

McCain Foods (GB) Limited Pension & Life Assurance Scheme Implementation Statement – 30 June 2025

Why have we produced this Statement?

The Trustees of the McCain Foods (GB) Limited Pension & Life Assurance Scheme (“the Scheme”) have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustees have complied with the voting and engagement policies detailed in the Scheme’s Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustees’ investment objectives and investment strategy.

It also explains how and why the Trustees delegate certain responsibilities to third parties and the risks the Scheme faces and the mitigated responses.

The Trustees last reviewed the SIP in September 2024.

A copy of the SIP can be found on the following [website](#).

What is the purpose of this Statement?

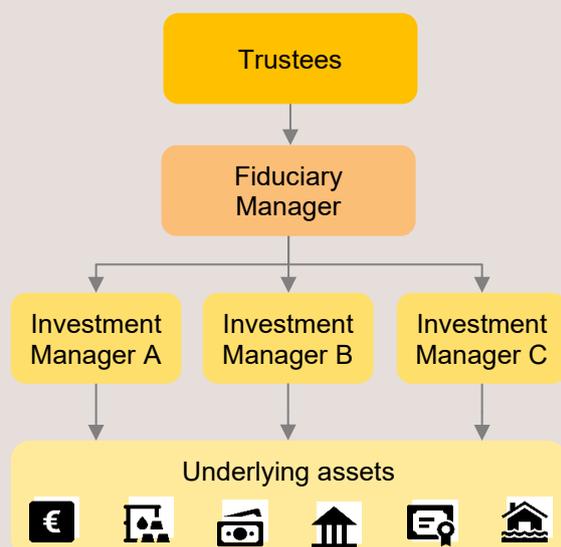
1. To explain how the Trustees’ engagement policy has been applied over the year.
2. To describe the voting rights attached the Scheme’s assets have been exercised over the year.

What changes have we made to the SIP?

The Trustees have made the following changes to the SIP over the year:

- The Trustees agreed to set a new target return of gilts+1.25% pa, following the de-risking of the portfolio.
- Investment guidelines have been amended including the allocation targets (for equities, CDF, and liability matching assets) and added investment grade credit.
- Applied changes to the percentages of initial target portfolio following liquidity.

How are the Scheme’s investments managed?



Trustees - The Trustees’ key objective is to ensure sufficient assets to pay members’ benefits as they fall due. The Trustees retain overall responsibility for the Scheme’s investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (Willis Towers Watson) – The Trustees employ a Fiduciary Manager to implement the Trustee’s investment strategy. The Fiduciary Manager allocates the Scheme’s assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Scheme’s name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustees believe voting and engagement is important?

The Trustees' view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustees further believe that voting and engagement are important tools to influence these issues.

The Trustees have appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustees incorporate an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What are the Trustees' voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting,

the Trustees expect investment managers to address broad ESG considerations, but has identified climate change, and human and labour rights as key areas of focus for the Trustees.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustees expect investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustees expect the Fiduciary Manager to engage with investment managers to improve their processes.

What are the Fiduciary Manager's policies?

Climate change and net zero goal

The Trustees believe Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustees).

Some highlights from 2024/25 include:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: <https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2024/25 the Fiduciary Manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis. These reports form part of the Trustee's portfolio monitoring.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagements carried out over the year

Secure income manager Climate Change – Climate reporting issue

Issue: This investment manager is a leading investor, developer, and long-term manager of core infrastructure assets. This engagement formed part of the Fiduciary Manager's annual Sustainable Investment (SI) review of the manager, in alignment with its broader investment approach. SI engagement emphasises transparency, climate risk management and alignment, for example with global sustainability goals like SDG 13: Climate Action. The engagement was prompted by gaps identified in ESG reporting, including the absence of data on climate solutions and limited carbon emissions or footprint data; limited disclosure of carbon reduction targets; and further detail sought for the work the firm was undertaking in the area of climate-related risks.

Outcome: The manager acknowledged that, while not all their funds had completed the EU Taxonomy alignment process, eligible climate solutions were present in portfolios and would be better reflected in future disclosures. The firm published TCFD-aligned reports in 2024 using PCAF data and is working to improve asset-level data collection for future reporting. It also committed to setting portfolio-level carbon reduction targets, following the firm-wide ambition set in 2024. On climate risk, the manager has partnered with industry specialists to be at the vanguard of understanding this area. It is developing a more advanced approach to assess materiality and financial impact on the assets in which the firm has invested.

