

Tessengerlo UK Group Pension Scheme

Engagement Policy Implementation Statement for the year ending 31 December 2020

Introduction

The Trustees of the Tessengerlo UK Group Pension Scheme (the 'Scheme') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximize 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 manager.

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 31 December 2020. This statement also describes the voting behavior by, or on behalf of, the Trustees.

The Trustees, in conjunction with their investment consultant, appoint their investment manager and choose the specific pooled funds to use in order to meet specific Scheme policies. They expect that their investment manager makes decisions based on assessments about the financial performance of underlying investments, and that it engages with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

The Trustees have also received the following additional training over the period:

Date	Provider	Subject
May 2020	Buck	Engagement Policy Implementation Statement
September 2020	Buck	Engagement Policy Implementation Statement

Stewardship - monitoring and engagement

The Trustees recognize that the investment manager's ability to influence the companies in which it invests 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 manager and to encourage the investment manager to

exercise those rights. The investment manager is expected to provide regular reports for the Trustees detailing their voting activity. The Trustees will take corporate governance policies into account when appointing and reviewing investment managers.

The Trustees' policy is to delegate responsibility for engaging and monitoring investee companies to the investment manager and the Trustees expect the investment manager to use its discretion to maximize financial returns for members and others over the long term.

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.

Investment manager engagement policies

The Scheme's investment manager is expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering 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 the investment manager's engagement policy or suitable alternative is provided in the Appendix.

Exercising rights and responsibilities

The Trustees recognize that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment manager is expected to disclose annually a general description of its voting behavior, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment manager publishes online the overall voting records of the firm on a regular basis.

The investment manager uses proxy advisers 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 manager but rely on the requirement for their investment manager to provide a high-level analysis of their voting behavior.

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 behavior.

The latest available information provided by the investment manager is as follows:

Voting behaviour			
Fund	Period	Proportion of votes cast	Proportion of votes against management
Baillie Gifford Managed Fund	01/01/2020 - 31/12/2020	100.0%	2.4%
Baillie Gifford Diversified Growth Fund	01/01/2020 - 31/12/2020	94.5%	5.7%

Trustees' assessment

The Trustees have undertaken a review of the investment manager's engagement policy including their policies in relation to financially material considerations.

The Trustees have reviewed the investment manager's 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 recognize that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment manager being a signatory to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policy for the investment manager can be found here:

Investment manager	Engagement policy	Annual disclosure statement
Baillie Gifford	https://www.bailliegifford.com/en/uk/institutional-investor/literature-library/corporate-governance/governance-and-sustainability-principles-and-guidelines/	https://www.bailliegifford.com/en/uk/institutional-investor/literature-library/corporate-governance/baillie-gifford-investment-stewardship-activities-report-2019/