

Engagement Policy Implementation Statement (“EPIS”)

Tullis Russell Pension Scheme

Scheme Year End – 5 April 2024

The purpose of the EPIS is for us, the Trustees of the Tullis Russell Pension Scheme, to explain what we have done during the year ending 5 April 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Scheme’s material investment managers were able to disclose good evidence of engagement activity, and the activities completed by our managers align with our stewardship expectations.

The Scheme does not currently hold any investments with voting rights. Therefore, no voting rights have been exercised on our behalf this year.

The Trustees will engage, via their investment consultant, with investment managers and/or other relevant persons about relevant matters, including the Scheme’s stewardship priorities, at least annually. The Trustees will engage with their investment managers where necessary for more information.

How engagement policies have been followed

The Scheme is invested in pooled funds, and so the responsibility for voting (where applicable) and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. The Scheme is also invested in a closed-ended mandate managed by Partners Group in which the engagement activities have been delegated to the investment manager (subject to our stewardship policy as set out in the SIP). We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, our investment managers were able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in where available.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP: [Tullis-Russell-Pension-Scheme-SIP-March-2024.pdf \(tullisrussell.com\)](#)

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

Whilst Partner Group did provide examples of its fund-level engagement activities, which we find encouraging, the manager did not provide firm-level engagement information nor an exact number of fund-level engagements. Although we appreciate the challenge of engagement data reporting for private managers, improvements are needed. Our investment consultant, Aon, will engage with Partner Group to encourage better reporting in future.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
M&G - Total Return Credit Investment	9	297	Environment - Climate change Governance - Board effectiveness – Diversity and Remuneration
Partners Group - Direct Lending	>3*	<i>Not Provided</i>	<i>Not Provided</i>

Source: Managers

* This is the number of entities engaged but several engagements were held with these 3 entities over the reporting period. The total number of engagements therefore exceeds this figure.

Data limitations

At the time of writing, whilst Partner Group did provide fund-level examples of its engagement activities, the manager did not provide firm-level engagement information nor an exact number of fund-level engagements.

This report does not include commentary on certain asset classes such as liability driven investments, private equity, gilts, or cash because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.