Tamworth Co-operative Society Limited Employees' Superannuation Fund

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) 2019 Regulations. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated 14 January 2022have been implemented. The SIP provides further background details on investment arrangements.

This Statement covers the period 1 April 2021 to 31 March 2022.

Investment managers and funds in use

Global equities	LGIM All World Equity Index Fund – GBP Hedged	20%
Risk-controlled multi-asset	LGIM Dynamic Diversified Fund	20%± 5%
Multi-asset income	LGIM Retirement Income Multi-Asset Fund	40%
Liability Driven Investment (LDI)	LGIM Matching Core Funds	20%± 5%
Total		**100%**

Strategy Review

There have been no changes to the investment managers over the year.

During the year, the Trustees revised the Scheme's investment strategy. In July 2021, the Trustees reviewed the investment strategy, receiving advice from their investment consultants, Broadstone Corporate Benefits Limited ('Broadstone'), where this review included the consideration of an alternative equity fund that invests with an environmental, social and governance (ESG) focus. Following this review, the Trustees agreed to replace the Legal & General Investment Management (LGIM) FTSE RAFI AW 3000 Equity Index Fund (GBP Hedged) with an alternative equity fund.

Further advice was provided by Broadstone to the Trustees in October 2021 on an equity fund replacement, and the Trustees agreed on the LGIM All World Equity Index Fund (GBP Hedged). In January 2022, the equity fund replacement was implemented.

Scheme Governance

The Trustee board is responsible for making investment decisions, and seeks advice as appropriate from Broadstone, as the Trustees' investment consultant.

The Trustees do not actively obtain the views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy.

There were no changes to the objectives put in place for Broadstone which were last reviewed in December 2019. The Trustees are due to formally review these objectives by December 2022, or earlier.

There were no changes to the investment management agreement with LGIM during the year.

Statement of Investment Principles

The Trustees last reviewed theirStatement of Investment Principles (SIP) in January 2022, which was updated for the revised investment strategy.

The Trustees have a policy on financially material considerations relating to Environmental, Social and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out below and are detailed in the SIP.

Other than the replacement of the equity fund noted above, there were no other departures from the policies set out in the SIP, including the Trustees' policies on financially and non-financially material considerations, during the year.

Policy on financially and non-financially material considerations

Trustees' Policy:

The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact in the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can and will have a material financial impact on the returns provided by those assets.

The Trustees delegate responsibility for day-to-day decisions on the selection of investments to the Investment Manager. The Trustees have an expectation that the Investment Manager will consider ESG issues in selecting investments, or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.

The Trustees do not currently impose any specific restrictions on the Investment Manager with regard to ESG issues, but will review this position from time to time.

The Trustees receive information from the Investment Manager on its approach to selecting investments and engaging with issuers with reference to ESG issues.

With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their investment adviser.

There were no departures from their policy during the year.

The Trustees note that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustees are satisfied that the funds currently invested in by the Schemeare managed in accordance with their views on financially material considerations, where the Trustees' views on individual asset classes are set out in the SIP, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

The Trustees have access to updates on governance and engagement activities by the investment manager, and input from their investment advisers on ESG matters.These views are also taken into account when appointing and reviewing investment managers.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

Policy on the exercise of voting rights and engagement activities

Trustees' Policy: ***The Trustees delegate responsibility for engagement with the issuers of the Scheme's underlying investment holdings and the use of voting rights is delegated to their Investment Manager. The Investment Manager provides, on request, information to the Trustees on its actions in relation to engagement and use of voting rights.***

There have been no departures from their policy, during the year. In particular, all voting activities have been delegated to the investment manager, as the Trustees do not have any legal right to vote on the underlying holdings, given the pooled nature of the Scheme's investments.

The Trustees currently invest in pooled investment funds with the investment manager, and they acknowledge that this limits their ability to directly influence the investment manager.

The Trustees will periodically meet with their investment manager, to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf of the Trustees. As part of this, the Trustees will seek to challenge their investment managers on these matters where they think this is in the best interests of members.

To complement this, the Trustees receive stewardship and governance reports from LGIM on a quarterly basis.

Within the current investment arrangements, the global equity, risk-controlled multi-asset and multi-asset income funds contain equity holdings. Therefore,these funds have voting rights attaching to these underlying equities.The Trustees have delegated voting rights to LGIM, and LGIM reports quarterly to the Trustees on how they have voted on behalf of the Trustees for the underlying holdings.

A summary of the votes made by LGIM on behalf of the Trustees for the period from 1 April 2021 to 31 March 2022 is provided in the table below, for each fund used by the Scheme.

			For	Against	Abstained
LGIM All World Equity Index Fund – GBP Hedged*	No – in house but cast votes using ISS	64,497	81%	18%	1%
LGIM Dynamic Diversified Fund	No – in house but cast votes using ISS	71,507	80%	19%	1%
LGIM Retirement Income Multi Asset Fund	No – in house but cast votes using ISS	105,480	80%	19%	1%

*Voting information provided for the year to 31 March 2022 for information only

The Trustees have requested details of the significant votes and engagement activities made on their behalf. Details of some significant votes and engagement activities are provided below:

- LGIM put forward a shareholder proposal to Moderna requesting that the company publicly disclose how its receipt of government financial support for the development and manufacture of a COVID-19 vaccine is being considered when making decisions that affect access to such products, such as setting prices. The company is contesting the inclusion of the proposal on its agenda at the 2022 Annual General Meeting and have indicated that they will publish such a report prior to the Annual General Meeting. LGIM are currently engaging with the company.

- LGIMengaged with BHP, one of the world's largest mining companies, who had put its climate transition plan to a shareholder vote for the first time. LGIM looked closely at how the emissions reduction targets aligned to The Paris Agreement goals and whether the milestones set are credible and pragmatic. While BHP has made a substantial progress in reducing its environmental footprint, LGIM opposed its climate transition plan as they deemed the targets to be insufficient and fell short of the level of ambition required to support a net zero pathway.

- LGIM put forward a proposal calling on BP to explain how its strategy is consistent with the Paris Agreement on climate change. LGIM worked with the board of BP to secure its support for the motion. BP has announced new targets including net zero emissions from its operations, net zero carbon emissions from the oil and gas it digs out of the ground, and a 50% reduction in the carbon intensity of all the products it sells.

The Trustees are comfortable with the LGIM'sapproach for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

Monitoring of Investment Arrangements

In addition to any reviews of the investment manager or approaches, and direct engagement with the investment manager (as detailed above), the Trustees receive performance reports on a quarterly basis from LGIM,together with performance reports from Broadstone on a quarterly basis to ensure the investment objectives set out in their SIP are being met.

Signed:

Date:

On behalf of the Trustees of the Tamworth Co-operative Society Limited Employees' Superannuation Fund