

Engagement Policy Implementation Statement

Financial Year Ended 5 April 2021

Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustees of the Rayovac Europe Limited Retirement Benefits Scheme ('Plan') has been followed during the year to 5 April 2021. 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 and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme are as follows:

- 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.
- To maximise returns at an acceptable level of risk taking into consideration the circumstances of the Scheme.

Investment Structure

The Scheme's only investment is a Trustee Investment Policy with Mobius Life Limited ('Mobius'). Mercer Limited make use of the investment platform provided by Mobius Life which 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 investment managers.

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustees' policies on ESG factors, stewardship and climate change. The policies were last updated in August 2020, to reflect new legislative wording requiring the Trustees to state their policies regarding 'financially material' and 'non-financial' considerations

In order to establish these policies, the Trustees discussed ESG and the latest regulatory requirements governing the inclusion of ESG policies at the Trustees' meeting in July 2020. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially.

Trustee Engagement

Mercer's investment performance report is reviewed by the Trustees on a quarterly basis. This includes Mercer's ratings (both general and specific ESG) and enables the Trustees to determine whether further action should be taken in respect of specific funds. The Trustees are satisfied that Mercer's ESG scores for the Scheme's managers are satisfactory. There were no downgrades to the ESG ratings of any of the Scheme's investment managers over the year.

Over the year, Mercer on behalf of the Trustees, requested the investment managers to confirm compliance with the principles of the UK Stewardship Code. With the exception of Barings, all of the Scheme's underlying investment managers confirmed that they are signatories of the current UK Stewardship Code and plan to submit the required reporting to the Financial Reporting Council by 31 March 2021 in order to be on the first list of signatories for the UK Stewardship Code 2020 that took effect on 1 January 2020.

Assessment of how the Engagement Policies in the SIP have been followed for the year to 5 April 2021

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

Voting Activity

The Scheme has no direct relationship with the pooled funds it is invested in, and therefore 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 investments are ultimately invested in.

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

We note that best practice in developing a statement on voting and engagement activity is evolving and we will take on board industry activity in this area before the production of next year's statement.

RAYOVAC EUROPE LIMITED RETIREMENT BENEFITS SCHEME

Fehler! Verweisquelle konnte nicht gefunden werden. 5 APRIL 2021

The table below sets out a summary of the key voting activity over the 12 months to 31 March 2021:

Manager / Fund	Proxy voter used?	Votes cast			Most significant votes (description)	Significant vote examples
		Votes in total	Votes against management endorsement	Abstentions		
Thread Life Multi-Asset	<p>ISS - to cast votes for client securities and to provide recordkeeping and vote disclosure services.</p> <p>ISS & GL - to provide proxy research services to ensure quality and objectivity in connection with voting client securities.</p>	6,911	397	271	<p>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.</p>	<p>Centene Corporation – Voted ‘for’ the elimination of Supermajority Vote Requirement, in order to support better ESG risk management practices.</p> <p>Facebook – a vote ‘For’ the report on Median Gender/Racial Pay Gap. The rationale for the vote was due to a material social risk for business; in shareholder’s interests.</p>
Nordea Diversified Return	<p>ISS – for technical expertise, their voting platform to execute voting instructions, as well as research.</p> <p>NIS – mainly used for analysis.</p>	1,501	149	9	<p>A vote is significant due to the subject matter of the vote, for example a vote against management, if the company is one of the largest holdings in the portfolio, and/or they hold an important stake in the company.</p>	<p>Nike – Voted ‘for’ the shareholder proposal of a report on Political Contributions Disclosure, which increases transparency in these matters in to the benefit of the shareholders. Currently, Nike’s reporting lacks transparency in contributions to organizations that conduct lobbying.</p> <p>Oracle – Voted ‘for’ the report on Gender Pay Gap, the rationale behind the vote was that it is seen that Oracle is lagging behind other large IT companies when it comes to reporting on gender pay gap.</p>
Ninety-One Diversified Growth	<p>ISS - delivers its benchmark research and Ninety One’s custom policy research, which is furthermore discussed between the ESG team and Investment team.</p>	1,674	70	41	<p>A vote is “significant” if there was significant client, media or political interest, those of a thematic nature (i.e., climate change), and significant corporate transactions.</p>	<p>Unilever PLC – Voted ‘for’ the proposal to unify the Company’s structure through a cross-border merger between Unilever PLC and Unilever N.V. The proposal has a strong strategic rationale, including simplifying Unilever’s complex dual-headed structure and the increased optionality it would give the Company in terms of M&A and other business transactions.</p> <p>Johnson & Johnson – Voted ‘for’ the proposal of a report on Governance Measures Implemented Related to Opioids, in order to provide shareholders with more specific information about proactive steps the Board is taking to mitigate risks related to the manufacture and marketing opioid-related products.</p>

Notes: ISS - Institutional Shareholder Services; NIS - Nordic Investor Services; GL – Glass Lewis & Co.