

# Engagement Policy Implementation Statement for the Year Ended 31 March 2025

## Survitec Group Pension Scheme (“the Scheme”)

### 1. INTRODUCTION

The Engagement Policy Implementation Statement (the “Statement”) presents the Trustee's assessment of its adherence to its sustainability policy relating to the management of the Scheme's assets, specifically, its policies regarding engagement with the issuers of the assets it invest in and the exercise of rights (including voting rights) attaching to the Scheme's assets. This assessment relates to the one-year period ending 31 March 2025 (the “Scheme Year”). The Trustee's sustainability policies are outlined in its Statement of Investment Principles (SIP). A copy of the SIP is available upon request.

This Statement has been prepared in accordance with the *Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* and the guidance published by the Department for Work and Pensions.

The Trustee has appointed Mercer Limited (Mercer) as the Scheme's discretionary investment manager and the Scheme's assets under this arrangements are invested in a diversified range of specialised pooled funds (known as the Mercer Funds). The management of each of the Mercer Fund's assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE). MGIE is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third-party investment managers for the assets of each Mercer Fund.

Under these arrangements, the Trustee acknowledges that it does not have direct authority over the engagement policies of Mercer and the specialist third-party investment managers or the voting policies of the third-party investment managers. The Trustees therefore bases its own policies on those of Mercer, policies which it expects to reflect best practice. Mercer's publicly available [Sustainability Policy](#) sets out the key principles and guidelines used by Mercer when considering and responding to sustainability risks and opportunities. It also sets out how Environmental, Social and Corporate Governance (ESG) factors are used in the investment decision-making process for the Mercer Funds. The Sustainability Policy also summarises Mercer's engagement and voting policies - Mercer's publicly available [Stewardship Policy](#) then provides further details on these policies.

The Trustee regularly review reports from Mercer regarding the engagement and voting activities conducted within the Mercer Funds to assess how its policies are being implemented in practice. The Trustee notes it can provide direct input in Mercer's sustainability policies by participating in Mercer's triennial Client Engagement Survey. This Survey aims to integrate Mercer clients' perspectives on specific sustainability themes by evaluating the alignment between Mercer's engagement priority areas and those of its clients.

Section 2 of this Statement outlines the Trustee's engagement policy and evaluates the extent to which it has been followed during the Scheme Year.

Section 3 sets out the Trustee's policy regarding the exercising of rights (including voting rights) attached to the Scheme investments. This Section also provides detailed information on the voting activities undertaken by third-party investment managers appointed within the Mercer Funds during the Scheme Year.

Considering the analysis presented in Sections 2 to 3, the Trustee believes that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Scheme Year.

## 2. TRUSTEE'S POLICY ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES, INCLUDING CLIMATE CHANGE




### Policy Summary

The Trustee's ESG policy is outlined in Section 10 of the Scheme's SIP.

The Trustee regularly reviews its Sustainability and Stewardship policies. If the Trustee finds that the relevant policies of Mercer, MGIE or the third-party investment managers do not align with their own beliefs or best practice they will notify Mercer and seek to bring the policies into alignment. If the Trustee believes alignment is not possible, then it may consider disinvesting some or all of the assets held in the Mercer Funds. They may also seek to renegotiate commercial terms with Mercer.

### How the Policy has been implemented over the Scheme Year

The following work was undertaken during the year relating to the Trustee's policy on sustainability integration, including the climate transition and effective stewardship.

 Policy Updates	 Climate Change Reporting and Carbon Foot printing	 Mercer Ratings
The Trustee notes that Mercer's <a href="#">Sustainability Policy</a> was updated in November 2024 to reflect an update to Mercer's Investment Philosophy, to remove reference to Mercer's ESG ratings that it applies to its assessment of the third-party investment managers and to update its	Climate change is a widely recognised systemic risk and the Trustee notes that, as part of its investment process, Mercer models the impact of the transition to a low carbon economy, and the physical damages associated with global temperature increases, on the Scheme's assets using its Climate Transition (ACT) framework.	Stewardship forms an important part of Mercer's ratings framework applied during the manager research process.  Mercer's manager research ratings include an assessment of the extent to which sustainability considerations are incorporated in a strategy's

Stewardship section to align with Stewardship Policy.

The Trustee also notes that Mercer's 2023 [Task Force on Climate Related Financial Disclosures \(TCFD\) report](#) was issued in August 2024. This report sets out in detail how Mercer intends to fulfil the climate-related commitments made in its publicly available Sustainability Policy and how it will manage climate-related financial risks and opportunities for the Mercer Funds.

