

Tulip Limited Pension Plan

Engagement Policy Implementation Statement for the year ending 30 June 2024

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 2024. 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.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020. Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
SSgA	Yes	Yes
Partners Group	Yes	Yes
Columbia Threadneedle	Yes	Yes

The Trustees review each investment manager prior to appointment and monitors them on an ongoing basis through the regular review of the manager's voting and engagement policies, its investment consultant's ESG rating, and a review of each manager's voting and engagement behaviour.

The Trustees have not set out their own stewardship priorities but follow those of the investment managers.

The Trustees will engage with a manager should they consider that manager's voting and engagement policy to be inadequate or if the voting and engagement undertaken is not aligned with the manager's own policies, or if the manager's policies diverge significantly from any stewardship policies identified by the Trustees from time to time.

If the Trustees find any manager's policies or behaviour unacceptable, it may agree an alternative mandate with the manager or decide to review or replace the manager.

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.

IMPLEMENTATION STATEMENT (continued)

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.

The latest available engagement information provided by the investment managers (for mandates that contain public equities or bonds) is as follows:

IMPLEMENTATION STATEMENT (continued)

	Partners Group Partners Fund	SSgA International (Developed 50% Hedged) Screened Index Equity Sub-Fund	Columbia Threadneedle LDI Counterparties**
Period	01/07/2023-30/06/2024	01/07/2023-30/06/2024	01/07/2023 – 30/06/2024
Engagement definition	n/a*	They believe engagement is a meaningful tool that they can use in a manner that enables them to protect and promote the long-term economic value of their clients' investments. Through engagement, they aim to build long-term relationships with their portfolio companies to address a broad range of topics relating to the promotion of long-term shareholder value creation. Their Asset Stewardship team has developed their Global Proxy Voting and Engagement Policy (the "Policy"), which outlines their engagement approach. They conduct issuer-specific engagements to discuss the principles in the Policy, including sustainability-related risks and opportunities. They review and update the Policy annually as part of their regular review process. In addition, they assess emerging risks and issues affecting the companies in which they invest on behalf of their clients.	They define engagement for purposes of their policy as having constructive dialogue with issuers on environmental, social and governance (ESG) risks that could have a material negative impact on their businesses and, where necessary, encouraging improvement in ESG management practices. Their primary driver for engagement is to support long-term investment returns by mitigating risk, capitalising on opportunities linked to ESG factors, and reducing any material negative impact that our investment decisions could have on these factors.
Number of companies engaged with over the year	n/a*	367	5
Number of engagements over the year	n/a*	486	8

* Partners Group have confirmed that their general engagement for the Partners Fund is on a continuous basis (relying on board representation where possible), and as such do not collect engagement statistics pertaining to the number of interactions.

**We have included Columbia Threadneedle's engagement policy in relation to the LDI investments as this is considered most applicable to the Plan.

IMPLEMENTATION STATEMENT (continued)

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 advisors.

The investment managers publish online the overall voting records of the firm on a regular basis.

The investment managers use proxy advisors 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	01/07/2023 – 30/06/2024	01/07/2023 – 30/06/2024
Number of meetings eligible to vote at	57	2,723
Number of resolutions eligible to vote on	799	35,511
Proportion of votes cast	100%	97.5%
Proportion of votes for management	89.0%	84.2%*
Proportion of votes against management	8.0%	15.6*
Proportion of resolutions abstained from voting on	1.0%	1.1%

* Proportion of votes for and against management may not sum to 100%. Explanation provided by SSgA: "Regarding the differences in Voting Statistics percentages, a new Voting policy - IVC (Investor Voting Choice) has been implemented starting from Q2 2023, where the fund participants can choose a voting policy and direct the proxy voting on shares owned by the fund. In such multiple voting policies scenario, there is a little overlap between votes based on SSGA Voting policy and votes based on IVC, the reason for some inflated percentage numbers. A fund being an IVC participant, has some inflated percentages. A note regarding the same has been added to the Voting Statistics section of PLSA workbook for all the funds, which are IVC participants."

No equivalent information is available for the LGIM and Columbia Threadneedle funds in which the Plan invests..

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

IMPLEMENTATION STATEMENT (continued)

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/landq-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf
State Street Global Advisors	https://www.ssga.com/library-content/pdfs/esg-investment-statement.pdf https://www.ssga.com/uk/en_gb/about-us/what-we-do/asset-stewardship
Partners Group	https://www.partnersgroup.com/~/_media/Files/P/Partnersgroup/Universal/about-us/our-impact/responsible-investment/sustainability-report-2023.pdf
Columbia Threadneedle	https://docs.columbiathreadneedle.com/documents/Responsible%20Investment%20-%20Engagement%20policy%20and%20approach.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	Microsoft Corporation	Amazon.com, Inc.	Alphabet Inc.
Date of Vote	7 December 2023	22 May 2024	7 June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.7%	2.5%	1.5%
Summary of the resolution	Report on Climate Risk in Retirement Plan Options	Advisory Vote to Ratify Named Executive Officers' Compensation	Report on Climate Risk in Retirement Plan Options
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	They do not publicly communicate their vote in advance.		
Rationale for the voting decision	n/a	n/a	This proposal does not merit support as the company's climate-related disclosures are reasonable.
Outcome of the vote	n/a	n/a	n/a
Implications of the outcome	Where appropriate they will contact the company to explain their voting rationale and conduct further engagement.		
Criteria on which the vote is assessed to be "most significant"	Environmental Proposal	Compensation	Environmental Proposal

