Omya UK Pension Scheme

ENGAGEMENT POLICY IMPLEMENTATION STATEMENT

Financial Year Ending 30 June 2022

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 Scheme's Statement of Investment Principles ("SIP") produced by the Trustees, has been followed during the year to 30 June 2022. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator.

Investment Objective of the Scheme

The Trustees' primary investment objective for the Scheme 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 Trustees aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees also ensure that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

Policy on ESG, Stewardship and Climate Change

The Trustees understand that they 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, ESG factors.

The Scheme's SIP includes the Trustees' policies on ESG factors, stewardship and Climate Change. The policies were last reviewed in September 2020. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

Scheme's Investment Structure

The majority of the Scheme's investments are held in a Trustee Investment 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. The exception to this is the Scheme's holding in the Mercer Private Investment Partners Private Markets Fund.

As such, the Trustees have no direct relationship with the Scheme's underlying investments managers held via the Mobius Platform. Mercer Private Investment Partners manage the Scheme's Private Debt mandate on behalf of the Trustees. As this is a pooled investment vehicle, the Trustees accept that they have no ability to specify the risk profile and return targets of the manager, but believe that appropriate mandates have been selected to align with the overall investment strategy. The investment managers are incentivised to meet these objectives, as not doing could potentially result in investors disinvesting assets.

Trustee Engagement

In the relevant year the Trustees have not engaged with either Mobius, or the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change. However, the Trustees review the stewardship and ESG policies of the Fund managers periodically.

The Trustees work with Mercer to consider actions that can be taken to engage with the underlying fund managers going forward. For example, ESG specific ratings are included within performance reporting (with ratings derived by the investment consultant) and this helps to determine whether further action should be taken in respect of specific funds.

The Trustees engage with Mercer regularly, and reviews its performance on an annual basis.

Voting Activity

As noted earlier, the Trustees have no direct relationship with the pooled funds the Scheme is ultimately invested in, and therefore has no voting rights in relation to the Scheme's investments. The Trustees have therefore effectively delegated their voting rights to the managers of the funds the Scheme's assets are ultimately invested in.

The Trustees have not been asked to vote on any specific matters over the Scheme year.

Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting is possible (i.e., all funds which include equity holdings) in which the Scheme's assets are ultimately invested. These votes were cast by the underlying fund managers. A fund manager may not always cast a vote when eligible to do so. An example of a reason for not casting a vote when eligible is a lack of sufficient detail on the issue being voted on.

The table below notes whether or not a proxy has been used. The role of a proxy voter or adviser typically involves providing recommendations for and opinions on how to vote, providing a platform for undertaking proxy research, and undertaking voting and reporting.

The table also sets out where significant votes have been made by the fund managers in the relevant year. Most fund managers have a policy in place for determining whether or not a vote counts as 'significant'.

Manager / Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
		Votes in total	Votes against management endorsement	Abstentions		
Columbia Threadneedle Multi Asset Fund	**ISS** – Threadneedle take recommendations from ISS. **Glass Lewis &Co.** – recommendations only. **IVIS –** recommendations only.	503 (90.2% in favour of management)	7.8%	2.0%	A significant vote is deemed one to be any dissenting vote which is cast against (either abstaining or withholding from voting) a management tabled proposal or one which has been tabled by shareholders and not endorsed by management.	**Nike Inc** **Summary** - Report on Political Contributions Disclosure **Vote** – For management **Rationale -** Supporting better corporate governance practices **Outcome** – Against **General Motors Company** **Summary -** Report on the Use of Child Labour in Connection with Electric Vehicles **Vote** – For management **Rationale** - Supporting better ESG risk management disclosures **Outcome -** Against
Pictet Multi Asset Fund	**ISS** – for voting execution and recommendations but do not apply the ISS default recommendation.	555 (91.0% in favour of management)	9.0%	0.0%	Votes where there was significant client, media or political interest, those of a thematic nature (i.e. climate change) and significant corporate transactions.	**Wolfspeed** **Summary** - Advisory vote to ratify named executive officers **Vote** - Against management **Rationale** - Although annual bonus payout was primarily based on pre-set objective metrics in FY21 and regular equity awards were predominantly performance-based, an outsized one-time special equity award was granted to the CEO in addition to his annual equity awards. In addition, the special equity grant utilised

						the same metric goals as the annual incentives program. **Outcome** - For
Legal and General ("L&G") 50:50 Global Fixed Weight Equity Index Fund	**ISS –** for voting execution.	41,040 (82.0% in favour of management)	17.9%.	0.2%	Significant votes are determined using the PLSA criteria, these include but is not limited to votes of high profile where there is a degree of controversy, there is significant client interest or the vote is linked to an LGIM engagement campaign.	**Rio Tinto Plc** **Summary** - Approve Climate Action Plan **Vote** - Against **Rationale** - Climate change: L&G recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while L&G acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, L&G remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner. **Outcome** - For

Notes: ISS = Institutional Shareholder Services Inc.
IVIS = Institutional Voting Information Service