

Implementation Statement

Statement of Compliance with the Safeway Pension Scheme's Stewardship Policy for the year ending 31 March 2024

Introduction

This is the Trustee's statement prepared in accordance with the requirements of the Occupational Pension Plans (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with their Stewardship Policy for the Scheme during the period from 1 April 2023 to 31 March 2024.

Stewardship policy

The Trustee's Stewardship Policy is included in the Scheme's Statement of Investment Principles (SIP) document and sets out how the Trustee will behave as an active owner of the Scheme's assets which includes the Trustee's approach to:

- the exercise of any voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Scheme's Stewardship Policy is reviewed at least every three years in line with the Scheme's SIP, or sooner if there is a requirement to do so. The last review of the SIP was carried out in early 2024. The Scheme's Stewardship Policy contained within the SIP is available to view online at: <https://safeway.morrisonspensions.co.uk/app/uploads/sites/2/2023/01/Safeway-Pension-Scheme-SIP.pdf>

Policy Wording

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustee believes it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

Policy Implementation

The Trustee's own engagement activity is focused on their dialogue with the Scheme's investment managers which is undertaken in conjunction with their investment advisers. The Trustee meets regularly with its managers and as part of these meetings evaluates how each manager has exercised their stewardship responsibilities.

The Trustee also monitors its compliance with their Stewardship Policy on a regular basis and is satisfied that it has complied with the Scheme's Stewardship Policy over the last year.

Voting activity

The Scheme disinvested from its last equity holding, Legal and General Investment Management ('LGIM') World Equity, in October 2022. As the Scheme no longer holds listed equity, the voting activities of the managers are limited. Nonetheless the Trustee expects its managers to use their influence proactively in managing ESG risks in their underlying portfolios over time.

Engagement activity

To comply with the Scheme's Stewardship Policy the Trustee aims to meet with the Scheme's investment managers at least once a year. The Trustee will usually do this through an annual 'manager day' meeting. The last manager day meeting took place in May 2024.

Prior to each manager meeting the Trustee and its investment advisor sets each manager a comprehensive agenda to assist the Trustee in holding each manager to account. The agenda covers a wide range of topics including review of short and long-term performance in the market context, market outlook, risks and opportunities, and responsible investing. In addition, the Trustee's investment advisor prepared a paper prior to the meeting setting out the policies included within the SIP and how the Trustee could comply with the policies through the manager day meeting.

In addition to regular manager day meetings, the Trustee may also meet with the Scheme's managers on an ad-hoc basis, for example to discuss any relevant market themes, concerns, or opportunities.

The below table details recent engagement meetings with managers:

Meeting type	Manager	Mandates	Date
Annual manager day engagement meeting	M&G	Illiquid Credit Opportunities Funds (pooled)	10 May 2024
Annual manager day engagement meeting	Partners Group	Multi-Asset Credit Funds (pooled)	10 May 2024
Annual manager day engagement meeting	Insight	Fully Funded Gilt Funds (pooled) Liquidity Funds (pooled)	10 May 2024

As the Scheme no longer holds any listed equity investments (either directly or through multi-asset mandates), this statement does not include details of any votes cast on the Trustee's behalf.