

IMPLEMENTATION STATEMENT

CIPD Staff Retirement Scheme

The Trustees of the CIPD Staff Retirement Scheme have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Scheme has followed the policy on voting, stewardship and engagement as set out in the Scheme's Statement of Investment Principles (SIP), dated 25th September 2019. This statement covers the period 30th September 2019 to 30th September 2020.

A. Voting and Engagement Policy

The policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

- i. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Scheme.
- ii. SEI, the Fund's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iii. Where the investment manager is SEI, they have pooled their holdings in their funds with other investors and employed a specialist ESG provider for voting and engagement services.
- iv. SEI will report on voting and engagement activity to the Trustees on a periodic basis together with its adherence to the UK Stewardship Code. The Trustees will consider whether the approach taken was appropriate or whether an alternative approach is necessary.

The Trustees have implemented this policy as described and in particular:

- Have received quarterly reports from SEI regarding voting and engagement and reviewed these formally in each Investment Sub Committee meeting the most recent of which was the meeting on 09 November 2021.
- In light of such reports and otherwise, considered their policy in regard to voting and stewardship and concluded that the current policy is appropriate.

B. Voting Record

All underlying securities in pooled funds that have voting rights are managed by SEI with SEI having the legal right to the underlying votes. SEI in turn use a Specialist ESG Provider as a proxy for voting and provide the Specialist provider with the holdings across all SEI's pooled funds. During the period from 30th September 2019 to 30th September 2020, across the Scheme's holdings¹ SEI voted as follows:

¹ SEI has shown voting data for the relevant quarters the fund was invested in.

Fund Name	Global Managed Volatility	Global Select Equity	US Small Cap
ISIN	IE00B19H3542	IE00B8FH1426	IE0034296800
Number of Votable Meetings	222	512	291
Number of Votable Items	2429	8483	2923
% of Items Voted	95%	98%	100%
For	74%	77%	73%
Against	23%	22%	20%
Abstain/ Withheld/ Other	3%	1%	7%
% of votes with management	74%	78%	74%
% of votes against management	26%	22%	26%
Voting Against/Abstain by Category			
Capital Related	7%	2%	0%
Board/Directors/Governance	57%	58%	42%
Remuneration Related	22%	22%	41%
Shareholder Proposals	3%	7%	2%
Other	12%	11%	16%

Fund Name	Pan Euro Small Cap	UK Equity	Global Factor Equity
ISIN	IE0034296248	IE00B3KF4Q98 & IE00B3KF5229	IE00BDD7WJ18
Number of Votable Meetings	272	266	461
Number of Votable Items	4856	8089	8043
% of Items Voted	73%	100%	99%
For	86%	95%	79%
Against	14%	4%	19%
Abstain/ Withheld/ Other	0%	1%	2%
% of votes with management	87%	96%	78%
% of votes against management	13%	4%	22%
Voting Against/Abstain by Category			
Capital Related	12%	0%	4%
Board/Directors/Governance	32%	35%	50%
Remuneration Related	42%	45%	25%
Shareholder Proposals	3%	4%	7%
Other	11%	16%	13%

C. Significant Votes

A highlight of some of the significant votes during the period are shown in the table below. Whilst many votes may have significant impact on the financial or non-financial performance of a company, the ones below have been drawn out as they are part of wider engagement that SEI has been conducting with the particular company and hence reflect the achievement of an engagement milestone.

Company Name	Held in Fund(s)	Theme	Description
BHP Group Ltd	Global Select Equity	Climate Change	SEI had a concern that BHP is not sufficiently clear on its expectations on industry bodies with regards to policy lobbying. We, therefore, voted for the shareholder proposal, which asked BHP to suspend memberships in a number of industry bodies. Although the proposal didn't obtain majority support, we discussed our vote with the company on a one-on-one basis after the AGM to ensure that the incoming CEO takes the issue as a priority.
Ormat Technologies Inc	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through our voting.
Copart Inc	Global Managed Volatility	Corporate Governance	Appointed a female director to the board as Chair of the Governance and Nomination Committees. This was the last remaining all male board in the S&P 500. We had raised this issue through our voting activity.
Kellogg Company	Global Managed Volatility Global Select Equity	Corporate Governance	Introduced annual election of directors (instead of staggered or classified election) through our voting.
Diversified Healthcare Trust	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through our voting.
Granite Real Estate Investment Trust	Global Factor Equity	Corporate Governance	Enhanced shareholder rights through adoption of an advisory shareholder vote on executive remuneration. We pushed for this through our voting.
Industrial Logistics Properties Trust	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through their voting.

Marathon Petroleum Corp	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through their voting.
Service Properties Trust	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through their voting.
Vistra Energy Corp	US Small Companies	Corporate Governance	Introduced annual election of directors by declassifying the board. The annual election of directors provides greater board accountability to shareholders. SEI pushed for declassification through their voting.
Citizens Financial Group Inc	US Small Companies	Corporate Governance	Enhanced shareholder rights by giving shareholders the right to call a special meeting. Previously shareholders did not have the ability to do so. We advocated for this change through our votes at shareholders' meeting.