

NUTRECO (UK) PENSION SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
SCHEME REGISTRATION NUMBER: 102039835

NUTRECO (UK) PENSION SCHEME

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YEAR ENDED 31 DECEMBER 2023

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NUTRECO (UK) PENSION SCHEME

TRUSTEE AND ADVISERS

YEAR ENDED 31 DECEMBER 2023

Principal Employer	Trouw (UK) Limited c/o Frank Wright Limited Blenheim Industrial Estate Ashbourne Derbyshire DE6 1HA
Trustee	Trouw (UK) Pension Trust Limited
Trustee Directors	Employer nominated:- John Williamson (Chairman) Lesley Ross Member nominated:- Anne-Marie Johnson(appointed on 1 May 2024) Roger Farley (until 31 July 2023)
Secretary to the Trustee	Lesley Ross
Administrators	Towers Watson Limited, a WTW company
Actuary	Sarah Greenwood Towers Watson Limited, a WTW company
Independent auditors	Bennett Brooks & Co. Limited
Legal advisers	Pinsent Masons LLP
Investment adviser	Towers Watson Limited, a WTW company
Investment managers	Legal & General Assurance (Pensions Management) Limited Towers Watson Investment Management
AVC providers	Prudential Assurance Co Limited
Bankers	HSBC Bank plc

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S REPORT

YEAR ENDED 31 DECEMBER 2023

The Trustee of Nutreco (UK) Pension Scheme ("the Scheme") presents its annual report together with the actuarial certificate and financial statements for the year ended 31 December 2023.

Introduction

The Scheme was originally established as a Defined Benefit scheme whereby benefits are payable to members in accordance with the Scheme Rules based on their length of service and their final pensionable salary prior to retirement. With effect from 1 July 2005, the Defined Benefit section of the Scheme was closed to future accrual and future service benefits are now provided on a defined contribution basis.

The Scheme was originally established to provide retirement benefits to all eligible members of Trouw (UK) Limited. The Scheme was subsequently extended to include employees of Marine Harvest and the Renfrew Site until November 2007, when, following the sale of Marine Harvest to Pan Fish, benefits for all Marine Harvest members were transferred to the new Marine Harvest Pension Scheme.

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004.

Management of the Scheme

During the year under review, the Trustee of the Scheme has been Trouw (UK) Pension Trust Limited. The Trustee is responsible for the proper running of the Scheme, including the collection of contributions due, the investment of Scheme assets and the payment of benefits. The Trustee Directors who served during the year are listed on page 1.

The power of appointment and removal of the Trustee or Trustees is vested in the principal company, Trouw (UK) Limited. The Occupational Pension Scheme (member-nominated Trustees and Directors) Regulations 2006 prescribe the composition of Trustee Boards. Employer nominated Directors are appointed by Trouw (UK) Limited and Member nominated Directors are elected by members of the Scheme. The Trustee Board now consists of two employer nominated Directors and one member nominated Director. There were three meetings of the Trustee during the year. Voting at all meetings is by simple majority with the chairman having a casting vote.

Changes to the Scheme

There were no changes to the Scheme during the year.

Financial developments and financial statements

The financial statements included in this annual report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

The financial statements of the Scheme for the year ended 31 December 2023 are set out on pages 17 to 27 and the Trustee's summary of contributions and the auditor's statement about contributions are set out on page 12 and 13 respectively.

Employer Guarantee

Nutreco N.V. has agreed with Trouw (UK) Limited that it will stand behind any deficit reduction contributions payable by Trouw (UK) Limited. This agreement is reflected in a signed guarantee document between the Trustee, Trouw (UK) Limited and Nutreco N.V.

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2023

Statement of Trustee's responsibilities

Trustee's responsibilities in respect of financial statements

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

NUTRECO (UK) PENSION SCHEME**TRUSTEE'S REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2023**

Membership

The changes in membership during the year are as follows:

	Deferred members	Pensioners	Beneficiaries	Total
At 1 January 2023	151	157	27	335
Adjustments to prior year	–	(2)	–	(2)
Retirements	(7)	7	–	–
Transfers out	(2)	–	–	(2)
At 31 December 2023	<u>142</u>	<u>162</u>	<u>27</u>	<u>331</u>

Pension increases

The following pension increases were awarded with effect from 1 May 2023:

Post 5 April 1988 Guaranteed Minimum Pension (GMP)	- 3% based on September 2022 CPI capped at 3%
Pre 6 April 1988 Guaranteed Minimum Pension (GMP)	- no increase
Pension in respect of pre 5 April 1997 service (in excess of GMP)	- increase of 5% based on December 2022 RPI capped at 5%
Pension in respect of post 5 April 1997 service (in excess of GMP)	- increase of 5% based on December 2022 RPI capped at 5%
AVC pension	- increase of 5% based on December 2022 RPI capped at 5%

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2023

Report on actuarial liabilities

As required by Financial Reporting Standard 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefit members are entitled to, based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 December 2021. This showed that on that date:

The value of the Technical Provisions was:	£72.6 million
The value of the assets at that date:	£83.4 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Credit Method.

Significant actuarial assumptions

Discount interest rate: term dependent rates derived from the Willis Towers Watson nominal gilt curves at the valuation date plus an addition of 0.2% pa.

