that the local Saharawi people were consulted about wind turbine projects in the Western Sahara a number of years ago. Baillie Gifford therefore met with SGRE's Head of ESG to discuss this matter. SGRE confirmed that the responsibility for undertaking human rights due diligence sits with the wind farm developer who, in this case, would be SGRE's customers. Despite SGRE's own engagement with Sustainalytics about these historic allegations, they think the company could potentially remain on the watchlist indefinitely as it appears not to be a matter of what can be improved today, but rather what should have been done differently at the time. Baillie Gifford note that SGRE is a signatory and active member of the UN Global Compact; their engagement with non-governmental organizations is ongoing (in order to learn and provide their perspective) and they have a "hire local first" policy. Baillie Gifford were therefore satisfied that the Sustainalytics flag is not representative of the company's ongoing commitment to protecting human rights today
M&G Discretionary Fund	M&G encouraged international dialysis group, Fresenius Medical Care, to publish scope 3 emissions disclosures and targets; to commit to publishing Science Based Targets verified by the SBTi and to provide additional disclosures in their regular reporting. M&G therefore met with Fresenius's global head of sustainability to make their expectations known and will follow up in due course.
M&G Long Dated Corporate Bond Fund	M&G asked Italian banking group, Intesa, to disclose both interim carbon reduction targets and its loan book exposure to the fossil fuel sector. Whilst Intesa did not agree to disclose the requested targets at the time, they did agree to considering such disclosures. M&G will continue to monitor the company's progress.
LGIM Active Corporate Bond (All Stocks) Fund	LGIM do not provide details of individual engagements at a fund-level. However, the top five engagement topics for the Fund over the year to 31 March 2022 were climate change, remuneration, board composition, climate impact pledges and gender diversity.
Ruffer Absolute Return Fund	Ruffer engaged with Equinor (a Norwegian state-owned energy company developing oil, gas, wind and solar energy in more than 30 countries) on the issue of climate change. As part of the Climate Action 100+ initiative, they engaged with the Equinor's CEO and senior colleagues, focusing on their climate change strategy. During this discussion, Equinor articulated their new biodiversity position. Ruffer welcomed this development given how closely biodiversity and climate change issues are linked. Equinor aims to establish voluntary exclusion zones for its activities and develop a net-positive approach for projects in high-risk areas. Ruffer will continue to engage with Equinor on their progress towards the Climate Action 100+ Net-Zero Benchmark and their plans to improve biodiversity in the surroundings they work in.

Source: information provided by the managers.