

Implementation Statement

Marr Foods Limited Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the Marr Foods Limited Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2024:

- how the Trustees policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

Stewardship policy

The Trustees' Statement of Investment Principles ("SIP") in force at 31 March 2024 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2023 and has been made available online here:

<https://schemedocs.com/download/Marr-Statement-Investment-Principles.pdf?ver=2023>

The Trustees decided not to set stewardship priorities for the Scheme. The Scheme invests entirely through pooled funds where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the manager. Additionally, none of the Scheme's assets were invested in assets with voting rights attached. Given the Scheme's time horizon to buyout, the Trustees decided not to set stewardship priorities.

However, the Trustees take the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustees also review the stewardship and engagement activities of the investment managers annually through their implementation statement.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Scheme invests in instruments (such as equities) that have voting rights. The Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme's fund managers
- The Scheme's investment consultant, Barnett Waddingham, has undertaken an initial review of the stewardship and engagement activities of the current managers using their internal research teams. The Trustees are satisfied that the managers' policies are reasonable, and no remedial action is required.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees use ESG ratings information available within the pensions industry or provided by its investment consultant, to assess

how the Scheme's investment managers take account of ESG issues. In October 2023, the Trustees received an ESG Monitoring Report from the Scheme's investment advisors setting out their internal ratings of the Funds.

- At the October 2023 Trustees' meeting Columbia Threadneedle provided the Trustees with an update on their ESG processes toward, stewardship, and engagement. No actions were taken following these discussions.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Marr Foods Limited Pension Scheme
June 2024**

Voting Data

Over the year to 31 March 2024, the Scheme held no assets with voting rights. The Scheme's LDI portfolio with Columbia Threadneedle has no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. Therefore no data is available for this section.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for Columbia Threadneedle is shown at firm level.

Manager	Columbia Threadneedle ¹
Fund name	LDI Portfolio
Number of entities engaged on behalf of the holdings in this fund in the year	867
Number of engagements undertaken at a firm level in the year	1,424

¹Data over the period 31 December 2022 to 31 December 2023. Data is available at a firm level only.

Examples of engagement activity undertaken over the year to 31 March 2024

Columbia Threadneedle ("CT"), Firm Level

Name of entity engaged: Umicore SA

Type of engagement: Firm level

Topic: Environmental

Rationale for engagement: Umicore is a leading auto catalysts manufacturer for emissions controls in the light and heavy-duty vehicle industry, aiming to position itself as a producer of battery materials for electric vehicles, stationary storage and portable electronics. It also has significant refining and metal recycling capabilities and is especially proficient in Platinum Group Metals (PGM) refining. Under Umicore's 2030 RISE project (its new strategic plan designed to accelerate value creative growth launched in 2022), the company expects to further build on its leadership position within clean mobility materials and recycling. This growth will come with increased stress of key environmental and social concerns associated with these activities – notably around water usage, waste management and employee health and safety. Indeed, recycling can be a dirty business, as highlighted by past problems around lead pollution at Umicore's Hoboken site – specialised in recycling batteries through extraction of precious metals such as silver, gold and platinum.

Actions: CT had a call with Umicore's ESG Director to discuss how the company is dealing with its material ESG issues against a backdrop of planned expansive growth. On the environmental side, the company has had their 2030 emissions reduction targets approved by SBTi, including an intensity-based scope 3 target. Whilst CT pushed for an absolute target to be set, Umicore felt that this is not currently viable under the current growth strategy. Umicore launched a dedicated water stewardship programme last year. CT used this call as an opportunity to better understand the work carried out to date, and what to expect for the year ahead. The company has identified its first two sites where it sees potential water issues (both in Belgium) – and are hopeful of setting some quantitative targets – e.g. relating to water use/re-use/levels drawn/intensity – later this year.

Umicore admitted that waste management continues to be an issue. The largest portion of waste is at its Hoboken site, focused on recycling activities, where half of the input mix is secondary materials. Any hazardous waste that cannot be recycled is disposed of in line with regulatory requirements. Positively, the company confirmed that it is looking into ways to best report on these recycling activities and ultimately hopes to set recycling targets in the future.

Outcomes and next steps: Umicore is well aware of its environmental and social impacts, and is refreshingly honest in its assessment of where it currently stands. Whilst there is undoubtedly still work to be done to mitigate and minimise these impacts, CT are extremely encouraged with the steps the company is taking to address them. CT look forward to developments around its water stewardship programme later this year and expect to see site level targets for its "at-risk" sites. CT also expect to see the company continue to develop its safety practices and protocol in a bid to see a fall in Lost Time Accidents in the next reporting cycle after a rise in 2022.