

## Trustee's Report

# Engagement Policy Implementation Statement (“EPIS”)

## Heinz Pension Plan (the “Plan”)

### Plan Year End – 31 December 2024

The purpose of the EPIS is for the Trustee of the Heinz Pension Plan, to explain what they have done during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan's investments have been followed during the year; and
2. How the Trustee has exercised voting rights or how these rights have been exercised on its behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

## Conclusion

**Based on the activity the Trustee has undertaken during the year, it believes that the policies set out in the SIP have been implemented effectively.**

Most of the Plan's material investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by the manager align with the Trustee's stewardship expectations.

The management of some of the Plan's assets is delegated to the fiduciary manager, Aon Investments Limited (“AIL”). The Trustee believes the activities completed by the fiduciary manager to review the underlying managers' voting and engagement policies, and activities align with its stewardship expectations. The Trustee believes voting rights have been implemented effectively on its behalf.

## Trustee's Report

### Engagement Policy Implementation Statement ("EPIS") (continued)

#### How voting and engagement policies have been followed

The Plan is invested mainly in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with the policies set out in the SIP. The Trustee reviewed the stewardship activity of the material investment managers carried out over the Plan year and in its view, most of the investment managers were able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

##### Ongoing monitoring

Over the reporting year, the Trustee monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from its investment adviser, Aon Investments Limited ("Aon"). In particular, the Trustee received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Plan is invested in where available.

During the year, the Trustee also reviewed the Responsible Investment ("RI") Policies of their managers, and concluded that the managers were sufficiently demonstrating alignment to the Plan's RI policies and beliefs,

##### Climate risk management / TCFD / carbon reporting

The Plan has been progressing throughout the year towards meeting the requirements as set out as part of the Task Force on Climate-related Financial Disclosures (TCFD) and is currently in the process of producing its third report as part of the annual reporting process. The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks.

##### Training

During the year, as part of the TCFD process, the Trustee received training on Net Zero and regular updates regarding TCFD requirements and TPR ("The Pension Regulator") feedback.

The Plan's stewardship policy can be found in the SIP:

<https://www.kraftheinzpension.co.uk/heinzpensionplan/useful-documents>

#### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

*Source: UN PRI*

## Trustee's Report

### Engagement Policy Implementation Statement ("EPIS") (continued)

#### Engagement Action Plan

Based on the work the Trustee has done for the EPIS; it has decided to take the following steps over the next 12 months:

1. The Trustee will continue to invite its investment managers to meetings to get a better understanding their voting and engagement practices, and how these help fulfil their Responsible Investment policies.
2. The Trustee will continue to undertake regular, detailed ESG monitoring of managers.
3. The Trustee will continue to undertake annual reviews of investment managers' Responsible Investment policies to ensure they are in line with their own.

## Engagement Policy Implementation Statement (“EPIS”) (continued)

### Engagement Action Plan

#### Fiduciary manager’s engagement activity

Some of the Plan’s investments are made via a fiduciary manager, Aon Investments Limited (“AIL”). This includes investments in AIL’s Diversified Liquid Credit Strategy and Sustainable Multi Asset Credit Strategy. These are fund of fund arrangement, where AIL selects the underlying investment managers on behalf of the Trustee.

The Trustee delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. The Trustee has reviewed AIL’s latest annual Stewardship Report and believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies including Robeco and Aberdeen Standard Investments. AIL’s main focus during these engagements were carbon measurement, monitoring and climate risk management. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL continued to engage with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations. For example, AIL contributed to two papers produced by the University of Cambridge Institute for Sustainability Leadership discussing the role of climate resilience and biodiversity considerations within finance.

Over the year, AIL published its first Task Force on Climate-related Financial Disclosures (TCFD) report. This report can be found here:

[Aon-Investments-Ltd-2023-TCFD-report.pdf](#)

In 2021, AIL committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients’ portfolios and defined contribution default strategies (relative to baseline year of 2019).

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code.

#### What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

## Engagement Policy Implementation Statement (“EPIS”) (continued)

### Managers’ voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company’s stock. The Trustee believes that good stewardship is in the members’ best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders’ interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan’s investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares. The Trustee expects the Plan’s equity-owning investment managers to responsibly exercise its voting rights.

#### Voting statistics

The table below shows the voting statistics for the Plan’s equity manager, UBS, for the year to 31 December 2024.

Fund	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
UBS Global Asset Management (“UBS”) - Climate Aware World Equity	17,773	98.0%	9.8%	0.1%

Source: UBS. Please note that the ‘abstain’ votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

#### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser’s recommendations.

The table below describes how the Plan’s material manager with voting rights uses proxy voting advisers.

#### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Manager	Description of use of proxy voting adviser (in the manager’s own words)
UBS	UBS retain the services of Institutional Shareholder Services (“ISS”) for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.

Source: UBS

### Significant voting examples

To illustrate the voting activity being carried out on its behalf, the Trustee asked UBS to provide a selection of what it considers to be the most significant votes in relation to the Plan’s funds. An example of these significant votes can be found in the appendix.

## Engagement Policy Implementation Statement (“EPIS”) (continued)

## Managers’ engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan’s material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Plan.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
UBS - Climate Aware World Equity	191	425	<b>Environment</b> - Climate Change <b>Governance</b> - Remuneration; Board effectiveness - Other; Leadership - Chair/CEO <b>Strategy, Financial &amp; Reporting</b> - Capital Allocation
BlackRock - Buy and Maintain Credit Fund	111	3,384	<b>Environment</b> - Climate Risk Management <b>Social</b> - Human Capital Management, Risks and Opportunities <b>Governance</b> - Corporate Strategy; Board. Composition. & Effectiveness.; Business Oversight/Risk Management; Remuneration
Underlying managers of AIL’s Diversified Liquid Credit Strategy:			
Janus Henderson - ABS Fund	50	716	<b>Environment</b> - Climate Change; Climate Risk Analysis <b>Social</b> - Human and Labour Rights; Inequality <b>Strategy, Financial &amp; Reporting</b> - Reporting
Aegon Asset Management - European Asset Backed Securities (“ABS”) Fund	115	422	<b>Environment</b> - Climate Change <b>Social</b> - Human and Labour Rights <b>Governance</b> - Leadership - Chair/CEO; Remuneration <b>Other</b> - General Disclosure
Underlying managers of AIL’s Sustainable Multi-Asset Credit Fund:			
Robeco - Sustainable Development Goals (“SDG”) Credit Income Fund	12	324	<b>Environment</b> - Climate Change <b>Social</b> - Human and Labour Rights <b>Governance</b> - Shareholder Rights; Board effectiveness - Other
PIMCO - Climate Bond Strategy <sup>1</sup>	186	>1,355	<b>Environment</b> - Climate Change <b>Governance</b> - Board, Management & Ownership <b>Strategy, Financial &amp; Reporting</b> - Strategy/Purpose; Capital Allocation <b>Other</b> - ESG Bonds and Others

Source: Managers.

<sup>1</sup> Engagement information are for Calendar year 2023

## Engagement Policy Implementation Statement (“EPIS”) (continued)

### Data limitations

At the time of writing, the following manager did not provide all the information the Trustee requested:

1. PIMCO, one of the underlying managers of AIL’s Sustainable Multi-Asset Credit Fund, did provide engagement information requested but for the calendar year 2023.
2. Aegon, one of the Underlying managers of AIL’s Diversified Liquid Credit Strategy, did not provide firm level engagement information.
3. BlackRock did provide a comprehensive list of fund level engagements, which the Trustee finds encouraging, however, the manager did not provide detailed engagement examples specific to the mandate in which the Plan is invested, as per the Investment Consulting Sustainability Working Group (“ICSWG”) industry standard engagement reporting template.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.

## Engagement Policy Implementation Statement (“EPIS”) (continued)

## Appendix – Significant Voting Examples

In the table below are some significant voting examples provided by the Plan’s equity manager, UBS. The Trustee considers a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below, in the manager’s own words:

<b>UBS - Climate Aware World Equity</b>	<b>Company name</b>	Amazon.com, Inc.
	<b>Date of vote</b>	22 May 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Disclose All Material Scope 3 GHG Emissions
	<b>How you voted?</b>	Votes supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Company not advised prior to meeting
	<b>Rationale for the voting decision</b>	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We will continue to engage with the company.
	<b>On which criteria have you assessed this vote to be most significant?</b>	Aggregate percentage of votes against management exceeded 15% of votes cast / We have engaged with the company over ESG related matters.

Source: UBS

## Engagement Policy Implementation Statement (“EPIS”) (continued)

### Appendix – Significant Voting Examples

<b>UBS - Climate Aware World Equity</b>	<b>Company name</b>	Analog Devices, Inc.
	<b>Date of vote</b>	13 March 2024
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Advisory Vote to Ratify Names Executive Officers' Compensation
	<b>How you voted?</b>	Votes against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Company not advised prior to meeting
	<b>Rationale for the voting decision</b>	Executive pay is not aligned with performance. Vesting of performance awards or performance period is less than three years. Accelerated vesting of awards undermines shareholder long-term interest. Excessive severance package.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Following the voting outcome, we are not planning further engagement or action at this point.
	<b>On which criteria have you assessed this vote to be most significant?</b>	Aggregate percentage of votes against management exceeded 27% of votes cast.

Source: UBS