

# Engagement Policy Implementation Statement (“EPIS”)

## Heinz 2000 Pension Plan

### Scheme Year End – 31 December 2022

The purpose of the EPIS is for the Trustee of the Heinz 2000 Pension Plan (the “Plan”), to explain what it has done during the year ending 31 December 2022 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 its 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.

#### Our 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.**

In July 2021 the majority of the Plan’s assets were invested in a Bulk Purchase Annuity Agreement (the “Annuity”) with Pension Insurance Corporation (“PIC”). The aim of the Annuity is to wholly cover the benefits to all members of the Plan. The Plan’s remaining assets are held in a cash fund and some UK Government bonds (gilts) managed by BlackRock, held as a broad match for potential costs that may arise in the continued running of the Plan.

This EPIS does not disclose stewardship information on investments in gilts or cash due to the limited materiality of stewardship of these asset classes.

## How voting and engagement policies have been followed

During the reporting period, the majority of the Plan's assets were invested in the Annuity with PIC. The Plan's remaining assets were invested in a cash fund and some UK Government bonds (gilts) managed by BlackRock. The Trustee acknowledges the limited materiality of stewardship for the residual assets that remain invested with BlackRock.

Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

The Plan's stewardship policy can be found in the SIP:  
<https://www.kraftheinzpension.co.uk/heinz2000pensionplan/useful-documents>

## Engagement Action Plan

The responsibility for managing arrangements with underlying investment managers lies with PIC. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of PIC; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers. In addition, the Trustee expects that PIC uses its influence and purchasing power (where possible) to ensure that Environmental, Social, and corporate Governance ("ESG") factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

The Trustee has limited ability to incentivise PIC to align its investment strategy and decisions with our policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of buy-in policies, such as the Annuity purchased by the Plan, the Trustee believes that PIC is appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

The Trustee recognises its responsibilities as a steward of investment capital; however, in endeavouring to invest in the best financial interests of the beneficiaries, the Trustees elected to purchase the Annuity and recognise that it cannot, therefore, directly influence the ESG integration nor stewardship policies and practices of the Insurer.

Should the Trustee be provided with any opportunity which it deems appropriate to incentivise its manager, BlackRock, and PIC concerning these areas, it will consider this and take reasonable steps. The Trustee was unaware of any such opportunity during the Plan year.

## 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 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*