

C&C Marshall Company Pension Plan Implementation Statement for the year ended 5 April 2023

Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustee of the C&C Marshall Company Pension Plan (“the Plan”) have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan’s investments, and engagement activities during the year ended 5 April 2023 (“the reporting year”). In addition, the statement provides a summary of the voting behaviour and most significant votes cast during the reporting year.

Background

The Plan’s Statement of Investment Principles (“SIP”) was updated in September 2020, to address stewardship in more detail and explain the incentives the Trustee uses to encourage investment managers to align their investment strategy with the Trustee’s policies and to ensure decisions are based on long term performance.

There were no changes to the Plan’s SIP during the reporting period. At the year end the Trustee was in the process of updating the SIP.

The Trustee’s updated policy

The Trustee recognises that ESG factors, such as climate change, can influence the investment performance of the Plan’s portfolio and it is therefore in members’ and the Plan’s best interests that these factors are taken into account within the investment process.

The Plan’s assets are invested in pooled funds and therefore the Trustee accepts the fact that they have very limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustee will therefore rely on the policies and judgement of their investment managers.

Manager selection exercises

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustee seeks advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, the Trustee undertook manager selection exercises for their unleveraged gilts, corporate bond and cash fund holdings. As part of these manager selection exercises, the Trustee received advice from their Investment Advisor on fund choice. Whilst no explicit voting rights are conferred via investments in these assets, ESG factors are considered as part of the ratings exercises undertaken by the Investment Advisor prior to suggesting managers and funds.

Ongoing governance

The Trustee, with the assistance of XPS, monitors the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee’s requirements as set out in this statement. Further, the Trustee has set XPS the objective of ensuring that any selected managers reflect the Trustee’s views on ESG (including climate change) and stewardship.

XPS were appointed as Investment Advisers towards the end of the reporting year, and as such have not provided the Trustee with a report on ESG considerations during the reporting year. Such reports are, however, part of the ongoing agreement between the Trustee and the Investment Adviser and therefore shall be provided in the subsequent reporting year.

Beyond the governance work currently undertaken, the Trustee believes that their approach to, and policy on, ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustee has not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee is satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Plan has held exposure to equities through their equity holdings and the allocation to a diversified growth fund, of which equities form part of the fund's strategy during the reporting year. At the end of the reporting year, the Plan did not have exposure to asset classes that conferred voting rights. Therefore, a summary of the voting behaviour and most significant votes cast by each of the relevant investment manager organisations is shown below. Voting data has been provided for the year to 31 March 2023.

Please note that all information provided on voting activity has been written by the investment managers, and this is reflected in the use of "we" throughout. Any views expressed are not necessarily those of the Trustee.

Voting Information

LGIM (ex UK) Developed Equity Index Fund

The manager voted on 99.81% of resolutions of which they were eligible out of 29465 eligible votes.

Investment Manager Client Consultation Policy on Voting

"LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries."

Investment Manager Process to determine how to Vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies

How does this manager determine what constitutes a 'Significant' Vote?

"As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
 - Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <https://vds.issgovernance.com/vds/#/MjU2NQ==/>

Does the manager utilise a Proxy Voting System? If so, please detail

"LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. For more information on how we use the services of proxy providers, please refer to the following document available on our website: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf

To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.

We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action."

Top 5 Significant Votes during the Period

| Company | Voting Subject | How did the Investment Manager Vote? | Result |
|---|---|--------------------------------------|---|
| Amazon.com, Inc. | Resolution 1f - Elect Director Daniel P. Huttenlocher | Against | 93.3% of shareholders supported the resolution. |
| LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. | | | |
| Alphabet Inc. | Resolution 7 - Report on Physical Risks of Climate Change | For | 17.7% of shareholders supported the resolution. |

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| LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. | | | |
| Meta Platforms, Inc. | Resolution 5 - Require Independent Board Chair | LGIM voted in favour of the shareholder resolution (management recommendation: against). | 16.7% of shareholders supported the resolution. |
| LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. | | | |
| NVIDIA Corporation | Resolution 1g - Elect Director Harvey C. Jones | Against | 83.8% of shareholders supported the resolution. |
| LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. | | | |
| Berkshire Hathaway Inc. | Resolution 1.9 - Elect Director Susan L. Decker | Withhold | 86.6% of shareholders supported the resolution. |
| LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. | | | |

Voting Information

Columbia Threadneedle Multi-Asset Fund

The manager voted on 97.63% of resolutions of which they were eligible out of 5830 eligible votes.

Investment Manager Client Consultation Policy on Voting

n/a for pooled vehicles

Investment Manager Process to determine how to Vote

"Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and our proxy voting practices are implemented through our Proxy Voting Policy.

