

Implementation Statement

Bowmer & Kirkland Ltd Group Pensions and Life Assurance Scheme

Implementation Statement

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 2022 to 5 April 2023), 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 24th of September 2020 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 its 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 multi asset fund with BlackRock and this is the only mandate that carries voting rights for the Scheme's 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: Market Advantage Strategy Fund	The proportion of the total resolutions voted on were eligible	93%
	Proportion of resolutions voted on, where vote was with management	87%
	Proportion of resolutions voted on, where vote was against management	6%
	Proportion of resolutions voted on for which the fund manager abstained from voting	1%

Voting data has been provided by BlackRock covering the year to the 31st of March 2023.

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, the size of the position in the portfolio, 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:

Industry	Pharmaceuticals
Market	USA
Meeting Date	17th November 2022
Key Resolutions	1) Approve merger agreement. 2) Advisory Vote on Golden Parachutes
Board Recommendation	The company recommends shareholders vote FOR the key resolutions above
BlackRock Vote	BlackRock voted: 1) FOR 2) AGAINST noting that the Incentive arrangements were poorly structured

Industry	Speciality Distribution
Market	USA
Meeting Date	31st March 2022
Key Resolutions	<p>Management Proposals</p> <ol style="list-style-type: none"> 1) Election of Directors 2) Approve 20:1 Stock Split <p>Shareholder proposals</p> <ol style="list-style-type: none"> 3) Report on Retirement Plan Options Aligned with Company Climate Goals 4) Commission Third Party Report Assessing Company's Human Rights Due Diligence Process 5) Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates 6) Report on Efforts to Reduce Plastic Use 7) Report on Worker Health and Safety Disparities 8) Report on Risks Associated with Use of Concealment Clauses 9) Report on Charitable Contributions 10) Publish a Tax Transparency Report 11) Report on Protecting the Rights of Freedom of Association and Collective Bargaining 12) Report on Lobbying Payments and Policy 13) Require More Director Nominations Than Open Seats 14) Commission a Third-Party Audit on Working Conditions 15) Report on Median Gender/Racial Pay Gap 16) Commission Third Party Study and Report on Risks Associated with Use of Recognition
Board Recommendation	The company recommends shareholders vote FOR key resolutions 1 & 2 and AGAINST the Shareholder resolutions 3 to 16 noted above.
BlackRock Vote	<p>BlackRock voted;</p> <ol style="list-style-type: none"> 1&2) FOR with exception of the election of one Director who they felt had not demonstrated the ability to effectively represent the shareholders' best interest. 3) AGAINST noting the company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies. 4) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures. 5) AGAINST noting the company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies. 6) AGAINST noting the company does not meet BlackRock's aspirations FOR disclosure of natural capital policies and/or risk.

BlackRock Vote	<p>7) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p> <p>8) AGAINST noting the company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.</p> <p>9) AGAINST noting the request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.</p> <p>10) AGAINST noting these matters are regulated by local, state and federal governments and company policy should be left to the board absent demonstrable harm to shareholders by prior board action or inaction.</p> <p>11) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p> <p>12) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p> <p>13) AGAINST noting the company already has policies in place to address these issues.</p> <p>14) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p> <p>15) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p> <p>16) AGAINST noting the company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.</p>
----------------	---

Industry	Automotive and Energy
Market	USA
Meeting Date	6th June 2022
Key Resolutions	<p>Management proposals</p> <p>1) Election of Directors</p> <p>2) Reduce Director Terms from Three to Two Years</p> <p>3) Eliminate Supermajority Voting Provisions</p> <p>4) Increase Authorised Common Stock</p> <p>Shareholders proposals</p> <p>5) Adopt Proxy Access Right</p> <p>6) Report on Efforts to Prevent Harassment and Discrimination in the Workplace</p> <p>7) Report on Racial and Gender Board Diversity</p>

	8) Report on the Impacts of Using Mandatory Arbitration 9) Report on Corporate Climate Lobbying in line with Paris Agreement 10) Adopt a Policy on Respecting Rights to Freedom of Association and Collective Bargaining 11) Report on Eradicating Child Labor in Battery Supply Chain 12) Report on Water Risk Exposure
Board Recommendation	The company recommends shareholders vote FOR the key resolutions 1 to 4 and AGAINST the shareholder resolutions 5 to 12 above
BlackRock Vote	Blackrock voted; 1) AGAINST noting that this was due to failure to implement shareholder proposals that received majority votes at a prior shareholder meeting. 2) FOR 3) FOR 4) FOR 5) FOR noting shareholders should have the right to place director nominees directly on the ballot under certain conditions. Blackrock believe support of proxy access is warranted at this company, at this time. 6) FOR noting that they believe it is in the best interests of shareholders to have access to greater disclosure on this issue. 7) AGAINST noting the company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies. 8) FOR noting they believe it is in the best interests of shareholders to have access to greater disclosure on this issue. 9) FOR noting the Company does not meet BlackRock's expectations FOR disclosure of lobbying and/or political activities 10) FOR noting they consider this to be in the best interests of shareholders. 11) AGAINST noting the company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies. 12) FOR noting they believe it is in the best interests of shareholders to have access to greater disclosure on this issue.

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 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 BlackRock's 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.



Blackrock aim to vote at all shareholder meetings of companies in which their clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, they will review the resolutions to assess the extent of the restrictions on voting against the potential benefits/matters.

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 Trustees met with the investment manager twice. Topics of discussion included fund performance, any ongoing impact on investments due to the Russia/Ukraine conflict and updates on the LDI portfolio given the market volatility which followed the mini budget in September 22 which has had a significant impact on the scheme.

The Trustees also receive reporting on the investment manager's own engagement activity. Within the Market Advantage Strategy Fund, the investment manager carried out 1,198 engagements with 764 underlying portfolio companies on a range of different issues over the year to 31st March 2023. A significant number of engagements related to climate risk management, remuneration and operational sustainability.

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 September 2020 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.