

# Implementation Statement

## The Turning Point Pension Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustees of The Turning Point Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2023:

- how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

### Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2023 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2021 and has been made available online here:

[Statement of Investment Principles \(schemedocs.com\)](https://www.schemedocs.com)

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustees had previously agreed an ESG training plan with the Investment Consultant and were due to receive training on ESG considerations over the year to 31 March 2023 in order to understand fully how ESG factors including climate change could impact the Scheme and its investments. This training plan is still in place however the timeline has been extended due to other investment priorities over the year to 31 March 2023 as a result of the gilts crisis in September and October 2023.
- The Trustees receive and review voting information and engagement policies from both the asset managers and investment advisor (summarised in this report). The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the best interests of the Scheme.
- While the Trustees consider stewardship priorities/themes for the Scheme, they rely on the voting policy of their asset managers. The Trustees are comfortable that the asset managers' voting behaviours were broadly aligned with the Scheme's stewardship beliefs.

**Prepared by the Trustees of The Turning Point Pension Scheme  
July 2023**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to 31 March 2023. The cash and LDI holdings with LGIM have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. Similarly, the Osiris Property Fund and Strategic Income Fund with CBRE and TwentyFour, respectively, have no voting rights and therefore no voting data is presented in the table below.

Manager	State Street Global Advisors	State Street Global Advisors	Columbia Threadneedle	BlackRock
<b>Fund name</b>	State Street UK ESG Screened Index Equity Fund	International (50% Hedged) ESG Screened Index Equity Sub Fund	Dynamic Real Return Fund	BJIF 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>	678	2,774	48	893
<b>No. of eligible votes</b>	10,122	33,501	696	11,775
<b>% of resolutions voted</b>	100.00%	98.89%	100.00%	92.98%
<b>% of resolutions abstained</b>	0.16%	1.42%	3.02%	1.42%
<b>% of resolutions voted with management<sup>1</sup></b>	93.18%	89.51%	86.78%	94.79%
<b>% of resolutions voted against management<sup>1</sup></b>	6.82%	10.49%	10.20%	5.21%
<b>Proxy voting advisor employed<sup>1</sup></b>	Institutional Shareholder Services (ISS)	Institutional Shareholder Services (ISS)	Institutional Shareholder Services (ISS)	Institutional Shareholder Services (ISS)
<b>% of resolutions voted against proxy voter recommendation</b>	6.29%	8.07%	n/a	0.09%

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

## 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 Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. 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 Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

Columbia Threadneedle, SSGA and BlackRock have provided a selection of 10+ votes for each fund, which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

### Columbia Threadneedle, Dynamic Real Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Alphabet Inc.	Amazon.com, Inc.	General Motors Company
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.6%	0.6%	0.01%
<b>Summary of the resolution</b>	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms.	Commission Third Party Report Assessing Company's Human Rights Due Diligence Process.	Report on the Use of Child Labour in Connection with Electric Vehicles.
<b>How the manager voted</b>	For	For	For
<b>Rationale for the voting decision</b>	Supporting better ESG risk management disclosures.		
<b>Outcome of the vote</b>	Fail	Fail	Fail
<b>Implications of the outcome</b>	Active stewardship (engagement and voting) continues to form an integral part of Columbia Threadneedle's research and investment process.		
<b>Criteria on which the vote is considered "significant"</b>	Vote against management on certain environmental or social proposals & >20% dissent.		

### BlackRock, Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Intel Corporation	Amazon.com, Inc.	Siemens AG
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	BIS does not typically provide this information.		
<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation	Elect Director Judith A. McGrath	Approve Virtual-Only Shareholder Meetings Until 2025
<b>How the manager voted</b>	Against	Against	For
<b>Rationale for the voting decision</b>	Pay is not aligned with performance and peers.	Nominee has not demonstrated ability to effectively represent shareholders' best interests.	BIS supported these management proposals because they were aligned with regulatory requirements and, in our assessment, the company was taking the necessary steps to ensure that shareholder rights were respected.
<b>Outcome of the vote</b>	Fail	Pass	Pass
<b>Implications of the outcome</b>	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Their Global Principles describe their philosophy on stewardship, including how they monitor and engage with companies. These high-level principles are the framework for BlackRock's more detailed, market-specific voting guidelines. They do not see engagement as one conversation. They have ongoing direct dialogue with companies to explain their views and how they evaluate companies actions on relevant ESG issues over time. Where they have concerns that are not addressed by these conversations, they may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed their concerns.		
<b>Criteria on which the vote is considered "significant"</b>	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Their vote bulletins can be found here: <a href="https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins">https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins</a>		

### State Street, International (50% Hedged) ESG Screened Index Equity Sub Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	Amazon.com, Inc.	Tesla, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	1.85%	0.99%	0.76%
<b>Summary of the resolution</b>	Report on Climate Change	Recycling	Community -Environment Impact
<b>How the manager voted</b>	Against	For	For

	Vote 1	Vote 2	Vote 3
<b>Rationale for the voting decision</b>	This proposal does not merit support as the company's disclosure and/or practices related to climate change are reasonable.	This proposal merits support as the company's disclosure and/or practices related to recycling can be improved.	This proposal merits support as the company's environmental disclosure and/or practices can be improved.
<b>Outcome of the vote</b>	Data unavailable		
<b>Implications of the outcome</b>	Where appropriate SSGA will contact the company to explain their voting rationale and conduct further engagement.		
<b>Criteria on which the vote is considered "significant"</b>	The vote was deemed to be significant as it falls into category 1 of SSGA's significant vote framework: All votes on environmental-related shareholder proposals.		

