

British Fermentation Products Pension Scheme (‘Scheme’)

31 December 2024 Implementation
Statement

May 2025

1. Introduction

The Trustees are required to make publicly available online a statement (“the Implementation Statement”) covering the British Fermentation Products Pension Scheme (the “Scheme”) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

The SIP was amended once during the year ending 31 December 2024, and the changes made were predominantly to update the SIP to allow for the completion of a bulk annuity (buy-in) transaction with Canada Life (“the insurer”) which was carried out in June 2024. This SIP came into force from July 2024.

A copy of the current SIP signed and dated July 2024 can be found here
<https://pensioninformation.aon.com/bfp/default.aspx>.

This Implementation Statement covers the period from 1 January 2024 to 31 December 2024 (the “Scheme Year”). It sets out how the Trustees’ policies on stewardship have been followed over the Scheme Year.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage the Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. With the help of the Scheme’s Fiduciary Manager, to whom the Trustees delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustees has complied with the DWP’s statutory guidance.

The Trustees used the Fiduciary Management service of **Schroders IM Limited** as their Investment Manager and Adviser (referred to as the “**Fiduciary Manager**” in the Implementation Statement). The Fiduciary Manager could appoint other investment managers (referred to as “**Underlying Investment Managers**”) to manage part of the Scheme’s assets, and investments with these managers were generally made via pooled funds, where the Scheme’s investments are pooled with those of other investors.

Following the buy-in transaction which was completed in July 2024, there are no assets remaining with the Fiduciary Manager as at 31 December 2024 and the Fiduciary Manager’s appointment has been terminated. In addition, given the nature of the buy-in assets, during the period the Scheme did not hold any investments with voting rights attached. Therefore, there is no voting summary shown in this Implementation Statement.

A copy of this Implementation Statement is available on the following website:
<https://pensioninformation.aon.com/bfp/documents.aspx>.

2. How the Trustees’ policies on stewardship have been followed over the Plan Year

At the start of the Scheme Year, the Trustees with the Scheme Actuary, Buy-in Advisor and Fiduciary Manger carried out an exercise to secure the Scheme’s benefits with an insurer. As part of the exercise, the Trustees selected Canda Life as the insurer to carry out a buy-in transaction with, which the Trustees believed would lead to better security of Scheme’s members’ benefits being paid going forward, once a full Scheme buyout is completed in the future. Given there are no remaining assets held with the Fiduciary Manager, voting and engagement are irrelevant hence there is limited scope for the Trustees to exercise its stewardship policy. However, the Trustees plan to monitor insurer with the assistance of the Buy-in Advisor (or Risk Transfer

Advisor) going forward as part of the ongoing monitoring process before a full Scheme buyout is completed. The examples of monitoring include insurer's commitments to the ESG initiatives, voting (if relevant) and engagement report of the annuity etc.

The Trustees' policy as set out in the SIP regarding Stewardship is as follows:

As part of the management of the Scheme's assets, the Trustees expect the insurers to ensure that (where appropriate) it exercises the Trustees' voting rights in relation to the Scheme's assets.

Given the policy as set out above and the investment strategy held by the Trustees during the Scheme Year, the Trustees believe that they have acted in accordance with the DWP Guidance and successfully followed the stewardship policy in the SIP over the Scheme Year.