Future Retail Price inflation: term dependent rates derived from the WTW RPI break even spot curves at the valuation date.

Future Consumer Price inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment of 0.85% per annum for the period up to 2030, then equal to the future retail price inflation assumption thereafter.

Pension increases: derived from the term dependent rates for future inflation allowing for the caps and the floors on pension increases according to the provisions in the Scheme's rules.

Mortality: For male members, S3PMA 'Heavy' tables with a scaling factor of 102% for non-pensioners and 84% for pensioners; and for female members, S3PFA tables with a scaling factor of 110% for non-pensioners and 108% for pensioners. Future improvements are in line with the CMI 2021 core projections model from 2013 allowing for a long-term improvement rate of 1.50% pa, smoothing parameter of 7.0, an initial addition to mortality improvements parameter of 0.5% and 0% weighting parameter for 2020 and 2021.

GMP equalisation: An allowance for the effect of GMP equalisation has been made equal to 1.4% of liabilities.

NUTRECO (UK) PENSION SCHEME**TRUSTEE'S REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2023**

Investment report**Investment strategy and principles**

The Trustee is responsible for determining the Scheme's investment strategy but delegates day to day responsibility for the selection of specific investments to appointed and authorised investment managers.

In accordance with Section 35 of the Pensions Act 1995, the Trustee has agreed a statement of investment principles ("SIP"). The Trustee reviews the appropriateness of the SIP on an annual basis - the last review was in July 2023.

A copy of the SIP can be found online here: <https://epa.towerswatson.com/accounts/nutreco>

The Trustee's investment strategy considers the Scheme's investments in the following groupings:

- **Return seeking assets:** currently TWIM's Core Diversified Fund, where the objective is to achieve growth;
- **Matching:** currently Liability Driven Investments ("LDI") and cash, where the objective is to match the movements in the Scheme's liabilities from changes in interest rates and inflation through a blend of gilt and index-linked gilt investments; and;
- **Cash:** to ensure adequate liquidity within the Scheme in order to meet benefit payments as they fall due.

Performance Objectives

The Trustee assesses the performance of the Scheme's investments with reference to benchmarks and performance targets set and agreed with the investment manager;

The Trustee receives reports from their investment managers on a quarterly basis showing actual performance against the benchmark of each fund in which the Trustee invests, in respect of the assets of the Defined Benefit Section of the Scheme. The investment managers present to the Trustee periodically.

Performance of the Scheme's Defined Benefit Section investments over short and longer periods, under both the current and prior investment strategies, is summarised as follows :

Annualised returns over	1 Year	3 Years*	5 Years*
Defined Benefit Section total	2.3%	(10.7%)	(2.7%)
Benchmark	1.2%	(9.1%)	(2.0%)

Figures are based on recent investment reporting combined with previous figures disclosed in the Scheme's accounts.

NUTRECO (UK) PENSION SCHEME**TRUSTEE'S REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2023**

Annualised Defined Benefit Section percentage returns	1 Year	3 Years	5 Years
Towers Watson - Core Diversified Fund	12.3%	3.2%	-
<i>Benchmark(1)</i>	<i>8.0%</i>	<i>5.4%</i>	<i>-</i>
Legal & General - LDI portfolio	(0.3%)	(25.6%)	-
<i>Benchmark(1)</i>	<i>(0.3%)</i>	<i>(25.6%)</i>	<i>-</i>
Legal & General - Sterling Liquidity fund*	4.8%	2.1	-
<i>Benchmark(1)</i>	<i>4.7%</i>	<i>2.0</i>	<i>-</i>

(1) Figures provided are shown only for 1 year due to the change in investment strategy during 2020.

(2) LDI portfolio benchmark performance is not reported by LGIM. The benchmark performance is assumed to be in line with fund performance.

(3) The 'Legal & General - LDI portfolio' includes a holding in the Sterling Liquidity fund. The performance of the LDI portfolio therefore includes the performance of the Sterling Liquidity fund alongside the other bond investments held within the LDI portfolio.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and consider them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the financial statements.

Corporate Governance, social, environmental and ethical issues

The Trustee recognises that a company's long-term financial success is influenced by a range of factors including appropriate management of environmental, social, ethical and corporate governance issues. Consequently the Trustee seeks to be an engaged long-term shareholder and via its selection and oversight of its investment managers, seeks to encourage the companies in which the Scheme invests to adopt sustainable business practices and high standards of corporate governance with the aim of protecting and enhancing long-term shareholder value. The Trustee's time horizon reflects the time horizon of the Company's business and the Scheme's maturing liability profile.

Whilst it is the Trustee's preference that all companies should be run in a socially responsible way, it takes the view that its primary responsibility is to act in the best financial interest of the members of the Scheme. Therefore, the Trustee's policy is that the extent to which environmental, social and corporate governance ("ESG") considerations (including but not limited to climate change) may have a financial impact on the portfolio will be taken into account by their investment managers in the exercise of their delegated duties. The Trustee's focus is explicitly on financially material considerations. The Trustee's policy at this time is not to take into account non-financially material considerations and does not currently intend to take members' views into account when determining its policy on ESG matters.

