

## Implementation Statement

# Mersen UK Portslade Limited Pension and Assurance Scheme

### Purpose of this statement

This implementation statement has been produced by the Trustees of the **Mersen UK Portslade Limited Pension and Assurance Scheme (“the Scheme”)** to set out the following information over the year to **5 April 2024**:

- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

### Stewardship policy

The Trustees’ Statement of Investment Principles (SIP) in force at 5 April 2024 describes the Trustees’ stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2023 and has been made available online here:

[Statement of Investment Principles \(mersen.co.uk\)](https://www.mersen.co.uk)

Given the Scheme’s time horizon to buy-out and that the Scheme’s invested assets do not have any voting rights, the Trustees have taken a pragmatic approach to setting stewardship priorities, seeking to adopt engagement policies that align with their investment managers. The Trustees also review the stewardship and engagement activities of the investment managers annually.

### How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- The Trustees review the stewardship and engagement activities of the current managers from time to time. No formal review was undertaken during the year and no remedial action was taken during the period.
- Periodically, the Trustees receive and review voting information and engagement policies from the asset managers, which they review to ensure alignment with their own policies, alongside preparation of the Implementation Statement.

- Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of the fund managers are in alignment with the Scheme's stewardship policies.
- Annually the Trustees receive and review voting information and engagement policies from both the asset managers and their investment advisors, which they review to ensure alignment with their own policies. The Trustees believe that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests.

**Prepared by the Trustees of the Mersen UK Portslade Limited Pension and Assurance Scheme  
September 2024**

## Voting Data

All the funds the Scheme currently holds are either cash, gilts, or credit funds with Legal & General and therefore have no voting rights.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's gilt and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	
<b>Fund name</b>	AAA-AA-A Bond Over 15 years	Buy and Maintain Credit
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	24	177
<b>Number of entities engaged on behalf of the holdings in this fund in the year</b>	10	83
<b>Number of engagements undertaken at a firm level in the year</b>	2,144	

## Example of engagement activity undertaken over the year to 5 April 2024

### Legal & General Investment Management (LGIM)

#### Heidelberg Cement: Carbon Emissions

The cement industry is responsible for around 8% of global emissions. LGIM participated in discussions with Heidelberg's management team to discuss the progress and economic viability of the company's planned CCS (Carbon Capture and Storage) projects.

Questions focused on:

- The economics of CCS (cost of capture, transport and storage versus carbon pricing),
- The external factors affecting viability of CCS projects (regulation, government subsidies etc.),
- Demand expectations for 'carbon-free' cement.

LGIM will continue to engage with Heidelberg as well as other competitors in the cement industry on their decarbonisation targets and trajectory. For Heidelberg, the economics of CCS will only become economical with either an increase in the carbon price or if customers are willing to pay a premium for carbon-free cement. LGIM will continue to monitor these dynamics and discuss with management.