Deeside Cereals Pension Scheme

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 5 April 2025

Introduction

This statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance ("ESG") factors and climate change set out in the Statement of Investment Principles ("SIP") have been followed during the year to 5 April 2025 ("Scheme 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.

Investment Objectives of the Scheme

Deeside Cereals DB Pension Ltd (the "Trustee") believes it is important to consider the policies in place in the context of the investment objectives it has set.

As set out in the SIP, the Trustee's primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustee also aims to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

Policy on ESG, Stewardship and Climate Change

The Trustee understands that it must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance (ESG) factors.

The Scheme's SIP includes the Trustee's policies on ESG factors, stewardship and climate change. These policies are also set out in Appendix 1 to this Statement. The Trustee keeps their policies under regular review, with the SIP subject to review at least triennially.

There were no updates to the SIP during the Scheme Year and the SIP dated 15 March 2023 remains in force and is available at the following link:

http://www.deesidecereals.co.uk/wp-content/uploads/2023/04/Deeside-SIP_Approved-15-March-2023.pdf

Scheme's Investment Structure

The Scheme's only investment is a Trustee Investment Plan Policy ('TIP') with Mobius Life Limited ('Mobius'). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers.

As such, the Trustee has no direct relationship with the Scheme's underlying investment managers, but has the responsibility of monitoring the pooled funds, in conjunction with advice received from its investment advisor, Mercer.

Trustee Engagement

Mercer's quarterly performance reports include Mercer's ESG scores for the funds in which the Scheme is invested. These scores reflect Mercer's view on how the managers incorporate ESG factors into the management of their funds and help the Trustee to determine whether further action should be taken in respect of specific funds.

The Trustee monitors the development of these scores over time, and also considers Mercer's ESG scores when undertaking an investment strategy review and considering new investment funds.

The Trustee is satisfied that Mercer's ESG scores for the funds in which the Scheme invests are satisfactory in the context of the mandates of the funds.

As the Trustee has no direct relationship with the Scheme'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.

The Trustee has identified that climate change & carbon neutrality is its most important stewardship priority and the information in the table below shows the number of engagements in relation to this:

Fund	Total Engagements	Environmental Engagements*
M&G Total Return Credit Fund	10	7
Payden & Rygel Absolute Return Fund	95	63
Ninety One Global Total Return Credit Fund	30	9
Columbia Threadneedle LDI	12	9
L&G Sterling Liquidity Fund	18	14

Sourced by Mobius from the investment managers
* Environmental engagements shown as engagements specifically in climate change and carbon neutrality not available

This shows that the Scheme's managers engaged with a number of investee companies, including engagements in relation to the Trustee's stewardship priorities.

Further information on the investment managers' approach to responsible investment, voting (including significant votes) and engagement with the investee companies is available at the following websites:

M&G:

https://www.mandg.com/who-we-are/mandg-investments/responsible-investing-at-mandg-investments

Payden & Rygel:

https://www.payden.com/ESG.aspx

Ninety One:

https://ninetyone.com/en/sustainability

Columbia Threadneedle:

https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-investment/

Legal & General:

https://www.lgim.com/uk/en/capabilities/investment-stewardship/

All the Scheme's investment managers are signatories of the UK Stewardship Code as follows:

Manager	Signatory Since
Columbia Threadneedle	2022
M&G	2021
Payden & Rygel	2021
Ninety One	2021
Legal & General	2021

Source: FRC website

Taking all the above into consideration, the Trustee is satisfied that Responsible Investment is central to the investment managers' approaches to investing.

Voting Activity

Due to the de-risking that has been undertaken, the Scheme no longer invests in funds which contain equities. There are therefore no voting rights in respect of any of the funds in which the Scheme is invested.

Assessment of how the Engagement policies in the SIP have been followed for the year to 5 April 2025

The Trustee is satisfied that the Engagement policies set out in the SIP, which has been in place over the year, have been followed.

Appendix 1 – Policy on ESG, Stewardship and Climate Change

The policies below are included within the 15 March 2023 SIP:

Financially Material Considerations

The Trustee considers many risks which they anticipate could impact the financial performance of the Scheme's investments over the Scheme's expected lifetime. Such risks are set out in the next section of this Statement.

The Trustee recognises that environmental, social and corporate governance ("ESG") factors, such as climate change, can influence the investment risk and return outcomes of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way, and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting the investment strategy, the Trustee has prioritised funds which provide leveraged protection against movements in the Scheme's liability value and also funds which provide actively managed diversification across a wide range of bond markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Multi Asset Credit Funds in which the Scheme invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

The Trustee also receives ESG scores provided by the investment adviser in relation to the funds in which the Scheme is invested and will monitor how these develop over time.

The Trustee has built an ongoing review of ESG considerations into the annual business plan to make sure that the policy evolves in line with emerging trends and developments.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

Non-Financial Matters

The Trustee has determined that the financial interests of the Scheme members are the first priority when choosing investments.

It has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy for the Scheme.

Stewardship

The Scheme is invested solely in pooled investment funds. The Trustee's policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting

rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

Where the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee will exercise its right in accordance with what it believes to be the best interests of the majority of the Scheme's membership.