

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

## ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

### Financial Year Ending 30 March 2025

#### Introduction

This Engagement Policy Implementation Statement (the “Statement”) sets out how, and the extent to which, the stewardship policy and policies on environmental, social and governance (“ESG”) factors and climate change, set out in the Statement of Investment Principles (the “SIP”), have been followed during the year to 30 March 2025 (the “Plan Year”). This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

The Statement is based on, and should be read in conjunction with, the SIP that was in place for the Plan Year (which can be accessed online):

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

#### 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.

#### 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. However, the Trustees have the responsibility of monitoring the pooled funds, in conjunction with advice received from its investment advisor, Mercer.

#### 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. As the Trustees have no direct relationship with the Plan’s underlying investment managers, 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, are signatories of the current UK Stewardship Code.

Taking all the above into consideration, the Trustees are satisfied that responsible investment is embedded appropriately in the investment manager's approach to investing and are satisfied that Mercer's ESG scores for the Plan's current holdings are satisfactory.

An ESG report aligned to this Statement is available online, as is this Statement.

### **Voting Activity**

As mentioned earlier, the Plan has no direct relationship with the pooled funds it is ultimately invested in, and therefore the Trustees have no voting rights in relation to the Plan's investments and no direct ability to influence the managers of the pooled funds. 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.

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 accordance with the regulatory requirements, the Trustees have considered what they deem to be a 'significant vote' and determined that climate change is their most important stewardship priority. Therefore, as per the reporting requirements, this Statement shows those significant votes supplied by the relevant investment managers, which relate to the below stewardship priorities of the Trustees.

Given the number of significant votes supplied, the Trustees have applied a size filter on the grounds of materiality and only considered votes to be significant if in relation to a company that constitutes 0.25%, or more, of the specific fund.

### **Assessment of how the Engagement and Voting Policies in the SIP have been followed during the Plan Year**

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

## Appendix 1 – Engagement and Voting Activity

This appendix sets out a summary of the key voting activity for the Nordea GBP Diversified Return Fund and the Threadneedle Life Multi Asset Fund.

### Voting:

Fund	Proxy voter used?	Voting information	Most significant votes (description)	Trustee significant votes*
<b>Nordea 1 GBP Diversified Return</b>	Every vote cast is considered individually on the background of Nordea's bespoke voting policy, which is developed in-house based on their principles.	<p><b>Total votes:</b> 2,429 resolutions eligible for (94.98% cast)</p> <p><b>Votes against management:</b> 11.44% of votes cast</p> <p><b>Abstentions:</b> 1.26% of votes cast</p>	<p>Significant votes are those that are severely against Nordea's principles, and where they feel they need to enact change in the company. The process stems from first identifying the most important holdings, based on size of ownership, size of holding, ESG reasons, or any other special reason.</p> <p>From there, Nordea benchmark the proposals versus their policy.</p>	<p><b>NextEra Energy Inc</b></p> <p><b>Date of vote:</b> 23 May 2024</p> <p><b>Size of holding:</b> 0.61% of portfolio</p> <p><b>Shareholder Resolution:</b> "Report on Climate Lobbying"</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> Additional disclosure around the company's framework for identifying alignments and its approach to addressing misalignments would allow shareholders to better evaluate the company's lobbying efforts and align it with best practices that have been undertaken by some of its peers and is unlikely to be unduly burdensome for the company.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution failed</p> <p><b>Next steps:</b> We will continue to support shareholder proposals on this issue as long as it is needed.</p>
	Nordea use ISS as proxy voting advisers to provide research and deliver their proxy votes.			<p><b>Ross Stores Inc</b></p> <p><b>Date of vote:</b> 22 May 2024</p> <p><b>Size of holding:</b> 0.73% of portfolio</p> <p><b>Shareholder Resolution:</b> "Disclose All Material Value Chain GHG Emissions"</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> We support the proposal as it is line with our expectations on climate.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution passed</p> <p><b>Next steps:</b> Disclosure of all material value chain GHG emissions would allow shareholders to better evaluate the company's progress toward its net zero ambition and help it prepare for potential regulatory requirements.</p>

Fund	Proxy voter used?	Voting information	Most significant votes (description)	Trustee significant votes*
<b>Threadneedle Life Multi Asset</b>	<p>Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles document, and proxy voting practices are implemented through their Proxy Voting Policy.</p> <p>ISS Proxy Exchange used for voting execution.</p> <p>Threadneedle's final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations, such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research.</p>	<p><b>Total votes:</b> 5,818 resolutions eligible for (99.11% cast)</p> <p><b>Votes against management:</b> 7.56% of votes cast</p> <p><b>Abstentions:</b> 1.20% of votes cast</p>	<p>Columbia Threadneedle consider a significant vote to be any dissenting vote, i.e., where a vote is cast against (or where they abstain/withhold from voting) a management-tabled proposal, or where they support a shareholder-tabled proposal not endorsed by management.</p>	<p><b><u>Bank of America</u></b> <b>Date of vote:</b> 24 April 2024</p> <p><b>Size of holding:</b> 0.4% of portfolio on 31/12/2024</p> <p><b>Shareholder Resolution:</b> Report on Climate Lobbying</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> Would help evaluate alignment between lobbying and net zero commitments.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution failed</p> <p><b>Next steps for all Columbia Threadneedle votes:</b> Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.</p> <p><b><u>Amazon. Com Inc</u></b> <b>Date of vote:</b> 22 May 2024</p> <p><b>Size of holding:</b> 1.6% of portfolio on 31/12/2024</p> <p><b>Shareholder Resolution:</b> Disclose All Material Scope 3 GHG Emissions.</p> <p><b>Voting:</b> Against resolution</p> <p><b>Manager Rationale:</b> Management deemed to be adequately considering risks.</p> <p><b>Was this communicated to company ahead of vote:</b> N/A</p> <p><b>Vote Outcome:</b> Resolution failed</p> <p><b><u>Meta Platforms</u></b> <b>Date of vote:</b> 29 May 2024</p> <p><b>Size of holding:</b> 0.9% of portfolio on 31/12/2024</p> <p><b>Shareholder Resolution:</b> Report on Lobbying Alignment with Climate Goals.</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> Would benefit shareholders to ensure alignment with company's 2030 net zero goals.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution failed</p> <p><b><u>Morgan Stanley</u></b> <b>Date of vote:</b> 23 May 2024</p> <p><b>Size of holding:</b> 0.3% of portfolio on 31/12/2024</p>

Fund	Proxy voter used?	Voting information	Most significant votes (description)	Trustee significant votes*
				<p><b>Shareholder Resolution:</b> Report on Clean Energy Supply Financing Ratio.</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> Would help track progress on net zero financing commitments.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution failed</p> <p><b><u>Bank of America (BAC) &amp; Goldman Sachs (GS)</u></b></p> <p><b>Date of vote:</b> 24 April 2024</p> <p><b>Size of holding:</b> 0.4% (BAC) and 0.3% (GS) of portfolio on 31/12/2024</p> <p><b>Shareholder Resolution:</b> Report on Clean Energy Supply Financing Ratio.</p> <p><b>Voting:</b> For resolution</p> <p><b>Manager Rationale:</b> Would help track progress on net zero financing commitments.</p> <p><b>Was this communicated to company ahead of vote:</b> No</p> <p><b>Vote Outcome:</b> Resolution failed</p>

Sourced from the investment managers and relate to year ending 31 March 2025. Columbia Threadneedle's significant votes are in relation to the 2024 calendar year.

\* All are considered significant because they relate to climate change and are in relation to a company that constitutes 0.25% or more of the specific fund