The Trustee expects their managers to sign up to their local stewardship code, in-keeping with good practice. The Trustee will monitor the activities of all of their managers on a regular basis but appreciates that its applicability may be limited for certain asset classes. These matters are kept under review by the Trustee, in consultation with their investment consultant and investment managers.

Rights attaching to investments

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers.

Employer related investments

There were no employer related investments during the year or at the end of the year.

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2023

Management and custody of assets

The Trustee's chosen investment managers, which are regulated by the Financial Conduct Authority in the United Kingdom, manage the investments within the restrictions set out in investment management agreements.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attached to investments to the investment managers. The managers are encouraged to vote on all resolutions of companies in which the Scheme invests. The Trustee recognises that they have less influence within pooled investment vehicles, but reviews the managers' voting record on an annual basis.

With regard to custodial arrangements the Defined Benefit Section of the Scheme invests in pooled arrangements, where the manager makes its own arrangements for custody of underlying investments.

Where assets are held in collective investment vehicles, the responsibility for custody is delegated to the managers of these vehicles.

Underlying investments are held in the name of the custodian's nominee company, in line with common practice.

The Trustee is responsible for ensuring the Scheme's assets continue to be securely held.

The Trustee undertakes ongoing monitoring of the custodial arrangements.

Additional Voluntary Contribution (AVC) Investments

The Scheme has £33,047 (2022: £38,056) invested with Prudential Assurance Co Limited.

Governance statement

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 require the Trustee to include an annual statement regarding governance in the annual report.

Cash equivalents

Cash equivalents paid during the Scheme year with respect to transfers have been calculated in accordance with statutory requirement and do not include discretionary benefits.

Scheme investments

The investment managers appointed on behalf of the Trustee to manage funds under Section 34(4) of the Pensions Act 1995 are properly authorised under the Financial Services and Markets Act 2000 to manage investments or are specifically exempted from the requirements of the Act. The investment managers appointed have the appropriate knowledge and experience necessary to manage the particular investments delegated.

A statement of investment principles has been produced as required by Section 35 of the Pensions Act 1995, and is available on request.

Scheme advisers

There are written agreements in place between the Trustee and each of the Scheme advisers listed on page 1 of these financial statements and also with the Principal Employer.

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2023

The Registrar, Money and Pension Service, MAPS (formerly known as TPAS), the Pensions Ombudsman and The Pensions Regulator

In accordance with the Occupational Pensions Schemes (Disclosure of Information) Regulations 2013, as amended, members are advised that:

- information regarding the Scheme has been registered with the Pension Tracing Service;
- if they have general requests for information or guidance concerning pension arrangements contact The MoneyHelper:
Address: Holborn Centre, 120 Holborn, London EC1N 2TD
Telephone: 0800 011 3797
Website: www.moneyhelper.org.uk
- if they have a complaint or dispute concerning a workplace or personal pension arrangement they have the right to contact The Pensions Ombudsman free of charge:
Address: 10 South Colonnade, Canary Wharf, E14 4PU
Telephone: 0800 917 4487
Website: www.pensions-ombudsman.org.uk
Email: enquiries@pensions-ombudsman.org.uk

In addition to the above The Pensions Regulator regulates occupational pension schemes and enforces the law as it relates to them. It has wide ranging powers which include the power to:

- suspend, disqualify and remove a Trustee, or Director of a Trustee company, for consistently not carrying out their duties;
- wind up schemes where necessary;
- apply for injunctions to prevent the misuse and misappropriation of scheme assets and apply for restitution where necessary.

Internal disputes resolution procedures

A disputes resolution procedure has been agreed by the Trustee to resolve any queries raised by beneficiaries or potential beneficiaries of the Scheme and details of this can be obtained by writing to the contact below.

NUTRECO (UK) PENSION SCHEME
TRUSTEE'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2023

Contact for further information

Any queries or complaints about the Scheme, including requests from individuals for information about their benefits or for a copy of Scheme documentation, should be sent to:

The Trustee of the Nutreco (UK) Pension Scheme
c/o Frank Wright Limited
Blenheim Industrial Estate
Ashbourne
Derbyshire
DE6 1HA

lesley.ross@nutreco.com

Signed for and on behalf of the Trustee of the Nutreco (UK) Pension Scheme by:

DocuSigned by:

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Trustee Director
23-Jul-2024
Date

Trustee Director

Date

NUTRECO (UK) PENSION SCHEME

ACTUARIAL CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Actuary's certification of the schedule of contributions

Name of scheme : Nutreco (UK) Pension Scheme

Adequacy of rates of contributions:

- 1 I hereby certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that the statutory funding objective can be expected on 31 December 2021 to continue to be met for the period for which the schedule is in force.

Adherence to statement of funding principles

- 2 I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated February 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the Scheme were wound up.

Signature: Sarah Greenwood

Date: 28 February 2023

Sarah Greenwood
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited

8 First Street
Manchester
M15 4RP

NUTRECO (UK) PENSION SCHEME

TRUSTEE'S SUMMARY OF CONTRIBUTIONS

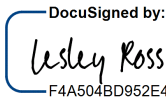
YEAR ENDED 31 DECEMBER 2023

Trustee's summary of contributions

This summary of contributions has been prepared by, or on behalf of the Scheme and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contribution certified by the actuary on 28 Feb 2023 in respect of the Scheme year ended 31 December 2023. The Scheme Auditor reports on contributions payable under the Schedule in their auditor's statement about contributions.