Further, the Trustee notes that there were no updates to Mercer's [Stewardship Policy](#) during the year.

Finally, the Trustee notes that The Financial Reporting Council confirmed in February 2025 that MGIE will remain a signatory to the UK Stewardship Code, based on its application of the Code's 12 principles. The Code is seen to represent best practice in stewardship.

investment process as well as the manager's approach to stewardship.

Across most asset classes, Mercer ratings are reviewed during quarterly monitoring by the portfolio management teams with a more comprehensive review performed annually. In these reviews, Mercer seek evidence of positive momentum on managers' sustainability integration.

These ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee.



### Approach to Exclusions

Mercer and MGIE's preference are to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions or Sensitive Topics Frameworks. Controversial weapons and civilian firearms are excluded from all multi-client equity and fixed income funds. In addition, tobacco companies and nuclear weapons are excluded



### Diversity

Mercer and the Trustee believes that diverse teams lead to better decision-making and have therefore taken several measures to work towards reflecting this view within Mercer's portfolio management team, the teams of the appointed managers and across portfolio holdings.



### Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustee. [The 2024 Sustainability & Stewardship Report](#) highlights the engagement objectives which have been set, examples of engagement and the escalation process. Mercer also participates in collaborative initiatives related to stewardship.

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from active equity and fixed income funds. Some funds have additional exclusions as outlined in their relevant product disclosures available on Mercer's [dedicated website](#).

In addition, Mercer and MGIE monitors funds for high-severity incidences relating to the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

Participation in collaborative initiatives can also support raising awareness and contributing to initiatives across the broader industry.

Mercer Limited is a member of The Diversity Project, which seeks to accelerate progress towards a more inclusive culture in the investment and savings profession.

Mercer is also a member of the 30% Club – UK Investor Chapter and Irish Investor Chapter. The 30% Investor Chapters are investor-led initiatives that aim to increase gender diversity on corporate boards and in senior leadership positions.

Mercer considers broader forms of diversity in decision-making but currently reports on gender diversity.

Mercer conducts an annual survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed in the Mercer Funds. The survey gathers information on managers' broad approach to stewardship as part of their investment integration. It also seeks insights and examples of voting and engagement activities. The results from the survey serve as an important source of information for tracking and measuring managers' stewardship efforts, assessing effectiveness, and identifying potential areas for improvement.

The results and insights from the survey will be shared in Mercer's annual Sustainability and Stewardship Report. This report is reviewed by the Trustee providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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### **3. TRUSTEE'S POLICY ON EXERCISE OF RIGHTS (INCLUDING VOTING RIGHTS) ATTACHING TO SCHEME INVESTMENTS**

For the Trustee to fulfil their obligations regarding voting and engagement, they require reporting from Mercer on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustee assess whether the policies align with their own. Voting rights that apply to the underlying investments attached to the Mercer Funds are delegated to the third-party investment managers appointed by MGIE. The Trustee and MGIE accepts that the managers are typically best placed to exercise voting rights and prioritise engagement topics, given their detailed knowledge of the governance and operations of the investee companies. However, the Trustee expects Mercer to play a pivotal role in monitoring the stewardship activities of those managers and promoting more effective stewardship practices, including attention to more strategic themes and topics.

Voting responsibility is given to the third-party investment managers with the expectation that all shares are voted<sup>(2)</sup> in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each investment manager's voting activities as part of the selection process, ensuring alignment with Mercer's commitment to good governance and the integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. Given these arrangements, the Trustee does not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Scheme's assets are invested in is provided for the year ending 31 March 2025. This may include information in relation to funds that the Scheme's assets were no longer invested in at the year end. The statistics are drawn from the Glass Lewis system (via the custodian of the Mercer Funds). Glass Lewis is a leading provider of governance and proxy voting services.

Fund	Total Proposals		Vote Decision					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
Mercer Multi-Asset Credit Fund <sup>(1)</sup>	60	47	78%	0%	3%	18%	0%	74%	26%	6	17%

<sup>(1)</sup> Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund's underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

<sup>(2)</sup> There are a number of limited circumstances where voting rights may not be exercised relating to, for example, conflicts of interest, share-blocking markets, power of attorney (POA) markets etc.

- "Eligible Proposals" reflect all proposals of which managers were eligible to vote on over the period
- "Proposals Voted On" reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the "Other" category)
- Vote Decision may not sum to 100 due to rounding. "No Action" reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully
- "Other" refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).
- "Meetings No." refers to the number of meetings the managers were eligible to vote at.
- "Meetings Against" refers to the no. of meetings where the managers voted at least once against management, reported as a % of the total eligible meetings.