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 2023:

- 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 current SIP was 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

The SIP is currently being reviewed following recent changes to the investment strategy and an updated version will be published online in due course.

The Trustees have decided not to set stewardship priorities for the Scheme at this stage because the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represents a small proportion of the capital invested in the funds, and the Trustees understand that they are constrained by the policies of the managers. Additionally, only 47% (£10.7m) of the Scheme assets were invested in assets with voting rights attached as at 31/03/2023, and this has been reduced further as part of planned de-risking following the Scheme year end.

Given the Scheme's time horizon to a potential buy-out and plans to reduce the allocation to assets with voting rights attached over time, the Trustees decided not to set stewardship priorities. However, the Trustees take investment managers' stewardship priorities and approach to climate risk and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually.

The Church of England's Ethical Investment Advisory Group (EIAG) publishes guidelines on how to invest with a distinctly Christian approach. At the time of preparation of this statement, the Trustees are considering the extent to which the Scheme's investment strategy, including potential stewardship priorities and themes, can and should be aligned with the EIAG guidelines.

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 2023. The Trustees are satisfied that no remedial action is required as a result of this process.
- The Scheme appointed LGIM to run a Liability Driven Investment ("LDI") mandate over the year. The Trustees are of the view that there is limited scope for the consideration of ESG issues to improve risk-adjusted returns within LDI strategies due to of 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

October 2023

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 2023.

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	69	97	1650	77
Number of resolutions the investment manager was eligible to vote on	1,186	1,061	21,383	1,305
Percentage of resolutions voted on for which the investment manager was eligible	99.9%	97.9%	97.6%	100%
Percentage of resolutions abstained from*	0.25%	0.96%	0.72%	0.1%
Percentage of resolutions voted with management*	98.1%	95.8%	93.2%	94.2%
Percentage of resolutions voted against management*	1.61%	3.27%	6.86%	5.7%
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*	2.87%	*Information not provided*	6.99%	7.1%

**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, however recent guidance states that a significant vote is likely to be one that is linked to one or more of the scheme's stewardship priorities. At this time the Trustees have decided not to set stewardship priorities for the Scheme. So, for this Implementation Statement, the Trustees have asked the investment managers to decide what they deem 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	Softcat PLC	AVEVA Group plc	Natwest
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	1.28%	1.48%	1.02%
Summary of the resolution	Board effectiveness – Independence or Oversight	Against remuneration report	Approve Climate Strategy
How the manager voted	In favour	Against	Abstain
Rationale for the voting decision	Aegon engaged with the Company to ensure the individual board members are not overboarded. The new non-executive director has 4 other board positions and Aegon queried what due diligence was in place to ensure she was not overboarding. Aegon were satisfied proper due diligence was conducted and will monitor going forward.	Aegon abstained on the remuneration report last year since they did not consider the earnings per share ("EPS") range applied to the performance share plan ("PSP") was sufficiently challenging. The Company has failed to address concerns Aegon raised last year regarding the challenge of EPS targets attached to the PSP. Aegon's concerns this year are exacerbated given the remuneration committee's decision not to reduce the grant size given the significantly lower share price. Given the potential for a pay versus performance disconnect, Aegon voted against the remuneration report.	Aegon believe the Company are showing good progress on a lot of measures disclosed last year in terms of their mortgage business, operational greenhouse gas emissions and intensities and are founder members of the Net Zero Banking Alliance. Aegon view all the above favourably, but the climate strategy lacks specifics of how the Company actually plan to get to net zero in practical target terms, or how the halving of climate impact may be achieved. Aegon therefore abstained as there are too many unknowns and the Company have not committed to bringing the finalised plan to shareholders next year.
Outcome of the vote	Comfortably passed	97.14% in favour	Comfortably passed.

	Vote 1	Vote 2	Vote 3
Implications of the outcome	Aegon will monitor going forward	Will monitor and continue to engage	Aegon will continue engaging on the transition plan
Criteria on which the vote is considered "significant"	Ensuring board effectiveness	Ongoing remuneration issues and engagement	Against management

Source: information provided by the manager.

