

Implementation Statement

Bowmer & Kirkland Ltd Group Pensions and Life Assurance Scheme

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This implementation statement has been prepared by the Trustees of the Bowmer & Kirkland Ltd Group Pensions and Life Assurance Scheme to satisfy the requirements of the 2019 Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations.

This statement is produced by the Trustees and sets out how the Trustees have ensured compliance with the Scheme's Stewardship Policy as set out in the Statement of Investment Principles (SIP) over the course of the year under review (6 April 2023 to 5 April 2024), in particular:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed in the year; and
- The voting behaviour of the Trustees, or that undertaken on their behalf over the year.

The Trustee's Stewardship and Engagement policies are included in the Scheme's SIP, a copy of which can be found at:

<https://www.bandk.co.uk/how-we-act/governance/>

The Scheme's Stewardship Policy is reviewed in line with the Scheme's SIP at least every three years. The SIP was last reviewed and updated on the 21st December 2023 to:

- Reflect the new legislative requirements requiring Trustees to explain their policies on how they monitor their investment manager.
- To formally incorporate the Trustees consideration of Environmental, Social and Corporate Governance (ESG) issues, including Climate Risk; and
- Include a statement on how the Trustees manage conflicts of interest.

Policy implementation

BlackRock Advisors (UK) acted on behalf of the Trustees during the year as sole investment manager. They are authorised under the Financial Services and Markets Act 2000 to undertake investment business and are a signatory of The Stewardship Code.

During the year, the Trustees delegated voting and engagement activities in respect of the Scheme's underlying assets to the Scheme's investment manager in accordance with the policies recorded in the SIP. The Trustees believe it is important that their investment manager takes an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Trustees' own engagement activity is focussed on their dialogue with the investment manager. The Trustees meet regularly with the investment manager and consider the investment manager's exercise of stewardship both during these meetings and through reporting provided by the investment manager. The Trustees have received the voting information and engagement policies from BlackRock Advisors. Having reviewed these policies the Trustees are comfortable that the actions of the investment manager are in alignment with the Scheme's Stewardship Policy.



Voting Behaviour

The Trustees seek to ensure that its investment manager is exercising voting rights. The Trustees hold equity assets through a pooled fund with BlackRock and this is the only mandate that carries voting rights for the Scheme's investment holdings.

The key voting actions over the year made on behalf of the Trustees are noted in the table below:

FUND NAME	VOTING STATISTICS	% OF VOTES CAST AS A PROPORTION OF TOTAL POSSIBLE VOTES
BlackRock: Aquila Life MSCI World Fund	The proportion of the total resolutions voted on were eligible	98%
	Proportion of resolutions voted on, where vote was with management	94%
	Proportion of resolutions voted on, where vote was against management	5%
	Proportion of resolutions voted on for which the fund manager abstained from voting	0%
	Percentage of meetings where the vote was at least once against management	32%
	Percentage of meetings where the vote was contrary to the recommendation of the proxy advisor	0%

Voting data has been provided by BlackRock covering the year to the 31st of March 2024.

Significant votes

The Trustees have asked the investment manager to report on the most significant votes cast within the portfolio they manage on behalf of the Trustees. The investment manager was asked to explain the reasons why votes were significant, how they voted, any engagement the investment manager had undertaken with the company and the outcome of the vote. From the investment manager's reports, the Trustees have identified the following votes as being of greater relevance to the Trustees. Significant votes in respect of the fund in the year were:

Sector	Materials
Market	CHINA
Meeting Date	4th May 2023
Key Resolutions	Approve climate report
Board Recommendation	The company recommends shareholders vote FOR the key resolution
BlackRock Vote	Blackrock voted FOR



Sector	Energy
Market	GB
Meeting Date	23rd May 2023
Key Resolutions	<ol style="list-style-type: none"> 1) Approve the Transition Progress 2) Request company to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
Board Recommendation	<p>The company recommends shareholders' vote:</p> <ol style="list-style-type: none"> 1) FOR 2) AGAINST
BlackRock Vote	<p>BlackRock voted:</p> <ol style="list-style-type: none"> 1) FOR 2) AGAINST noting the request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.

Sector	Utilities
Market	JAPAN
Meeting Date	28th June 2023
Key Resolutions	<ol style="list-style-type: none"> 1) Amend Articles to Dispose of Shares in Electric Transmission and Distribution Operation Subsidiary 2) Amend Articles to Decommission Hamaoka Nuclear Power Station 3) Amend Articles to Ban Reprocessing of Spent Nuclear Fuels 4) Amend Articles to Require Disclosure of Capital Allocation Policy Aligned with a Net Zero by 2050 Pathway
Board Recommendation	The company recommends shareholders vote AGAINST the key resolutions noted above.
BlackRock Vote	<p>BlackRock voted;</p> <ol style="list-style-type: none"> 1) AGAINST noting the shareholder proposal as the proposal will not serve shareholder's interest. 2) AGAINST noting the shareholder proposal as the proposal will not serve shareholder's interest 3) AGAINST noting the shareholder proposal as the proposal will not serve shareholder's interest 4) AGAINST noting the shareholder proposal as the proposal will not serve shareholder's interest.

Taking the key voting action, as noted above, into account the Trustees believe that BlackRock acted in accordance with the Scheme's Stewardship Policies.

Use of a proxy advisor

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East, and Africa ("EMEA") - located in seven offices around the world. The analysts with each team will determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock



Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

Whilst they subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into their vote analysis process. They primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information they use include the company's own reporting (such as the proxy statement and the website), their engagement and voting history with the company, and the views of their active investors, public information and ESG research.

Blackrock aim to vote at all shareholder meetings of companies in which their clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote certain proxies, as well as the desirability of doing so. They do not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where they experience impediments in relation to a specific shareholder meeting, they will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment.

Engagement activity

The Trustees meet regularly with its investment manager where Responsible Investment and Stewardship issues are discussed in further detail.

Over the last year the Chair of the Trustees has had regular contact with the investment manager. A formal meeting took place with the Trustees in September 2024. Topics of discussion included fund performance, any ongoing impact on investments due to the Russia/Ukraine and Palestine/Israel conflicts and updates on the LDI portfolio given the market volatility which followed the mini budget in September 22 which had a significant impact on the scheme.

The Trustees also receive reporting on the investment manager's own engagement activity. Within the Aquila Life World Fund, the investment manager carried out 1,500 engagements in the year to March 2024. The number of individual companies engaged was 902, and the number of companies with multiple engagements was 368. Engagement themes were predominantly Governance (92%), followed by Social (43%) and Environmental (40%).

How the Statement of Investment Principles (SIP) has been followed over the year

In the Trustees' opinion, the Statement of Investment Principles has been followed over the year in the following way:

- The Trustees reviewed their policies on ESG and Stewardship. The Trustees agree that ESG factors are potentially financially material, and that Stewardship is an important issue and the Trustees' policies in their SIP were updated in December 2023 to reflect this. The SIP also incorporated the Trustees' policies on monitoring and reviewing the investment managers performance and activities relative to the Trustees' objectives.