Looking ahead, the manager agreed that the Corporate Sustainability Reporting Directive (CSRD) is going to be a component of reporting in 2025 as a number of assets fall into scope. It has also commissioned a portfolio decarbonisation study focused on social infrastructure concessions, a more challenging area of the infrastructure opportunity set. A key priority going forward is improving the quality and consistency of carbon emissions and footprint data across its portfolios, an effort which remains ongoing.

Core Structured Credit manager Environment - Climate issue

Issue: The manager has not yet produced asset-level climate reports for the fund, which is a minimum requirement for Sustainable Investment. The Fiduciary Manager has engaged with the manager to initiate the production of these reports.

Outcome: The Fiduciary Manager has engaged with both the investment team for the fund and the investor relations team through in-person meetings, phone calls, and emails. Where necessary, the Fiduciary Manager have urged the investment team to consider proxied carbon emissions for underlying assets when actual carbon emission data is not readily available.

The Fiduciary Manager will continue to collaborate with the manager as they work towards producing the initial climate reports for the fund. The next step involves taking the collected data and generating comprehensive written reports.

Infrastructure manager

Environment – Climate issue

Issue: The manager discussed the current Situational Analysis, Forecasting, and Engagement (SAFE) Transition Methodology to understand how it differs from Net Zero Investment Framework (NZIF). The Fiduciary Manager provided feedback on the Sustainable Investment report, noting the absence of a net zero target and assessing climate change risks relative to the benchmark.

Outcome: The manager walked through their SAFE transition framework, explained how they measure alignment and has recently released their Task Force on Climate-related Financial Disclosures aligned report at the corporate level. The manager aims to ensure robust emissions measurement before setting any targets and has enhanced their governance process in relation to this. Although there is no set timeline yet, this is a formal topic of discussion within the ESG working group and the broader firm.

The SAFE transition framework focuses on positioning the portfolio to manage investment risks and opportunities. The framework adapts principles from NZIF and emphasizes externally validated near-term emissions programs compatible with a 1.5-degree transition pathway. However, there are some nuances between both methodologies, given SAFE focuses more on the financial risk aspect. The Fiduciary Manager discussed several stock-specific examples where there are significant differences and will continue to monitor how the framework evolves over the next few years.

What are the voting statistics we provide?

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity investment managers.

Responses received are provided in the following pages. The Trustees used the following criterias to determine the most significant votes:

- The manager deems the vote to be notable for the scheme significant
- The vote is in one of the stewardship priority areas identified by the Trustee (climate change, and human and labour rights).
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustee is at a proportionate level

The Scheme is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds.

How have our Investment Managers voted over the last 12 months?

Towers Watson Core Diversified Fund

Pooled multi-asset growth fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	3,828
Number of resolutions on which manager was eligible to vote:	51,300
Percentage of eligible votes cast:	98.3%
Of the votes cast, percentage of votes	
with management:	89.0%
against management:	10.0%
abstained from:	1.0%
% of meetings, where the manager voted and there was at least one vote against management:	57.4%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	3.3%

What is this manager's voting policy?

As the manager manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all their underlying managers who hold equities over a reasonable timeframe to vote for all shares they hold. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all their clients. In addition, EOS is expanding the remit of engagement activity they perform on the manager's behalf beyond public equity markets, which will enhance stewardship practices over time.

The underlying managers are required to provide a detailed explanation and rationale whenever their voting decisions diverge from the EOS recommendations. They also utilise ISS for voting facilitation and research purposes. Additionally, their China equity manager employs the Glass Lewis service, utilising a bespoke policy.

Which of these votes do we think were significant?

Company:	Meta Platforms
Resolution:	Disclose a climate transition plan resulting in new renewable energy capacity
Allocation in manager portfolio:	1.2%
Date of vote:	14 May 2025
How voted:	For the shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	Promote transparency around environmental issues. The manager considers environmental factors to be an important consideration in assessing the long-term predictability and sustainability of a company's revenue and earnings growth.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change) and size of position. The manager also voted against management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to consider proposals whether from management or shareholders which enhance transparency around environmental issues.

Company:	Microsoft Corporation
Resolution:	Report on risks of operating in countries with significant human rights concerns
Allocation in manager portfolio:	0.9%
Date of vote:	10 December 2024
How voted:	For the shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	Additional transparency through an independent assessment would benefit shareholders and stakeholders.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (human rights) and the manager also voted against management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager's policy is to vote proxies in the interest of maximizing investment value for their clients. The Manager generally does not follow up on voting outcomes.

