

Tulip Limited Pension Plan

Engagement Policy Implementation Statement for the year ending 30 June 2022

Introduction

The Trustees of the Tulip Limited Pension Plan (the 'Plan') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 30 June 2022. This statement also describes the voting behaviour by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoint their investment managers to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial and non-financial performance of underlying investments (including environmental, social and governance (ESG) factors), and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

The Trustees recognise that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees also delegate responsibility for engaging and monitoring investee companies to the investment managers and expect the investment managers to use their discretion to maximise financial returns for members and others over the long term.

As all of the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

The Trustees have provided the investment managers with a copy of the Statement of Investment Principles which sets out their policies on voting and engagement.

Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment managers engage in dialogue with the companies they invest in and how they exercise voting rights. It also provides details on the investment approaches taken by the investment managers when considering the relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix. These policies are publicly available on each investment manager's website.

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment managers publish online the overall voting records of the firm on a regular basis. The investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers is as follows:

	Partners Group The Partners Fund	SSgA International (Developed 50% Hedged) ESG Screened Equity Index
Period	01/07/2021 – 30/06/2022	01/07/2021 – 30/06/2022
Number of meetings eligible to vote at	60	2,783
Number of resolutions eligible to vote on	865	33,479
Proportion of votes cast	100%	99.0%
Proportion of votes for management	94%	89.4%
Proportion of votes against management	4%	10.6%
Proportion of resolutions abstained from voting on	2%	1.8%

Trustees' assessment

The Trustees have undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations.

The Trustees have considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

The Trustees may also consider reports provided by other external ratings providers.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees will consider whether to engage with the investment manager.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
SSgA	https://www.ssga.com/library-content/pdfs/global/esg-investment-statement.pdf
Partners	https://www.partnersgroup.com/fileadmin/user_upload/Files/Legal/Compliance_PDFs/20210309_ESG_Sustainability_Directive_vFV.pdf
Columbia Threadneedle	https://docs.columbiathreadneedle.com/documents/en_responsible_investment_policy.pdf?inline=true

Information on the most significant votes for each of the funds containing public equities is shown below.

SSgA International (Developed 50% Hedged) ESG Screened Equity Index Fund	Vote 1	Vote 2	Vote 3
Company name	Analog Devices, Inc.	Apple Inc.	Costco Wholesale Corporation
Date of Vote	09/03/2022	04/03/2022	20/01/2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.1	2.3	0.2
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation	Advisory Vote to Ratify Named Executive Officers' Compensation	GHG Emissions
How the fund manager voted	Against	Against	Abstain
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	We do not publicly communicate our vote in advance.	We do not publicly communicate our vote in advance.	We do not publicly communicate our vote in advance.
Rationale for the voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.		SSGA is abstaining on the proposal as the company's disclosure and/or practices related to climate change are broadly in line with market standard but could be enhanced.
Outcome of the vote	Not provided	Not provided	Not provided
Implications of the outcome	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.	Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
Criteria on which the vote is assessed to be "most significant"	Compensation	Compensation	SH - Environmental Proposal

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Partners Group The Partners Fund	Vote 1	Vote 2	Vote 3
Company name	VSB Renewables Platform	Techem Metering GmbH	Civica
Date of Vote	n/a	n/a	n/a
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	n/a	n/a	n/a
Summary of the resolution	As we control the Board, please see below the ESG efforts of the portfolio company.	As we control the Board, please see below the ESG efforts of the portfolio company.	As we control the Board, please see below the ESG efforts of the portfolio company.
How the fund manager voted	Control of board	Control of board	Control of board
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	n/a	n/a	n/a
Rationale for the voting decision	<p>VSB initiated the "VSB Goes Green Initiative", which includes several ESG projects aimed at deepening the alignment of business units and employees with the climate friendly nature of the company. One of the initiatives include assessing Scope 1 and Scope 2 emissions with the support of an external advisor. VSB aims to reduce its carbon footprint.</p> <p>The company has also initiated a comprehensive health and safety review to promote the well-being of its employees.</p>	<p>Techem completed a climate change engagement with an external advisor where a detailed greenhouse gas inventory was established including Scope 1, Scope 2 as well as material Scope 3 emissions. Initial carbon reduction opportunities were identified, and this analysis forms the basis for the development of Techem's carbon neutrality target.</p> <p>In addition, the organization added health and safety terms in all contracts with suppliers in Germany, Poland and France to improve its oversight across its supply chain.</p>	<p>Civica formalized its sustainability working group, which focuses on three areas: employees, customers and suppliers.</p> <p>The company aims to build on its previous achievements on employee net promoter score (eNPS) and diversity and inclusion. The group's eNPS is over 50 and the company was placed 73rd in Europe in the 2021 Financial Times Diversity Leaders list.</p> <p>Following the rise in COVID-19 cases in India, Civica increased its assistance in the region, including support for BAPS Shri Swaminarayan Mandir, which has established a dedicated, 500-bed hospital to provide medical assistance to the people of Vadodara. Civica also raised funds to support the setup of an intensive care unit to ensure patient access to ventilators, oxygen, food and medicine, while directly funding the purchase of patient monitors.</p>
Outcome of the vote	n/a	n/a	n/a

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<p>Implications of the outcome</p>	<p>VSB completed a detailed assessment of its IT and cyber security setup across offices with an external consultant. VSB will make the necessary improvements based on the outcome of this engagement.</p>	<p>After successfully completing a detailed materiality assessment, Techem published its first Corporate Sustainability Report in June 2021, which highlights key ESG achievements and lays out a detailed sustainability roadmap for the company. In the roadmap, the company commits to the development of a carbon neutrality target by 2022 and to increase the number of women in management from 17% in 2020 to 35% in 2025.</p>	<p>The focus on employees also includes managing the environmental impact of their offices. In September 2021, Civica formalized its first carbon plan.</p>
<p>Criteria on which the vote is assessed to be “most significant”</p>	<p>Size of holding in fund</p>	<p>Size of holding in fund</p>	<p>Size of holding in fund</p>