RAYOVAC EUROPE LIMITED  
RETIREMENT BENEFITS SCHEME

Engagement Policy Implementation Statement

Year Ended 5 April 2024

**Introduction**

This Engagement Policy Implementation Statement (the “Statement”) sets out how, and the extent to which, the stewardship policy and policies on environmental, social and governance (“ESG”) factors and climate change, set out in the Statement of Investment Principles (the “SIP”), have been followed during the year to 5 April 2024 (the “Scheme Year”).

This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments, and the statutory and non-statutory guidance from the Department for Work and Pensions.

The Statement is based on, and should be read in conjunction with, the SIP that was in place for the Scheme Year. The latest version of the SIP can be accessed online:

https://www.spectrumbrands.co.uk/implementation-statement.html

**Trustees’ Investment Objectives**

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

As outlined in the SIP, the Trustees’ key objective for the Scheme’s investment strategy is to reduce risk ahead of any decision to undertake a buy-in (ahead of a full buy-out) of the Scheme’s liabilities with an insurance company.

Furthermore, the Trustees seek to ensure that the assets are liquid enough to meet the liabilities as and when they fall due.

**Policy on ESG, Stewardship and Climate Change**

The Trustees recognise that ESG factors can influence the investment performance of the Scheme’s portfolio and it is therefore in members’ and the Scheme’s best interest that these factors are taken into account within the investment process.

The Scheme’s SIP includes the Trustees’ policies on ESG factors, stewardship and climate change. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially. The policies were last reviewed in November 2023, following a change to the Scheme’s investment strategy to de-risk the portfolio.

The Scheme’s assets are invested in pooled funds and therefore the Trustees accept that they have very limited ability to influence the ESG policies and practices of the companies in which the manager invests. The Trustees therefore rely on the policies and judgement of the investment manager.

The Trustees expect the investment manager to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to investments and engagement activities in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees recognises that as a large proportion of the Scheme’s assets are invested in passive pooled funds, this limits the investment manager’s ability to take active decisions on whether to hold securities based on the investment manager’s considerations of ESG factors, including climate change.

Nonetheless, the Trustees can confirm that they have acted in accordance with the SIP in relation to voting and engagement activities over the Scheme Year.

**Scheme’s Investment Structure**

The Scheme’s main investment is 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 the third party investment manager. As such, the Trustees have no direct relationship with the Scheme’s underlying investment manager. However, the Trustees have the responsibility of monitoring the pooled funds, in conjunction with advice received from their investment advisor, Mercer.

**Trustees’ Engagement**

Over the Scheme Year, the Trustees have not directly engaged with the pooled fund investment manager on matters pertaining to ESG, stewardship or climate change. The engagement initiatives are driven by the investment manager, mainly through regular engagement meetings with the companies in which they invest.

However, the Trustees consider how ESG, climate change and stewardship are integrated within investment processes in appointing a new investment manager, implementing investment strategy decisions, and monitoring the existing investment manager:

* The Trustees receive performance reports from Mercer, and these include Mercer’s ratings (both the general and ESG specific ratings) for the funds in which the Scheme is invested.
* The Trustees review the ESG ratings of funds when undertaking an investment strategy review.
* Mercer will notify the Trustees of changes in ESG ratings of the funds in which the Scheme invests.

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.

Taking all the above into consideration, the Trustees are satisfied that responsible investment is embedded appropriately in the investment manager’s approach to investing and are satisfied that Mercer’s ESG scores for the Scheme’s current holdings are satisfactory.

An ESG report aligned to this Statement, which includes examples of engagement activity from the Scheme's investment manager, is available online, as is this Statement.

**Voting Activity**

At the end of the Scheme Year, the only asset held by the Scheme that had voting rights was the active corporate bond fund. It is important to note that bondholders generally do not have the same voting rights as shareholders when it comes to general corporate matters. However, bondholders may have certain limited voting rights that will vary depending on the specific terms of the bond issuance.

The Trustees do not assess voting information for the Scheme's other assets because those assets do not have voting rights.

The Scheme does not have a direct relationship with the pooled funds it invests in, including the active corporate bond fund. As a result, the Trustees have delegated their voting rights to the investment manager. The investment manager is responsible for exercising the voting rights associated with the fund, following its own internal policies and adhering to current best practices such as the UK Corporate Governance Code and UK Stewardship Code.

The attached ESG report provides a brief overview of the voting activity for the active corporate bond fund. However, it does not provide detailed information on the specific votes cast for the fund, as the investment manager did not consider those votes to be 'significant'.