	£
Contributions required by the Schedule of Contributions	
Employers	
Expense contributions	1,175
Total contributions reported in the financial statements	<u>1,175</u>

Signed for and on behalf of the Trustee of the Nutreco (UK) Pension Scheme by:

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Trustee Director

Date 23-Jul-2024

Trustee Director

Date

NUTRECO (UK) PENSION SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF NUTRECO (UK) PENSION SCHEME

YEAR ENDED 31 DECEMBER 2023

We have examined the summary of contributions to the Nutreco (UK) Pension Scheme for the Scheme year ended 31 December 2023 which is set out in the Trustee's report on page 12.

Respective responsibilities of the Trustee and Auditor

As described on page 3, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contribution.

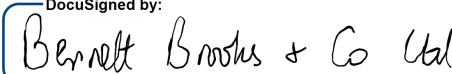
It is our responsibility to provide a statement about contributions paid under the Schedules of Contribution and to report our opinion to you.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions set out on page 12 have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the schedule of contributions.

Statement about contributions payable under the Scheme

In our opinion contributions for the Scheme year ended 31 December 2023 as reported in the summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contribution certified by the Scheme actuary on 10 Feb 2022 and 28 Feb 2023.

DocuSigned by:

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Bennett Brooks & Co. Limited
Chartered Accountants &
Statutory Auditor
St. George's Court
Winnington Avenue
Northwich, Cheshire
CW8 4EE

Date 23-Jul-2024

NUTRECO (UK) PENSION SCHEME**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF NUTRECO (UK) PENSION SCHEME****YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of Nutreco (UK) Pension Scheme for the year ended 31 December 2023 which comprise the fund account, the net assets statement and the notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2023, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

NUTRECO (UK) PENSION SCHEME**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF NUTRECO (UK) PENSION SCHEME** *(continued)***YEAR ENDED 31 DECEMBER 2023**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

NUTRECO (UK) PENSION SCHEME**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF NUTRECO (UK) PENSION SCHEME** *(continued)***YEAR ENDED 31 DECEMBER 2023**

- We obtained an understanding of laws and regulations that affect the scheme, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on the operation of the scheme. Key laws and regulations that we identified were tax legislation, whereby HMRC can rescind registered scheme status, legislation which allows the Pensions Regulator to fine the scheme or remove trustees; and the penalty regime for data protection laws and regulations.
- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations.

Use of our report

This report is made solely to the Scheme Trustee as a body in accordance with regulation 3 (c) of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our audit work has been undertaken so that we might state to the Scheme Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme Trustee as a body, for this report, for our audit work, or for the opinion we have formed.

DocuSigned by:

 BA997B49F5C6429...

Bennett Brooks & Co. Limited
Chartered Accountants &
Statutory Auditor
St. George's Court
Winnington Avenue
Northwich, Cheshire
CW8 4EE

Date 23-Jul-2024

NUTRECO (UK) PENSION SCHEME**FUND ACCOUNT****YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Contributions and benefits			
Employer contributions		<u>1,175</u>	<u>4,433</u>
Total contributions	4	<u>1,175</u>	<u>4,433</u>
Benefits paid or payable	5	(2,023,921)	(2,000,680)
Transfers out	6	(231,905)	(152,484)
Administrative expenses	7	(361,915)	(7,046)
		<u>(2,617,741)</u>	<u>(2,160,210)</u>
Net withdrawals from dealings with members		(2,616,566)	(2,155,777)
Returns on investments			
Investment income	8	42,537	27,804
Change in market value of investments	9	2,471,808	(26,308,625)
Investment management expenses	10	(45,312)	(39,279)
Net return on investments		<u>2,469,033</u>	<u>(26,320,100)</u>
Net decrease in the fund during the year		<u>(147,533)</u>	<u>(28,475,877)</u>
Net assets of the Scheme			
At 1 January		<u>55,491,750</u>	<u>83,967,627</u>
At 31 December		<u>55,344,217</u>	<u>55,491,750</u>


The notes on pages 19 to 27 form part of these financial statements.

NUTRECO (UK) PENSION SCHEME**STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)****AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Defined benefit section			
Investment assets	9		
Pooled investment vehicles	12	54,755,491	54,745,005
Insurance policies	13	400,000	410,000
AVC investments	14	33,047	38,056
		55,188,538	55,193,061
Current assets	18	253,589	326,073
Current liabilities	19	(97,910)	(27,384)
Net assets of the Scheme at 31 December		55,344,217	55,491,750
Total assets of the Scheme at 31 December		55,344,217	55,491,750

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee Directors. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the defined benefit section, is dealt with in the report on actuarial liabilities on page 5 of the Annual Report and these financial statements should be read in conjunction with this report.

