

Cleveland Potash Limited 1978 Managers' Pension Plan Implementation Statement – 30 June 2025

Why have we produced this Statement?

The Trustee of the Cleveland Potash Limited 1978 Managers' Pension Plan has prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Plan's Statement of Investment Principles (SIP).

A copy of the SIP can be found on the following website: [To be added](#)

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy.

It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Plan faces and the mitigated responses.

The Trustee last reviewed the SIP in June 2024.

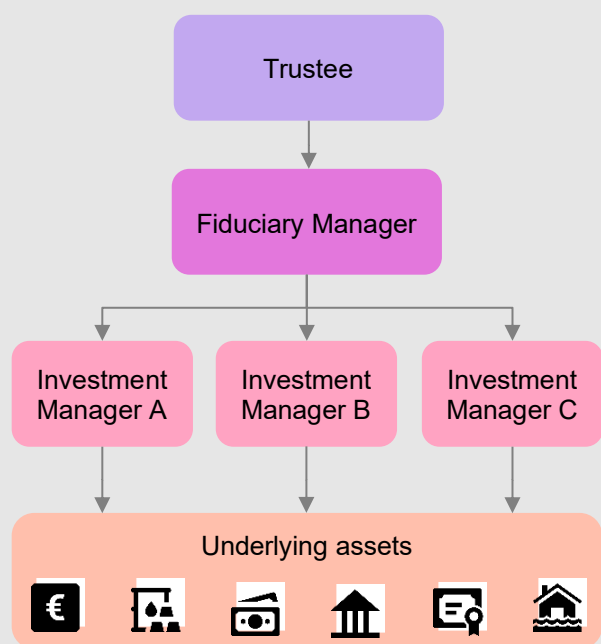
What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.
2. To demonstrate that the voting rights attached to the Plan's assets have been exercised over the year.

What changes have we made to the SIP?

The Trustee has reviewed SIP and there were no significant changes made over the year.

How are the Plan's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retain overall responsibility for the Plan's investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (WTW) – The Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Plan's assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Plan's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting,

the Trustee expects investment managers to address broad ESG considerations, but has identified climate change and human and labour rights as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expect the Fiduciary Manager to engage with investment managers to improve their processes.

What training has the Trustee received over the year?

To ensure the Trustee is kept up to date with best practice in ESG considerations, voting and engagement, the Trustee received training and an industry update on sustainable investment from the Fiduciary Manager in July 2025.

What are the Fiduciary Manager's policies?

Climate change and net zero goal

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2024 include:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information:

<https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2024 the Fiduciary Manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis. These reports form part of the Trustee's portfolio monitoring.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagement carried out over the year

Infrastructure manager Human & labour rights - Modern slavery issue

Issue: This investment manager's engagement with companies was part of a wider effort to address modern slavery compliance and regulation in the UK. They monitor the modern slavery policies of their investee companies and participate in initiatives aligned with the UN's Sustainable Development Goal of decent work and economic growth. The aim is to reduce financial risk to investors by strengthening corporate commitments to addressing modern slavery in business practices and supply chains.

Outcome: In February 2024, the investment manager joined a group focused on modern slavery compliance and regulation. The group submitted a response to the House of Lords consultation reviewing the 2015 Modern Slavery Act, with objectives to encourage the Home Office to strengthen the Act, introduce penalties for non-compliance and create a government-run registry of modern slavery statements. The external asset manager also signed a letter to encourage companies to comply with modern slavery legislation, as part of the investor group, Votes Against Slavery.

By December 2024, 32 of the FTSE 350 companies had been contacted, with 31 becoming compliant and one committing to make necessary changes. While none of the external asset manager's investee companies were targeted via this group, the engagement is having a broader impact on UK corporate compliance with modern slavery laws, hence reducing risk to investors.

Money market fund manager General ESG issue

Issue: The Fiduciary Manager has requested the manager to include alignment reporting in their regular quarterly reports for all fund and segregated mandates.

Outcome: The engagement is currently underway.

What are the voting statistics we provide?

The Plan is invested across a diverse range of asset classes which carry different ownership rights, for example, bonds do not have voting rights attached. Therefore, voting information was only requested from the Plan's equity investment managers.

Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

- The manager deems the vote to be notable for the scheme significant
- The vote is in one of the stewardship priority areas identified by the Trustee (climate change, and human and labour rights).
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustee is at a proportionate level

The Plan is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds.

How have our Investment Managers voted over the last 12 months?

State Street Global Advisors – Multi-Asset Diversified Growth Sub-Fund

Pooled multi-asset growth fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	1,195
Number of resolutions on which manager was eligible to vote:	15,325
Percentage of eligible votes cast:	97.2%
Of the votes cast, percentage of votes	
with management:	93.3%
against management:	6.0%
abstained from:	1.5%
% of meetings, where the manager voted and there was at least one vote against management:	40.5%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	5.0%

What is this manager's voting policy?

All voting decisions are made in accordance with house guidelines or specific client instructions. Robust controls and auditing procedures are established to guarantee that votes are executed as instructed, with transparency being a key priority. The Stewardship team collaborates closely with global client relationship teams to maintain an open dialogue, allowing clients to understand the approach, provide feedback, and hold the team accountable. Proxy voting is managed with the assistance of third-party service providers like Institutional Shareholder Services (ISS), which helps monitor voting rights and apply voting guidelines. Significant issues are referred to the ESG Committee for determination, ensuring that all voting decisions are made in the best interest of clients.

Which of these votes do we think were significant?

Company:	Meta Platforms, Inc.
Resolution:	Disclose a climate transition plan resulting in new renewable energy capacity
Allocation in manager portfolio:	1.1%
Date of vote:	28 May 2025
How manager voted:	Against shareholder resolution, for management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change) and size of the position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	Alphabet Inc.
Resolution:	Report on meeting 2030 climate goals
Allocation in manager portfolio:	0.6%
Date of vote:	6 June 2025
How manager voted:	Against shareholder resolution, for management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

In conclusion...

The Trustee is satisfied that over the year, all SIP policies and principles were adhered, in particular, to those relating to voting and engagement.