For those proposals not covered by the Principles, or those proposals set to be considered on a case by case basis (i.e., mergers and acquisitions, share issuances, proxy contests, etc.), the analyst covering the company or the portfolio manager

that owns the company will make the voting decision. We utilise the proxy voting research of ISS and Glass Lewis & Co., which is made available to our investment professionals, and our RI team will also consult on many voting decisions. The administration of our proxy voting process is handled by a central point of administration at our firm (the Global Proxy Team). Among other duties, the Global Proxy Team coordinates with our third-party proxy voting and research providers. Columbia Threadneedle Investments utilises the proxy voting platform of Institutional Shareholder Services, Inc. (ISS) to cast votes for client securities and to provide recordkeeping and vote disclosure services. We have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities.

In voting proxies on behalf of our clients, we vote in consideration of all relevant factors to support the best economic outcome in the long-run. As an organisation, our approach is driven by a focus on promoting and protecting our clients' long-term interests; while we are generally supportive of company management, we can and do frequently take dissenting voting positions. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, our Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of our Proxy Voting Policy. Our voting is conducted in a controlled environment to protect against undue influence from individuals or outside groups. "

How does this manager determine what constitutes a 'Significant' Vote?

We consider a significant vote to be any dissenting vote i.e. where a vote is cast against (or where we abstain/withhold from voting) a management-tabled proposal, or where we support a shareholder-tabled proposal not endorsed by management. We report annually on our reasons for applying dissenting votes via our website. Our report on dissenting votes cast across 2021 is available at: <https://docs.columbiathreadneedle.com/documents/en-Voting-Rationales-2021.pdf?inline=true>

Does the manager utilise a Proxy Voting System? If so, please detail

"As active investors, well informed investment research and stewardship of our clients' investments are important aspects of our responsible investment activities. Our approach to this is framed in the relevant Responsible Investment Policies we maintain and publish. These policy documents provide an overview of our approach in practice (e.g., around the integration of environmental, social and governance (ESG) and sustainability research and analysis).

As part of this, acting on behalf of our clients and as shareholders of a company, we are charged with responsibility for exercising the voting rights associated with that share ownership. Unless clients decide otherwise, that forms part of the stewardship duty we owe our clients in managing their assets. Subject to practical limitations, we therefore aim to exercise all voting rights for which we are responsible, although exceptions do nevertheless arise (for example, due to technical or administrative issues, including those related to Powers of Attorney, share blocking, related option rights or the presence of other exceptional or market-specific issues). This provides us with the opportunity to use those voting rights to express our preferences on relevant aspects of the business of a company, to highlight concerns to the board, to promote good practice and, when appropriate, to exercise related rights. In doing so we have an obligation to ensure that we do that in the best interests of our clients and in keeping with the mandate we have from them.

Corporate governance has particular importance to us in this context, which reflects our view that well governed companies are better positioned to manage the risks and challenges inherent in business, capture opportunities that help deliver sustainable growth and returns for our clients. Governance is a term used to describe the arrangements and practices that frame how directors and management of a company organise and operate in leading and directing a business on behalf of the shareholders of the company. Such arrangements and practices give effect to the mechanisms through which companies facilitate the exercise of shareholders' rights and define the extent to which these are equitable for all shareholders.

We recognise that companies are not homogeneous and some variation in governance structures and practice is to be expected. In formulating our approach, we are also mindful of best practice standards and codes that help frame good practice, including international frameworks and investment industry guidance. While we are mindful of company and industry specific issues, as well as normal market practice, in considering the approach and proposals of a company we are guided solely by the best interests of our clients and will consider any issues and related disclosures or explanations in that context. While analysing meeting agendas and making voting decisions, we use a range of research sources and consider various ESG issues, including companies' risk management practices and evidence of any controversies. Our final vote decisions take account of, but are not determinatively informed by, research issued by proxy advisory organisations such as ISS, IVIS and Glass Lewis as well as MSCI ESG Research. Proxy voting is effected via ISS. "

Top 5 Significant Votes during the Period

| Company | Voting Subject | How did the Investment Manager Vote? | Result |
|---|--|--------------------------------------|--------|
| Amazon.com, Inc. | <ol style="list-style-type: none"> 1. Report on Protecting the Rights of Freedom of Association and Collective Bargaining 2. Report on Lobbying Payments and Policy 3. Commission Third Party Report Assessing Company's Human Rights Due Diligence Process | For on all 3 votes | N/A |
| Active stewardship (engagement and voting) continues to form an integral part of our research and investment process. | | | |
| Alphabet Inc. | <ol style="list-style-type: none"> 1. Report on Climate Lobbying 2. Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms | For on both votes | N/A |
| Active stewardship (engagement and voting) continues to form an integral part of our research and investment process. | | | |
| The TJX Companies, Inc. | Report on Assessing Due Diligence on Human Rights in Supply Chain | For | N/A |

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| Active stewardship (engagement and voting) continues to form an integral part of our research and investment process. | | | |
| General Motors Company | Report on the Use of Child Labor in Connection with Electric Vehicles | For | N/A |
| Active stewardship (engagement and voting) continues to form an integral part of our research and investment process. | | | |
| Cintas Corporation | Report on Political Contributions | For | N/A |
| Active stewardship (engagement and voting) continues to form an integral part of our research and investment process. | | | |

Voting Information

Pictet Multi Asset Portfolio

The manager voted on 90.93% of resolutions of which they were eligible out of 419 eligible votes.