Baillie Gifford Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Duke Realty Corporation	Booking Holdings Inc	CBRE Group Inc.
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	14.95%	5.81%	6.22%
Summary of the resolution	Say on Pay Frequency	Remuneration	Shareholder Resolution – Governance
How the manager voted	Against	Against	Against
Rationale for the voting decision	Baillie Gifford opposed the advisory proposal to approve executive compensation to be paid in connection with the company merger due to concerns regarding single trigger provisions and the introduction of excise tax gross-ups in connection with severance payments.	Baillie Gifford opposed executive compensation due to concerns with adjustments made to the plan and the granting of retention awards.	Baillie Gifford opposed a shareholder resolution to lower the threshold for shareholders to call a special meeting as they consider that the existing threshold is appropriate.
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	While Baillie Gifford were supportive of the proposed merger with Prologis, they were uncomfortable with the compensation arrangements planned for Duke Realty Named Executive Officers in connection with the merger and therefore opposed this resolution, which ultimately received 91.64% dissent from shareholders. Baillie Gifford unsuccessfully attempted to engage the company on its approach to compensation at this year's AGM and will continue their efforts to do so going forward.	Baillie Gifford engaged with the company in advance of the AGM. They outlined concerns that the adjustments to executive pay and special payments do not align with shareholders' experience or provide appropriate incentives for management. Following this, Baillie Gifford decided to oppose the executive compensation resolution and communicated their decision to the company. Baillie Gifford intend to re-engage with the company to learn how it intends to respond to the vote outcome and shareholders' concerns.	Baillie Gifford opposed the shareholder resolution to lower the ownership threshold to call a special meeting as they were comfortable with the current 25% threshold in place and do not believe that lowering it would be reasonable. Ahead of voting, Baillie Gifford had an engagement call with the company to discuss the proposed agenda. They were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the company, did not have any concerns over CBRE but backs a lower threshold out of principle. Baillie Gifford intend to follow up with the company later in a year to speak about governance developments.
Criteria on which the vote is considered "significant"	The resolution received greater than 20% opposition.	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	SATS Ltd.	XP Power Ltd	SThree
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	*Information not provided*	*Information not provided*	*Information not provided*
Summary of the resolution	Approve acquisition	Re-elect James Peters as director.	Re-elect Denise Collis
How the manager voted	Against	Against	Against
Rationale for the voting decision	Concerns over terms of the acquisition	Concern over low gender diversity on the board	Concern over board culture given CFO and CEO exit and remuneration arrangements around this. The director in question is chair of the remuneration committee and senior independent director.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	*Information not provided*	*Information not provided*	*Information not provided*
Criteria on which the vote is considered "significant"	Concerns corporate structure	Concerns chairman and executive directors	Concerns shareholder rights and governance issues

Source: information provided by the manager.

Ruffer Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Cigna Corporation	BP Plc	Bristol-Myers Squibb Company
Approximate size of the Fund's holding as at the date of the vote (as % of portfolio)	1.54%	3.10%%	1.15%
Summary of the resolution	Social – Report on Gender Pay Gap	Environmental - Approve Shareholder Resolution on Climate Change Targets	Governance - Require Independent Board Chair
How the manager voted	Against	Against	For
Rationale for the voting decision	Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the equal pay for equal work statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set	Ruffer voted in line with ISS and management. Ruffer have considered BP's work on the energy transition and climate change, believe BP are industry leading, and support management in their effort to provide clean, reliable and affordable energy. Therefore, Ruffer voted against the shareholder resolution.	Ruffer's policy is to encourage the separation of CEO and Chairman roles. This motion called for the roles to be separated at the end of the current CEO/Chairman's term and had been on the table for years, so the company should have had time to manage the transition with limited disruption. Therefore, Ruffer believed support for this proposal was warranted.