Signed for and on behalf of the Trustee of the Nutreco (UK) Pension Scheme by:

DocuSigned by:

 F4A504BD952E4C7...
Trustee Director

Trustee Director

Date 23-Jul-2024

Date

The notes on pages 19 to 27 form part of these financial statements.

NUTRECO (UK) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

1. General information

The Scheme is established as a trust under English law. The address for enquiries to the scheme is included in the Trustee's Report.

2. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (SORP) (Revised 2018).

The accounts are prepared on the going concern basis.

3. Accounting policies

The following principal accounting policies have been adopted in the presentation of the financial statements:

Currency

The Scheme's functional currency and presentational currency is pound sterling (GBP).

Contributions

Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid.

Employer PPF levy contributions are accounted for on an accruals basis.

Benefits and payments to and on account of leavers

Benefits are accounted for at the date on which a liability to pay a benefit arises which is the later of the date of retirement/death and the date on which any option or notification is communicated to the Trustees.

Individual transfers out are accounted for when paid or received which is normally when member liability is accepted / discharged.

Administrative expenses

Administrative expenses are accounted for on an accruals basis.

NUTRECO (UK) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3. Accounting policies *(continued)*

Investment income and expenditure

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Interest on cash deposits is accounted for on an accruals basis.

Annuity income is accounted for on an accruals basis.

Transaction costs are included in the cost of purchases and sale proceeds. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

Investments

Investment assets are included in the financial statements at fair value.

Pooled investment vehicles and AVC investments are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads as provided by the investment manager.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the class of investment. The methods of determining fair value for the principal classes of investment are:

- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actively traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The Trustee holds an annuity policy which exactly matches the amount and timing of some of the benefits payable to one of the Scheme's pensioner members. This policy has been valued by the Scheme Actuary as the present value of expected future benefit payments. The assumptions which determine the value of the policy are based on the Scheme's latest funding valuation basis, updated to take into account market conditions at each valuation date.

Key accounting estimates and assumptions

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Scheme investments and, in particular, those classified in Level 3 of the fair value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included within the accounting policy above and within notes 13 and 15.

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023****4. Contributions receivable**

	2023	2022
	£	£
Employer contributions		
PPF Levy	<u>1,175</u>	<u>4,433</u>

5. Benefits paid or payable

	2023	2022
	£	£
Pensions	1,754,638	1,814,749
Commutations and retirement lump sums	<u>269,283</u>	<u>185,931</u>
	<u>2,023,921</u>	<u>2,000,680</u>

6. Transfers out

	2023	2022
	£	£
Individual transfers out	<u>231,905</u>	<u>152,484</u>

7. Administrative expenses

	2023	2022
	£	£
Administration and processing	77,938	2,520
Legal and professional fees	7,738	–
PPF Levy	3,340	4,433
Actuarial fees	230,840	–
Audit fee	26,400	–
Other administrative fees	<u>15,659</u>	<u>93</u>
	<u>361,915</u>	<u>7,046</u>

As per the Schedule of Contributions the employer will reimburse the Scheme for any PPF levies paid by the Scheme. From March 2023 all expenses are paid by the Scheme where previously these were paid by the employer.

8. Investment income

	2023	2022
	£	£
Income from annuities	21,274	20,755
Interest on cash deposits	<u>21,263</u>	<u>7,049</u>
	<u>42,537</u>	<u>27,804</u>

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023****9. Investments**

	Value at 01/01/23 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31/12/23 £
Pooled investment vehicles	54,745,005	37,320,117	(39,790,746)	2,481,115	54,755,491
Insurance policies	410,000	–	–	(10,000)	400,000
AVC investments	38,056	–	(5,702)	693	33,047
	<u>55,193,061</u>	<u>37,320,117</u>	<u>(39,796,448)</u>	<u>2,471,808</u>	<u>55,188,538</u>

Explanatory note

The change in market value of investments during the year comprises increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Included within the purchases and sales figures shown above are management costs of £70,279 (2022: £64,677). Costs are also borne by the Scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

The Scheme's investments are all held with United Kingdom investment managers.

10. Investment management expenses

	2023 £	2022 £
Administration, management and custody	<u>45,312</u>	<u>39,279</u>

11. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

12. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	2023 £	2022 £
Bond	42,411,669	32,370,422
Diversified growth	12,343,822	22,374,583
	<u>54,755,491</u>	<u>54,745,005</u>

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023****13. Insurance policies**

	2023	2022
	£	£
Annuities with Legal and General	<u>400,000</u>	<u>410,000</u>

There is one policy currently held in the name of the Trustee. As at 31 December 2023, the value of this policy was approximately £400,000. The underlying assumptions used to calculate the annuity policy are detailed below (which have been derived in line with the Statement of Funding Principles dated February 2023).

Assumption	31 December 2023
Discount rate	4.10%
Pension increases	3.35%

14. AVC investments

	2023	2022
	£	£
Prudential Assurance Co Limited (With profit)	<u>33,047</u>	<u>38,056</u>

The Trustee holds assets invested separately from the main fund in the form of individual assurance policies, which secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held on their behalf and the movements in the year. The aggregate amounts of AVC investments are shown above.

