

# Implementation Statement

## Chubb Security Pension Fund (CSPF)

### Purpose of this statement

This Implementation Statement has been produced by the Trustee of the **Chubb Security Pension Fund (“the Fund”)** to set out the following information over the year to **31 March 2023**:

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

The Statement has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

### Stewardship Policy

The Statement of Investment Principles (SIP), dated August 2022, describes the Trustee policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

[Chubb Security Pension Fund – Statement of Investment Principles](#)

The Trustee periodically review engagement activities undertaken by their investment managers to ensure that the policies outlined above are being met and may explore these issues with their investment managers as part of their ongoing monitoring. The Trustee expect managers to engage with key stakeholders where appropriate. The Trustee is currently comfortable with all the investment managers.

At this time, the Trustee has not set stewardship priorities / themes for the Fund given target and now completion of a buy-out this year.

### How voting and engagement policies have been followed

The Fund invests using pooled funds and segregated portfolios. Assets with voting rights attached are invested entirely in pooled funds and, as such, the Trustee delegates responsibility for carrying out voting and engagement activities to the fund managers.

Each year, the Trustee receives and review voting information and engagement information (via production of this Statement) from the asset managers, which they review to ensure alignment with their own policies.

Having reviewed the above in accordance with their policies, the Trustee is comfortable that the actions of the fund managers are in alignment with the Fund’s stewardship policies.

The Trustee has reviewed the stewardship and engagement activities of the current managers during the year and were satisfied that their actions were reasonable in the context of the Trustee’s own policies and no remedial action was required during the period. Additional information on the voting and engagement activities carried out for the Fund’s investments are provided on the following pages.

**Prepared by the Trustee of the Chubb Security Pension Fund**

## Implementation Statement (Cont)

### Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Fund's Growth Portfolio on behalf of the Trustees over the year to 31 March 2023. The cash, gilts and bonds with Insight have no voting rights and therefore no voting information are shown for those assets.

Manager	Ruffer	BlackRock Investment Management
<b>Fund name</b>	Ruffer Absolute Return Fund	BlackRock BIJF Dynamic Diversified Growth Fund
<b>Structure</b>	Pooled	
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
<b>No. of eligible meetings</b>	77	893
<b>No. of eligible votes</b>	1,305	11,775
<b>% of resolutions voted</b>	100.0	92.0
<b>% of resolutions abstained</b>	0.1	1.0
<b>% of resolutions voted with management<sup>1</sup></b>	94.2	94.0
<b>% of resolutions voted against management<sup>1</sup></b>	5.7	5.0
<b>Proxy voting advisor employed</b>	Ruffer considers research and recommendations provided by Institutional Shareholder Services (ISS). However, Ruffer do not delegate stewardship activities and retain ultimate discretion in line with their own guidelines.	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 their proxy
<b>% of resolutions voted against proxy voter recommendation</b>	7.1	0.0

<sup>1</sup> As a percentage of the total number of resolutions voted on

<sup>1</sup> As a percentage of the total number of resolutions voted on

## Implementation Statement (Cont)

### 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 Trustee over the year to be set out. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Fund.

For this Implementation Statement the Trustee has asked the investment managers to determine what they believe to be a "significant vote". Ruffer and BlackRock have provided a numerous selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show three of these votes for each fund.

### Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Equinor ASA	BP Plc	The Charles Schwab Corporation
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.54	3.10	0.35
<b>Summary of the resolution</b>	Vote on approving Energy Transition Plan	Vote on approving shareholder resolution on climate change targets	Vote to report on lobbying payments and policy
<b>How the manager voted</b>	For	Against	For
<b>Rationale for the voting decision</b>	Ruffer have been impressed by Equinor's efforts to decarbonise. Equinor is at the forefront of offshore wind developments. They have been profitable in their venture to decarbonise which Ruffer are keen to support.	Ruffer voted in line with ISS and management. Ruffer have done extensive work on BP's work on the energy transition and climate change and Ruffer think they are industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore Ruffer voted against the shareholder resolution.	The proposal seeks to ensure the company discloses any lobbying payments, this is a reasonable proposal and Ruffer believe warrants a vote FOR, in line with ISS's recommendation.
<b>Outcome of the vote</b>	The resolution passed with 96.6% votes in favour.	The resolution passed with 85.1% votes in favour.	The resolution failed with 65.1% votes against
<b>Implications of the outcome</b>	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives.	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.	Ruffer will continue to engage with the company on governance issues and vote in favour of policies that favour disclosure on lobbying payments.
<b>Criteria on which the vote is considered "significant"</b>	The management resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.	Ruffer support management in their effort to provide clean, reliable and affordable energy .	Ruffer support SH resolutions in their effort to get accurate and transparent information on the company's revenue streams.

## Implementation Statement (Cont)

### BlackRock, Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Rio Tinto Plc	McDonald's corporation	Amazon.com, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	Not provided	Not provided	Not provided
<b>Summary of the resolution</b>	Approve climate action plan	Issue transparency report on Global Public Policy and Political Influence	Advisory Vote to Ratify Named Executive Officers' Compensation
<b>How the manager voted</b>	For	Against	For
<b>Rationale for the voting decision</b>	Not provided	Not provided	Not provided
<b>Outcome of the vote</b>	Pass	Fail	Pass
<b>Implications of the outcome</b>	Not provided	Not provided	Not provided
<b>Criteria on which the vote is considered "significant"</b>	Not provided	Not provided	Not provided

## Implementation Statement (Cont)

### Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Fund's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Ruffer	Insight	BlackRock
<b>Fund name</b>	Absolute Return Fund	Buy & Maintain Bonds (incl. a GBP Liquidity Fund); and Liability Driven Investment (LDI).	BIJF Dynamic Diversified Growth Fund
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	15	165	383
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	39	644	Not provided
<b>Number of engagements undertaken at a firm level in the year</b>	41	1,178	3,963

### Examples of engagement activity undertaken over the year to 31 March 2023

#### Ruffer, Absolute Return Fund

Ruffer engaged with ArcelorMittal on environmental issues where Ruffer co-leads the CA100+ group.

Ruffer will continue to engage with ArcelorMittal on its progress with the Climate Action 100+ Net-Zero Benchmark, focusing on climate-related lobbying, governance (in particular, remuneration) and medium-term greenhouse gas emissions reduction targets as our core priorities. Ruffer will also continue to engage on the science-based emissions reduction targets and the company's remuneration policy.

#### Insight

Insight engaged with Equinor on environmental issues, including carbon emissions and providing guidance for its energy production mix.

Insight will continue to engage with Equinor on its plans for those oilfields deemed 'unconventional' to assess the environmental/biodiversity impact of these projects. Excluding the three oilfields suggested to be 'conventional' by Equinor, this would push their controversial revenues score below the threshold. However, given the heightened biodiversity risk in the Arctic, Insight decided to keep the definition of these oilfields as 'unconventional'.