

GIVAUDAN UK PENSION PLAN

APPENDIX I – IMPLEMENTATION STATEMENT (forming part of the Trustees' Report)

Engagement Policy Implementation Statement

Background

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations ('the Regulations'). The Regulations amongst other things require that the Trustees outline how they have ensured that the policies and objectives set out in their Statement of Investment Principles ('SIP') have been adhered to over the course of each Plan year. This is the second Engagement Policy Implementation Statement and covers the year ended 31 March 2023.

The Trustees have previously prepared Implementation Statements but the Defined Contribution section of the Plan was wound up in a prior Plan year.

Introduction

This document is the annual Engagement Policy Implementation Statement prepared by the Trustees of the Givaudan UK Pension Plan (the 'Trustees' and 'Plan' respectively) covering the Plan year to 31 March 2023. The purpose of this Engagement Policy Implementation Statement is to:

- comment on how the 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;
- describe the voting behaviour by, or on behalf of, the Trustees over the year including the use of any proxy voting advisory services, and the 'most significant' votes cast over the reporting year.

A copy of this Engagement Policy Implementation Statement will be made available on the following website alongside the Plan's SIP: <https://www.givaudan.com/media/corporate-publications>

Adherence to Stewardship policies

Overall, the Trustees believe the policies outlined in the SIP have been adhered to during the Plan year. The remaining parts of this Engagement Policy Implementation Statement set out details of how this has been achieved. These details relate to those parts of the SIP which set out the Trustees' policies, and not those which are statements of fact.

In February 2021, the Trustees purchased a bulk annuity policy with Aviva, which insures the members' liabilities. The insurance contract is an asset of the Plan and the pension liability remains with the Plan. With the exception of cash (or cash-like/liquidity) balances, and additional voluntary contributions, this is now the sole asset of the Plan.

The relevant extract of the SIP covering the Trustees' voting and engagement policies is as follows:

'Given the nature of the agreement with Aviva, the Trustees believe they have limited ability to incentivise Aviva to align its investment strategy and decisions with the Trustees' policies in relation to stewardship, corporate governance and responsible investment.

Given the long-term nature of the Plan's sole investment and the bulk annuity policy the Trustees believe that Aviva is appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

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Engagement Policy Implementation Statement (continued)

Adherence to Stewardship policies (continued)

The Trustees' primary concern when setting the investment strategy is to act in the best financial interests of the beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustees believe that, in order to fulfil this commitment and to protect and enhance the value of the Plan's investments, they must act as responsible stewards of the investments.

The Trustees acknowledge that financially material considerations include environmental, social and corporate governance (ESG) factors, such as climate change. Understanding these factors can help identify investment opportunities and financially material risks.

The Trustees also recognise the importance of their role as a steward of capital, promoting corporate responsibility and ensuring the highest standards of governance.

However, given the nature of the agreement with Aviva, the Trustees believe they have limited ability to incentivise Aviva to align its investment strategy and decisions with the Trustees' policies in relation to stewardship, corporate governance and responsible investment.'

The Trustees' sole holdings with AIL throughout the year to 31 March 2023 were small, residual cash balances. As such, there was no requirement for AIL undertake any engagement or stewardship activity on behalf of the Trustees.

Summary

Based on the activity we have undertaken during the year, the Trustees believe that the policies set out in the SIP have been implemented effectively. The Trustees acknowledge that engagement and stewardship activity is less applicable to certain asset classes like cash holdings and annuity policies.

Certain members have AVCs invested alongside their benefits. These are no longer contributed to but are deferred until the member's retirement. This EPIS does not disclose stewardship information on AVCs or investments in cash due to the limited materiality of stewardship of these asset classes.