IMPLEMENTATION STATEMENT (continued)

Partners Group The Partners Fund	Vote 1	Vote 2	Vote 3
Company name	Breitling	Gren	Wedgewood Pharmacy
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 they control the Board, please see below the ESG efforts of the portfolio company.	As they control the Board, please see below the ESG efforts of the portfolio company.	As they control the Board, please see below the ESG efforts of the portfolio company.
How the fund manager voted	Board representation	Board representation	Board representation
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	Breitling is a direct private equity investment in their portfolio of companies, where they invest directly to obtain control and influence over their operations.	Gren is a direct private infrastructure investment in their portfolio of companies, where they invest directly to obtain control and influence over their operations.	Wedgewood Pharmacy is a direct private equity investment in their portfolio of companies, where they invest directly to obtain control and influence over their operations.
Outcome of the vote	n/a	n/a	n/a
Implications of the outcome	On the People side, the company is focused on improving working environments for its employees by taking action on equal pay and providing training, coaching, and volunteering opportunities. It has received recognition for its efforts in these areas with awards such as the "Top Employer – Certified Excellence in Employee Conditions" award for Switzerland and the global "Universal Fair Pay" award for equal pay.		
Furthermore, the company is committed to reducing its environmental footprint by working towards fewer carbon emissions, reducing energy consumption, shifting to clean energy, eliminating plastic waste, and addressing biodiversity and water impacts. It aligns its efforts with key international frameworks and supports projects aimed at reducing or removing greenhouse gas emissions.			

"n/a" indicates that the voting is not applicable to a private markets fund.

IMPLEMENTATION STATEMENT (continued)

Information on the most significant engagement case studies for funds containing public equities at a firm level is shown below.

SSGA	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	AGL Energy Limited	Applied Materials Inc.	PTC Inc.
Topic	Board Oversight, Executive Compensation	Climate Risk Management – Climate Transition Plan Disclosure	Diversity, Equity, and Inclusion and Climate Risk
Rationale	In 2022 AGL Energy Limited (AGL) undertook a demerger transaction that was ultimately unsuccessful and resulted in a proxy contest where the full slate of dissident candidates were elected to the AGL board of directors.	SSGA engaged Applied Materials, Inc. in 2022 and 2023 to better understand the company's approach to managing relevant risks and opportunities related to several environmental topics including climate, water management, waste management, and materials sourcing. They discussed the company's progress on enhancing disclosure in line with the TCFD and its ongoing efforts to develop its climate transition plan, which was published in 2023.	SSGA outlined their expectations on TCFD-aligned disclosure and EEO-1 workforce diversity disclosure in their Global Proxy Voting and Engagement Policy. They expect every company in the S&P 500 to disclose its EEO-1 report, and they encourage other US companies to do so as well.
What the investment manager has done	In 2023, SSGA engaged with AGL multiple times including ahead of the company's AGM to discuss several topics, including the current board composition and effectiveness, CEO succession, and climate-related disclosure. Remuneration was also a focus area of their discussions as the company faced a strike in 2022 and committed to amend certain aspects of the remuneration structure. During engagement they shared feedback for enhanced disclosure on linking these changes to strategy alignment.	During their engagements, they gained insight on Applied Materials' approach to climate-related target setting and efforts related to energy management, customer and supply chain engagement, and innovation in product efficiency. They discussed the company's progress on quantifying its Scope 3 emissions inventory and the challenges and opportunities with reducing energy consumption for semiconductor products. They shared feedback and opportunities to enhance disclosure in line with their guidance, including disclosure about the company's decarbonization strategy to achieve its stated climate-related targets.	Prior to PTC Inc.'s annual meeting SSGA engaged the company on both diversity and climate disclosure as the company's disclosures for these areas were previously not in line with their expectations. With the publication of its "Employer Information Report," the company now aligns with their workforce diversity disclosure expectations. The company has made a written commitment in its proxy to provide investors with GHG emissions information, as well as creating goals around those emissions, stating: "To help us and our stakeholders understand our environmental impact, we have undertaken an effort to measure and ultimately report our GHG emissions. Our goal is to begin reporting our Scope 1 and Scope 2 emissions in FY2023 and to introduce reduction targets thereafter."
Outcomes and next steps	SSGA supported management on all resolutions at the 2023 AGM, including director elections and the remuneration report. They appreciate the enhanced disclosure in the annual report of the board's decision-making on remuneration outcomes. They will remain engaged with the company as it continues to execute on its strategic commitments.	In 2023, Applied Materials Inc. updated its climate-related targets and enhanced disclosure on its strategy to achieve these goals. This includes a roadmap outlining the main levers the company is pursuing toward its targets and the estimated contribution of each lever toward overall emissions reductions. The company also received validation for its science-based 2030 Scope 1, 2, and 3 emissions targets and disclosed progress on	At the 2023 AGM, SSGA supported all directors as the company now aligns with their expectations around EEO-1 disclosure and made a written commitment to provide investors with GHG emissions information.

SSGA	Case Study 1	Case Study 2	Case Study 3
		supply chain emissions management, product efficiency, and other efforts.	

At the time of writing, Partners have not been able to provide engagement case studies for their funds.