Godiva Group Pension Scheme ("the Scheme")

Annual Engagement Policy Implementation Statement for the Year Ended 31 December 2024

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustees have been followed during the 12-month period to 31 December 2024 ("**the Scheme Year**"). 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 2019 (as amended) and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the relevant versions of the Statement of Investment Principles ("SIP") that were in place for the Scheme Year, which was the SIP dated February 2025. An online version of the SIP can be accessed here.

2. Statement of Investment Principles

2.1. Investment Objectives 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 liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

The Trustees have also received confirmation from the Scheme Actuary during the process of revising the investment strategy that its investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

2.2. Review of the SIP

Over the year to 31 December 2024, changes were made to the SIP to reflect the changes in investment strategy that occurred over the Scheme year.

2.3. Investment Structure

The Scheme's investments are held in a Trustee Investment Policy 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 Trustees have no direct relationship with the Scheme's underlying managers.

2.4. 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, environmental, social and governance ("ESG") factors.

The Scheme's SIP includes the Trustees' policy on ESG factors, stewardship and climate change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

3. Engagement Activity

During the Scheme Year, the Trustees have not engaged with either the underlying investment managers on matters pertaining to ESG, stewardship or climate change.

However, the Trustees receive annual performance reports from Mercer, and these include Mercer's ratings (both the general and ESG specific rating) for the funds in which the Scheme is invested. This enables the Trustees to monitor the development of the ESG scores and determine whether further action should be taken in respect of specific funds. When implementing a new manager, the Trustees will consider the ESG rating of the manager as part of the process.

The Trustees are satisfied that the Engagement Policies set out in the SIPs which have been in place over the year have been followed.

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:

Columbia Threadneedle:

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

Payden:

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

Ninety One:

https://ninetyone.com/en/united-kingdom/sustainability

Insight:

https://www.insightinvestment.com/investing-responsibly/

LGIM:

https://www.lgim.com/uk/en/responsible-investing/

4. Voting Activity

Where the Trustees are specifically invited to vote on a matter relating to corporate policy, the Trustees will exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme's membership.

Over the Scheme year, the Trustees have not been asked to vote on any specific matters and have therefore not cast any votes.

The Scheme only invests in pooled funds and therefore the Trustees have no direct voting rights in relation to the Scheme's investments.

The Trustees have no influence on the managers' definitions of significant votes but have noted these and are satisfied that they are all reasonable and appropriate.

The Trustees take the view that a well governed board will drive long term sustainable growth, as well as good social and environmental outcomes and therefore determine significant votes to be those where the fund manager voted against the company in relation to the composition of the board or climate related.

The Scheme does not hold any equity investments and therefore there is no voting activity to report on.