### State Street, UK ESG Screened Index Equity Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Royal Dutch Shell Plc	BP Plc	Standard Chartered Plc
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	7.61%	3.52%	0.72%
<b>Summary of the resolution</b>	GHG Emissions	GHG Emissions	Approve Remuneration Policy
<b>How the manager voted</b>	Against	Against	Abstain
<b>Rationale for the voting decision</b>	This proposal does not merit support as the company's disclosure and/or practices pertaining to GHG emissions are reasonable.	This proposal does not merit support as the company's disclosure and/or practices pertaining to GHG emissions are reasonable.	This proposal merits qualified support as SSGA has some concerns with the remuneration structure for senior executives at the company.
<b>Outcome of the vote</b>	Data unavailable		
<b>Implications of the outcome</b>	Where appropriate State Street will contact the company to explain their voting rationale and conduct further engagement.		
<b>Criteria on which the vote is considered "significant"</b>	The vote was deemed to be significant as it falls into category 1 of SSGA's significant vote framework: All votes on environmental-related shareholder proposals.		
			The vote was deemed to be significant as it falls into category 2 of SSGA's significant vote framework: All votes on compensation proposals where SSGA voted against the management's recommendation.

### Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. 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 Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

The CBRE Osiris Property Fund is currently in the process of being wound down and therefore no engagement data has been provided at a fund level .

Manager	Columbia Threadneedle	BlackRock	TwentyFour	State Street	State Street
Fund name	Dynamic Real Return Fund	BIJF Dynamic Diversified Growth Fund	Strategic Income Fund	UK ESG Screened Index Equity Sub-Fund	International (50% Hedged) ESG Screened Index Equity Sub-Fund
Number of entities engaged on behalf of the holdings in this fund in the year	148 <sup>1</sup>	222	Approx. 150	42	372
Number of engagements undertaken at a firm level in the year	177 <sup>1</sup>	3,886 <sup>1</sup>	379	878	

<sup>1</sup>Data over the period 31 December 2021 to 31 December 2022.

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

### Columbia Threadneedle, Dynamic Real Return Fund

**Name of entity:** NextEra Energy

**Topic:** Climate Change / Social

**Background:** Columbia Threadneedle wanted more insight regarding the impact of the US Inflation Reduction Act (IRA), as well as the implementation of forced labour rules on the solar supply chain in the US.

**Actions:** Columbia Threadneedle's utilities industry equity analyst organised a series of calls with US solar companies on this topic. The call with NextEra was joined by the RI analyst as well as portfolio managers.

**Outcome and next steps:** The company sees the potential for a US supply chain to form in next two to four years given manufacturing incentives from the IRA. In particular, community solar is likely to play a more significant role than rooftop solar in the evolution of the electric grid given its scale advantages and increasing popularity. The company also sees bright prospects for the adoption of renewables in the US with tax incentives facilitating the addition of significant extra renewable capacity. NextEra expects that as a result of IRA the energy transition could happen twice as fast over the next decade. The call provided valuable insight on the broader developments impacting the US solar industry and NextEra's position within this. Columbia Threadneedle concluded that the company is relatively insulated from the forced labour rules and very well positioned to seize the expansion and growth within solar energy in the US.

### CBRE, Osiris Property Fund

**Name of entity:** Five underlying funds (Airport Industrial Property Unit Trust, Nuveen UK Retail Warehouse Fund, UNITE UK Student Accommodation Fund, Industrial Property Investment Fund and Curlew Student Trust)

**Topic:** Environmental – Climate Change

**Rationale:** To improve CBRE's understanding of the risk associated with climate changes on the underlying assets within each underlying portfolio.

**Actions:** An email was sent to the manager explaining how Moody's ESG Solution's physical risk mapping tool works along with a list of assets the tool has flagged as having high or critical risk exposure to one of the six climate hazards (wildfires, water stress, sea level rises, hurricanes and typhoons, heat stress and floods) if the temperature of the planet rises. The email asked the manager to develop asset management plans to mitigate against these risks.

**Outcome and next steps:** Fund managers are currently performing their own audit of the high-risk assets to see if they need to sell any assets or develop asset plans to implement defences against the risks identified. CBRE will work with each manager as they develop appropriate mitigation plans, as and when more data and information on these risks becomes available.