15. Fair value determination

The fair value of financial instruments has been estimated using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

	At 31 December 2023			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	–	54,755,491	–	54,755,491
Insurance policies	–	–	400,000	400,000
AVC investments	–	–	33,047	33,047
	<u>–</u>	<u>54,755,491</u>	<u>433,047</u>	<u>55,188,538</u>

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023****15. Fair value determination (continued)**

	<i>At 31 December 2022</i>			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	–	54,745,005	–	54,745,005
Insurance policies	–	–	410,000	410,000
AVC investments	–	–	38,056	38,056
	<u>–</u>	<u>54,745,005</u>	<u>448,056</u>	<u>55,193,061</u>

16. Investment risk disclosures**Investment risks**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out in FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines the investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include historic AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023**

16. Investment risk disclosures *(continued)***Investment strategy**

The investment objective of the Defined Benefit Section of the Scheme (DB Section) is to maintain a portfolio of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions, the benefits of the DB section payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy for the DB section taking into account considerations such as the strength of the employer covenant, the long term liabilities of the DB section and the funding agreement with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The current target investment allocations are:

- 45% in return seeking investments comprising the Core Diversified Fund
- 55% in matching assets comprising of LDI (which includes government bonds and other instruments designed to match movements in the Scheme's liabilities) and cash

Credit risk

The Scheme is subject to credit risk as the Scheme invests in bonds (via LDI), has cash balances and has exposure to stock lending (through Towers Watson Investment Management's Core Diversified Fund). The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Direct credit risk arising from the pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager and the regulatory environments in which the pooled managers operate. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

Indirect credit risk arises in relation to underlying investments held in the pooled funds in which the Scheme invests. This risk is mitigated by investing in predominantly government bonds and other high quality financial instruments where the credit risk is minimal. Cash is held within financial institutions which are at least investment grade credit rated.

The Trustees do not presently intend to engage in stock lending as a core driver of their investment portfolio. They are aware that the managers of some pooled funds may carry out a degree of stock lending as part of their management of the funds, and the Trustees will maintain assurance from those managers that the level of stock lending is appropriately collateralised and does not materially increase the level of risk in the portfolio.

Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles (indirect exposure only). This risk is limited by the investment manager guidelines.

NUTRECO (UK) PENSION SCHEME**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2023****16. Investment risk disclosures (continued)****Interest rate risk**

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, through pooled investment vehicles. The majority of bonds are held as part of the Scheme's Liability Driven Investments which are designed to approximately match the movements in the Scheme's liabilities. Therefore if interest rates rise, the increase in liabilities is partially mitigated by an increase in the Scheme's Liability Driven Investments.

Other price risk

The Scheme manages other price risks by investing in TWIM's Core Diversified Fund, comprising a diverse portfolio of investments across various markets and asset classes.

17. Concentration of investments

The following investments amounted to more than 5% of the total net assets of the Scheme:

	2023		2022	
	£	%	£	%
Towers Watson Core Diversified Fund Class A	12,343,824	22.30	22,374,583	40.22
FB - 2035 Index-Linked Gilt	7,272,267	13.14	—	—
TA - Sterling Liquidity Fund	4,245,238	7.67	5,837,133	10.49
TH - 2030 Index-Linked Gilt	3,707,994	6.70	—	—
WY - 2042 Index-Linked Gilt	3,404,796	6.15	—	—
MF - 2037 Index-Linked Gilt	3,376,839	6.10	—	—

18. Current assets

	2023	2022
	£	£
Contributions due in respect of:		
Employers	—	3,526
Other debtors and prepayments	123,739	120,115
Cash balances	129,850	202,432
	<u>253,589</u>	<u>326,073</u>

19. Current liabilities

	2023	2022
	£	£
Accrued expenses	97,797	27,271
Other creditors	113	113
	<u>97,910</u>	<u>27,384</u>

NUTRECO (UK) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

20. Related party transactions

The Scheme has not received any contributions in respect of certain Trustee Directors who are contributing members of the Scheme.

The sponsoring employer, Trouw (UK) Limited provides secretarial services to the Trustee Directors without recharge to the Scheme.

Pension paid in the year for a Trustee director who resigned during the year. Also one director- Anne Johnson is also a deferred member.

The employer met all the expenses of the scheme except PPF fees but from 1 March 2023, the Pension scheme is required to meet its own cost.

All of the above transactions were made in accordance with the Scheme Rules. There were no employer related investments during the year or at the year end.

The sponsoring company has provided a guarantee to the Scheme in respect of its contribution payment obligations.

21. Subsequent events

No material events occurred between the end of the year under review and the date of approval of the financial statements, which requires amendment to these financial statements or inclusion of a note.

Annual Implementation Statement – for scheme year ending 31 December 2023 Nutreco (UK) Pension Scheme

1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Nutreco (UK) Pension Scheme (“the Scheme”) covering the scheme year to 31 December 2023.

The purpose of this statement is to set out:

- Details of how and the extent to which, in the opinion of the Trustees, the Scheme’s policy on engagement and voting (as set out in the Statement of Investment Principles (the “SIP”)) has been followed during the year; and
- A description of voting behaviour (including the “most significant” votes made on behalf of the Trustees) and any use of a proxy voter during the year.