Investment Manager Client Consultation Policy on Voting

As per Pictet Asset Management's proxy voting guidelines listed in the Active Ownership Policy, where voting rights are delegated to us we would not consult with clients before voting. However, for segregated accounts, including mandates and third-party (i.e. sub-advisory) mutual funds managed by Pictet Asset Management, clients who delegate the exercise of voting rights to us have the choice between Pictet Asset Management's voting guidelines or their own voting guidelines.

Investment Manager Process to determine how to Vote

We typically use the recommendations of ISS to inform voting decisions but Pictet Asset Management reserves the right to deviate from third party voting recommendations on a case by case basis in order to act in the best interests of our clients. Such divergences may be initiated by Investment teams or by the ESG team and will be supported by detailed written rationale.

How does this manager determine what constitutes a 'Significant' Vote?

We consider a vote to be 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 we hold an important stake in the company.

Does the manager utilise a Proxy Voting System? If so, please detail

To assist us in performing our proxy voting responsibilities, Pictet Asset Management uses the services of third party specialists (ISS) to provide research and to facilitate the execution of voting decisions at all relevant company meetings worldwide.

ISS are tasked with collecting meeting notices for all holdings and researching the implications of every resolution according to voting guidelines as defined by Pictet Asset Management.

Our proxy voting policy is based on generally accepted standards of best practice in corporate governance including board compensation, executive remuneration, risk management, shareholder rights. Because the long-term interests of shareholders are the paramount objective, we do not always support the management of companies and may vote against management from time to time.

ISS are used on a continuous basis and all recommendations are communicated to relevant Investment teams and Pictet's in-house ESG team. Therefore ISS recommendations have been followed with minor exceptions on direct holdings within the Investment trust space.

Top 5 Significant Votes during the Period

| Company | Voting Subject | How did the Investment Manager Vote? | Result |
|--|--|--------------------------------------|---|
| Equinor ASA | Item 10 - Approve Company's Energy Transition Plan (Advisory Vote) | Against | The resolution was supported by a majority of shareholders. |
| Vote AGAINST this item is warranted because: | | | |
| <ul style="list-style-type: none"> - While the company aims to be a net-zero energy business by 2050, its proposed transition plan is highly dependent on (1) intensity rather than absolute reduction targets and (2) policy makers to enable reductions in scope 3 emissions. - The company is planning to continue the expansion of its Oil & Gas production between 2021 and 2026, which severely undermines the credibility of the plan as a whole. | | | |
| Equinor ASA | Item 11 - Instruct Company to Set Short, Medium, and Long-Term Targets for Greenhouse Gas (GHG) Emissions of the Company's Operations and the Use of Energy Products | For | The resolution was not approved. |
| A vote FOR this proposal is warranted as the proposal, without being too prescriptive in nature, aims to bring the bring strengthening features in the form of absolute reduction targets to the company's proposed transition plan under item 10. | | | |
| TotalEnergies SE | | Against management | 11% of holders voted against the resolution |

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| | Item 16 - Approve Company's Sustainability and Climate Transition Plan. | | |
| A vote AGAINST this item is warranted. Considering announced increased productions and new production sites, the partial disclosure, and the absence of clear absolute scope 3 reduction targets do not allow proper assessment as to whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal. Additionally, the company has acknowledged that its current targets are not science-based. | | | |
| Rio Tinto Plc | Item 17 - Approve Climate Action Plan | Against Management | The resolution was approved with 84.3% of the vote. |
| A vote AGAINST this item is warranted given the apparent gaps in the company's climate reporting and lack of science-based target setting. While Rio Tinto has provided admirable disclosure on its scope 1 and 2 targets, there is an absence of quantifiable Scope 3 targets at this time. | | | |
| Glencore | Item 13 - Approve Climate Progress Report | Against Management | The resolution was approved with 76.3% of the vote. |
| A vote AGAINST the Climate Progress Report is warranted because: - There are concerns over the Company's activities around thermal coal, which accounts for the majority of its Scope 3 emissions. - Further, the Company's lobbying would appear to run counter to the Paris goals, as highlighted by Glencore having been identified as one of the ten most obstructive companies in terms of global climate policy action. | | | |