	Vote 1	Vote 2	Vote 3
	a parity goal for leadership positions. Ruffer believes the shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, support for this resolution is not warranted at this time.		
Outcome of the vote	The resolution failed with 66.8% votes against.	The resolution failed with 85.1% votes against	The resolution failed with 54.9% against.
Implications of the outcome	Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts	Ruffer will monitor how the company progresses and vote against any resolutions which they deem unnecessary.	Ruffer will continue to engage with the company on governance issues and vote in favour of policies that favour a split between the CEO and Chairman roles.
Criteria on which the vote is considered "significant"	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide accurate and transparent information on Gender Pay Gaps.	Ruffer believe this vote will be of particular interest to their clients.	Ruffer believe this vote will be of particular interest to their clients.

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 2023 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	60	37	83	6	91	15
Number of entities engaged on behalf of the holdings in the Fund over the year	37	30	60	5	40	13
Number of engagements undertaken at a firm-level over the year	441	1,255	*150*	*150*	*1,088***	54

** 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 2022.*
***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 applicable fund or manager over the year to 31 March 2023.

Manager	Example engagement activity
Aegon Ethical Cautious Managed Fund	Aegon met with the Chair of Natwest in April 2022 to discuss topics including cyber security, Russian exposure and the transition pathway. Most of the meeting was devoted to the climate transition pathway, as they were still early in their transition. Aegon met again with Natwest in December 2022 for an update on progress. The engagement is still ongoing and Aegon look forward to seeing progress in the disclosure due to be published shortly.
Baillie Gifford Diversified Growth Fund	Baillie Gifford met Leadenhall Capital Partners (LCP) to assess their potential new investment in its UCITS Cat Bond Fund. They spoke with both the firm's senior management and those responsible for running the fund in question. The discussion focused on its ESG assessments of counterparties and the exclusions it applies to the fund. Baillie Gifford talked about diversity across the company and learned that the board has recently supported a new equality, diversity and inclusion policy as of November 2022.
M&G Discretionary Fund	M&G met with the director of sustainability at UnitedHealth to further encourage UnitedHealth's decarbonisation plans and suggest improved disclosure on governance and incentives in the next sustainability report. M&G were pleased to see UnitedHealth's recent appointment of a new chief sustainability officer, and subsequently produced a much improved sustainability report in June 2022.
M&G Long Dated Corporate Bond Fund	M&G asked the North American electric power and natural gas holding company, Duke Energy, to disclose a phase out plan to exit coal by 2030 (currently 2035) M&G held a call with investor relations at Duke Energy where the company confirmed the information announced in their Q4 2022 earning review and business update (released 9 February 2023) in that the company plans for an orderly transition out of coal by 2035, ensuring that replacement generation is in-service prior to retirement to ensure reliability of the network and affordability of energy for clients.
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 2023 were climate change, remuneration, board composition, climate impact pledges and gender diversity. At a firm level, during the first quarter of 2023, LGIM arranged an engagement call with Macquarie Asset Management, Southern Water's majority shareholder, to share its views on the water pollution in the UK. This builds on LGIM's engagement over previous months, including with management at other companies in the sector such as Thames Water and with the regulator, Ofwat. In the first quarter of 2023, LGIM also signed up to the Ceres investor-led 'Valuing Water Finance Initiative', aimed at engaging water users and polluters to address water risks and protect this precious and essential natural resource. LGIM continues to limit its exposure to the bonds of weaker companies in the sector, pending evidence on progress on operational and financial issues. Press reports indicate that Thames Water has hired advisors to explore financing options. As one of the largest lenders in the sterling corporate bond market, LGIM directly engages when companies are marketing bonds, and also amplifies its voice through its leading role at ages with other sector stakeholders such as regulators and industry bodies as part of their broader aim not just to improve ESG factors at individual companies, but across the global markets in which their clients are invested.
Ruffer Absolute Return Fund	Ruffer do not provide details of individual engagements at a fund level. At a firm level, Ruffer met with Equinor, a Norwegian energy company, to refresh a dialogue on the company's energy transition plan and its various components. The meeting allowed Ruffer to understand the company's criteria for expanding internationally and to gauge its progress in the renewables space. Equinor has continued to expand in both renewables and low-carbon solutions, seeing tangible progress in offshore floating wind. Ruffer will continue to engage with Equinor on their progress towards the Climate Action 100+ Net-Zero Benchmark.

Source: information provided by the managers.