The SIP is a document which outlines the Trustees’ policies with respect to various aspects related to investing and managing the Scheme’s assets including but not limited to: the Trustees objectives, choice of investments and risks.

The latest version of the SIP can be found online here:

<https://epa.towerswatson.com/accounts/nutreco>

This statement reflects the Scheme year 1 January 2023 to December 2023. The SIP linked above reflects the latest version of the SIP which is dated 11 July 2023.

2. Adherence to the SIP – voting and engagement

The Trustees’ policies on voting and engagement, as stated in the SIP are:

- The Trustees expect their manager(s) to sign up to their local stewardship code, in-keeping with good practice. The Trustees will monitor the activities of all of their managers on a regular basis but appreciates that its applicability may be limited for certain asset classes. These matters are kept under review by the Trustees, in consultation with their investment consultant and investment managers.
- Should the Trustees monitoring process reveal that a manager’s portfolio is not aligned with the Trustees’ policies, the Trustees will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG* characteristics of the portfolio and managers’ engagement activities. If, following engagement, it is the view of the Trustees that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.
- For most of the Scheme’s investments, the Trustees expect the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustees invest in certain strategies (e.g. LDI) where such engagement is not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making. The appropriateness of the

Scheme's allocation to such mandates is determined in the context of the Scheme's overall objectives.

- The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings to the investment manager(s). The Trustees are comfortable with the approach being taken by the investment manager(s) on these matters.

* ESG stands for Environmental, Social and Governance and refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.

As the investment managers of pooled funds, in which the Scheme is invested, are generally responsible for exercising voting rights and as the Trustees otherwise delegates responsibility for the exercising of voting rights to the Scheme's investment managers, it is the responsibility of the Trustees to monitor, review and engage with investment managers with respect to how they have undertaken these activities.

The same policy applies to corporate engagement with the management of companies the Scheme is invested in. Given the investment in pooled funds, the Trustees have delegated corporate engagement to the Scheme's investment managers. The Trustees monitors the managers on how they have undertaken these activities.

Over the period, the Trustees have reviewed the quarterly reports from their investment managers which includes information on their Corporate governance and engagement. The Trustees are comfortable with their investment managers approaches to ESG issues.

As outlined in the SIP, the Trustees recognise the UK Stewardship Code 2020 and monitors the Scheme's investment managers' adherence to the Code. TWIM and LGIM are both signatories to the code. Their latest statements of compliance can be found via the links below:

TWIM: <https://www.wtwco.com/en-GB/solutions/services/sustainable-investing-policy-and-climate-policy>

LGIM: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/investment-stewardship/uk-stewardship-code-summary.pdf

The Trustees believe that the Scheme's engagement policy as outlined in the SIP has been adhered to over the Scheme year and will continue to monitor the investment managers' stewardship practices on an ongoing basis.

3. Voting information

The Scheme is invested in a diverse range of asset classes. However, this document focusses on the equity investments which have voting rights attached.

The Scheme's equity holdings as at the end of the year are held in a pooled investment fund and are managed on a passive basis relative to a defined index. Therefore, the voting entitlements in this fund lies with the investment manager.

The Scheme's equity holdings were invested in the Towers Watson Management Core Diversified Fund. The Scheme was invested in this fund for the full year and data is shown for the year to 31 December 2023.

As set out in the SIP, the Trustees' policy is to delegate the exercising of rights (including voting and stewardship) and the integration of ESG considerations in day-to-day decisions to the Scheme's

investment managers. This section sets out the voting activities of the Scheme's equity investment managers over the year, including details of the investment managers' use of proxy voting.

All fund managers have their own voting policies that determine their approach to voting and the principles they follow when voting on investors' behalf. All investment managers also use voting proxy advisors which aid in their decision-making when voting. Details on the managers voting policies are given in the appendix.

The below table sets out the voting activity of the Scheme's equity investment managers, on behalf of the Trustees. Please note however that the information provided relates to the year to 30 September 2023.

Manager and strategy	Portfolio structure	Voting activity
Towers Watson Investment Management Limited – Partners Fund	Fund of funds	<p>Number of meetings at which the manager was eligible to vote: 3,012</p> <p>Number of resolutions on which manager was eligible to vote: 41,110</p> <p>Percentage of eligible votes cast: 94.3%</p> <p>Percentage of votes with management: 86.0%</p> <p>Percentage of votes against management: 14.0%</p> <p>Percentage of votes abstained from: 0.0%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 66.2%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 3.2%</p>

Voting statistics are sources from the investment managers

The following table outlines a number of significant votes cast by the Scheme's investment managers on the Trustees' behalf. The table includes the investment managers' commentary on their rationale and their views of the implications of their votes.

