

# Swizzels Matlow Limited Retirement Benefits Plan (the “Plan”)

## ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

### Financial Year Ending 30 March 2024

#### Introduction

This Engagement Policy Implementation Statement (the “Statement”) sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees has been followed during the year running from 31 March 2023 to 30 March 2024 (the “Plan Year”).

This Statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

This Statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Plan Year, which are dated: (1) 26 July 2021 (covering the period up to 23 August), and (2) 24 August 2023 (covering the period up to 30 March 2024).

An online version of the SIP can be accessed here:

<https://swizzels.com/wp-content/uploads/2023/09/Swizzels-RBP-SIP-Signed-24-8-23.pdf>

**The Trustees can confirm that all policies in the SIP on engagement in relation to the Plan’s assets have been followed during the Plan Year.**

#### Trustees’ Investment Objectives

The Trustees’ primary investment objective for the Plan is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Plan.

The Trustees have also received confirmation from the Scheme Actuary during the process of revising the investment strategy that its investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

During the Plan Year, the Trustees reviewed and amended the Plan’s SIP, taking formal advice from its investment consultant, Mercer Limited (“Mercer”). A revised SIP was signed on 24 August 2024 reflecting the Plan’s revised investment strategy.

#### Policy on Environmental, Social and Governance (“ESG”), Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact the financial performance of the Plan’s investments over the appropriate time horizon. This includes, but is not limited to, ESG factors.

The Plan’s SIP includes the Trustees’ policy on ESG factors, stewardship and climate change. This policy sets out the Trustees’ beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

## Plan's Investment Structure

The Plan's investments are held in a Trustee Investment Policy with Mobius Life Limited ("Mobius"). Mobius provides an investment platform and enables the Plan to invest in pooled funds managed by third party investment managers. As such, the Trustees have no direct relationship with the Plan's underlying managers.

## Trustees' Engagement

Over the Plan Year, the Trustees have not directly engaged with the pooled fund investment managers on matters pertaining to ESG, stewardship or climate change. The engagement initiatives are driven by investment managers, mainly through regular engagement meetings with the companies in which they invest or by voting on key resolutions at companies' Annual General Meetings.

However, the Trustees consider how ESG, climate change and stewardship are integrated within investment processes in appointing new investment managers, implementing investment strategy decisions, and monitoring the existing investment managers:

- The Trustees receive quarterly performance reports from Mercer, and these include Mercer's ratings (both the general and ESG specific ratings) for the funds in which the Plan is invested.
- The Trustees review the ESG ratings of funds when undertaking an investment strategy review.
- Mercer notify the Trustees of changes in ESG ratings of the funds in which the Plan invests when such changes take place.

This enables the Trustees to monitor the development of the ESG scores and determine whether further action should be taken in respect of specific funds.

All of the investment managers that the Plan invests in confirmed that they are signatories of the current UK Stewardship Code.

The Trustees continue to work with Mercer to consider actions that can be taken to engage with their investment managers going forward.

The Trustees are satisfied that the engagement policies set out in the SIP's which have been in place over the year have been followed.

## Voting Activity

The Plan has no direct relationship with the pooled funds it is ultimately invested in, and therefore no voting rights in relation to the Plan's investments. The Trustees have therefore effectively delegated their voting rights to the investment managers of the funds the Plan's investments are ultimately invested in. The investment managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

Investment managers are expected to provide voting summary reporting when requested by the Trustees. Over the year, the Trustees have not been asked to vote on any specific matters and have therefore not cast any votes.

Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e., those funds which include equity holdings) in which the Plan's assets are ultimately invested.\*

The DWP released a set of requirements on 17 June 2022 regarding a Statement such as this, “Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance” to be adopted in all Engagement Policy Implementation Statements for schemes with years on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a “significant vote”.

The Trustees have identified the key themes, based on a priority scale, which are:

- **Financial outcomes:**

A vote which has the potential to substantially impact financial or stewardship outcomes, e.g., through over-leveraging the business.

- **Modern slavery:**

The vote relates to the identification and elimination of modern slavery in supply chains.

- **Remuneration:**

A vote against a remuneration report where executives are awarded bonuses despite missing targets.

The significant votes covered in this Statement have been reported on as they relate to the above stewardship priorities of the Trustees.

\*The ESG report aligned to this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e., all funds which include equity holdings: Columbia Threadneedle and Nordea) and how they voted on behalf of the Plan. (It is available online, as is this Statement.)

The summary includes information on what the investment managers consider to be a significant vote. The Trustees have no influence on the investment managers’ definitions of significant votes but are satisfied that they are all reasonable and appropriate. The Trustees are happy to align with the investment managers’ views on significant votes, but will keep this under review.