Company:	Amazon
Resolution:	Shareholder proposal regarding disclosure of material Scope 3 emissions
Allocation in manager portfolio:	0.8%
Date of vote:	21 May 2025
How voted:	Against shareholder proposal, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The company has various initiatives in place and does not appear to have neglected issues related to its value chain emissions. The company notes that its supply chain standards set forth its expectation that suppliers track, document, and, upon request, report greenhouse gas emissions to the company. Additionally, the highest-emitting suppliers that contribute over 50% of Scope 3 emissions are expected to provide a plan for decarbonizing operations. It has also introduced a sustainability solutions hub to help sellers reduce emissions.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to monitor the company's approach to its climate disclosures and may change their recommendation on future proposals should it become clear that it is not making sufficient progress toward its commitments.

Company:	Netflix Inc.
Resolution:	Shareholder proposal regarding climate transition plan
Allocation in manager portfolio:	0.5%
Date of vote:	5 June 2025
How voted:	Against shareholder proposal, for management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The proposal requests the company to issue a climate transition plan "above and beyond existing disclosure," describing how it intends to align its operations and full value chain emissions with existing science-based targets. However, the company has already adopted emissions targets that are aligned with the Paris Agreement and reports on progress toward these goals annually, in line with TCFD standards. The company has also published a long-term plan to achieve these targets, on par with industry peers. Given the current level of climate reporting by the company, the manager finds this proposal to be unnecessary and overly prescriptive and recommended voting against.

Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	The proposal did not pass, which is in line with the manager's decision to vote against.

Company:	NVIDIA Corp
Resolution:	Shareholder proposal regarding workforce data
Allocation in manager portfolio:	0.3%
Date of vote:	25 June 2025
How voted:	For shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	<p>This proposal asks the company to enhance its existing public reporting to include a chart identifying employees according to gender and race in each of the nine EEOC-defined job categories. NVIDIA previously provided this information from 2018 to 2022 but no longer publishes this disclosure. As of April 2024, over 80% of the S&P 500 and nearly 50% of the Russell 1000 Index companies disclose EEO-1 data. While NVIDIA's disclosures around workforce demographics are fairly comprehensive, EEO-1 reporting provides shareholders with data that is comparable across industry peers. Moreover, this reporting is already required and therefore should not be a significant burden to make available to shareholders. While the company's stance is that the data does not accurately depict its practices given its organizational structure, it would be a helpful supplement to existing reporting and increase shareholders' understanding of how the company is addressing human capital-related risk exposures.</p>
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (human rights)
Outcome of the vote:	Resolution failed
Implications of the outcome:	Although the proposal did not pass, given the relatively high level of shareholder support, the manager may follow up with the company in the short or long term for an additional engagement.

Company:	HCA Healthcare Inc.
Resolution:	Amend patient safety and quality of care committee charter
Allocation in manager portfolio:	0.3%
Date of vote:	24 April 2025
How voted:	For shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The core of the proposal is to mandate that the committee review staffing levels and their direct influence on patient safety, the quality of care provided, and overall patient satisfaction. The manager felt that the shareholder proposal promotes appropriate accountability or incentivization.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (human rights) and size of position. The manager also voted against management recommendation
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will share these best practices with other portfolio companies.

Company:	Oracle Corporation
Resolution:	Report on climate risk in retirement plan options
Allocation in manager portfolio:	0.2%
Date of vote:	14 November 2024
How voted:	Against shareholder proposal, with management recommendation
Prior notice to management (if voting against management):	The manager does not publicly communicate their vote in advance.
Manager rationale for vote:	The proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	Hudson Pacific Properties, Inc.
Resolution:	Advisory vote to ratify named executive officers' compensation
Allocation in manager portfolio:	0.05%
Date of vote:	14 May 2025
How voted:	Against management proposal
Prior notice to management (if voting against management):	The manager does not publicly communicate their vote in advance.
Manager rationale for vote:	This item does not merit support as the manager has concerns with the proposed remuneration structure for senior executives at the company.
Trustee rationale for significance:	The manager considered this to be a notable resolution
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	Ping An Insurance (Group) Co. of China, Ltd.
Resolution:	Elect Chan Hiu Fung Nicholas as director
Allocation in manager portfolio:	0.04%
Date of vote:	13 May 2025
How voted:	Against management proposal
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The nominee is a CEO and sits on more than two public company boards.
Trustee rationale for significance:	The manager considered this to be a notable resolution. Director election.
Outcome of the vote:	Resolution passed
Implications of the outcome:	The manager will persist in voting against relevant directors if they sit on an excessive number of public boards.

In conclusion...

The Trustees are satisfied that over the year, all SIP policies and principles were adhered to and in particular, those relating to voting and engagement.