Significant votes cast	Coverage in portfolio
<p><u>Company: Apple Inc.</u></p> <p><u>Meeting date: 10 March 2023</u></p> <p>Management resolution: Report on Median Gender/Racial Pay Gap</p> <p>How the manager voted: For</p> <p>Rationale: Shareholder proposal promotes better management of ESG opportunities and risks</p> <p>Outcome: Failed</p> <p>Implications: None to report</p>	TWIM Core Diversified Fund
<p><u>Company: HCA Healthcare, Inc.</u></p> <p><u>Meeting date: 19 April 2023</u></p> <p>Management resolution: Report on Political Contributions and Expenditures</p> <p>How the manager voted: For</p>	TWIM Core Diversified Fund

<p>Rationale: The manager supports the shareholder proposal to appropriately strengthen HCA's transparency and disclosures around political contributions.</p> <p>Outcome: Failed</p> <p>Implications:</p> <p>1) The manager believes that greater disclosures that do not jeopardize a company's operations / execution are important for shareholders to assess underlying issues and controversies.</p>	
<p><u>Eli Lilly and Company</u></p> <p><u>Meeting date: 01 May 2023</u></p> <p>Management resolution: Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics</p> <p>How the manager voted: For</p> <p>Rationale: Shareholder proposal promotes better management of Software Engineering Environment opportunities and risks</p> <p>Outcome: Not approved</p> <p>Implications: None to report</p>	TWIM Core Diversified Fund
<p><u>Company: SNAM SpA</u></p> <p><u>Meeting date: 4 May 2023</u></p> <p>Management resolution: Routine Business</p> <p>How the manager voted: Against</p> <p>Rationale: Inadequate management of climate-related risks</p> <p>Outcome: Pass</p> <p>Implications: Information available on request</p>	TWIM Core Diversified Fund
<p><u>Company: Berkshire Hathaway Inc.</u></p> <p><u>Meeting date: 06 May 2023</u></p> <p>Management resolution: Report If and How Company Will Measure, Disclose and Reduce GHG Emissions</p> <p>How the manager voted: For</p> <p>Rationale: Shareholder proposal promotes better management of ESG opportunities and risks</p> <p>Outcome: Failed</p> <p>Implications: None to report</p>	TWIM Core Diversified Fund
<p><u>JPMorgan Chase & Co.</u></p> <p><u>Meeting date: 16 May 2023</u></p> <p>Management resolution: Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting</p> <p>How the manager voted: For</p> <p>Rationale: Shareholder proposal promotes better management of ESG opportunities and risks</p> <p>Outcome: Not approved</p> <p>Implications: None to report</p>	TWIM Core Diversified Fund
<p><u>Company: Amazon.</u></p> <p><u>Meeting date: 24 May 2023</u></p>	TWIM Core Diversified Fund

<p>Management resolution: Commission a Third Party Audit on Working Conditions</p> <p>How the manager voted: For</p> <p>Rationale: Promotes transparency on warehouse working conditions.</p> <p>Outcome: Rejected</p> <p>Implications: Continue to consider proposals on worker safety.</p>	
<p><u>Company: Meta Platforms, Inc.</u></p> <p><u>Meeting date: 31 May 2023</u></p> <p>Management resolution: Approve Recapitalization Plan for all Stock to Have One-vote per Share</p> <p>How the manager voted: For</p> <p>Rationale: A vote FOR this proposal is warranted as it would convey to the board non-affiliated shareholders' preference for a capital structure in which the levels of economic ownership is the same across all share classes.</p> <p>Outcome: Failed</p> <p>Implications: None to report</p>	TWIM Core Diversified Fund
<p><u>Company: Alphabet</u></p> <p><u>Meeting date: 02 June 2023</u></p> <p>Management resolution: Human rights</p> <p>How the manager voted: For</p> <p>Rationale: The proposal was regarding greater transparency related to business conducted in places with significant human rights concerns. The siting of cloud datacenters and strategy for mitigating related country risk seems like appropriate and material topics for disclosure.</p> <p>Outcome: Against</p> <p>Implications: The manager will vote FOR similar measures in the future.</p>	TWIM Core Diversified Fund
<p><u>UnitedHealth Group Inc</u></p> <p><u>Meeting date: 06 June 2023</u></p> <p>Management resolution: Ratify Deloitte & Touché as auditors</p> <p>How the manager voted: Against</p> <p>Rationale: The manager advocated that auditor rotation should take place after no more than 20 years with the same auditor to promote additional independence. Deloitte has been the auditor since 2002.</p> <p>Outcome: Pass</p> <p>Implications: Auditor independence (both actual and perception) are important to for corporate governance. The manager continues to advocate auditor rotation frequently but no later than 20 years, and auditor partner every 5 years.</p>	TWIM Core Diversified Fund

Appendix 1: Manager voting policies

TWIM's voting policy is provided below

Policy on voting

As TWIM manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. We expect all of our underlying managers who hold equities over a reasonable timeframe to vote all shares they hold. We have appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all of our clients. In addition, EOS is expanding the remit of engagement activity they perform on our behalf beyond public equity markets, which will enhance stewardship practices over time.

Use of Proxy voting Services

For the Core Diversified Fund, through our equity and listed real asset strategies, we work with EOS to provide corporate engagement and voting recommendation services to enhance the efforts of the underlying managers where possible. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation. The underlying managers also use Institutional Shareholder Services Inc. (ISS) to facilitate voting and provide research. Our China equity manager uses Glass Lewis service where they have created a bespoke policy.

Conflicts of interest

There are no known conflicts. It is the underlying managers who vote, not TWIM, and the underlying portfolios are held in the name of the Fund and therefore the underlying managers do not know the names of the clients invested in the Fund.