

Implementation Statement

CP Holdings Limited (1986) Retirement Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the CP Holdings Limited (1986) Retirement Benefits Scheme ("the Scheme") to set out the following information over the year to **5 April 2025**.



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;

In March 2025, Legal & General Investment Management ('LGIM') announced a rebrand as Legal & General Asset Management. For the purposes of reporting, Legal & General Asset Management (L&G) have confirmed it is still accurate to use the LGIM prefix before fund names. The fund names will be updated in due course.

The voting and engagement behaviour is not given over the Scheme year end to 5 April 2025 because investment managers only report on this data quarterly, we have therefore given the information over the year to 31 March 2025.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. A significant proportion of the Scheme's investment managers have demonstrated transparency in their engagement activities, and the Trustees believe that these activities reasonably align with the with the stewardship priorities of the Scheme.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights and engagement activities. As the Scheme invests entirely in bonds, there were no votes taken on behalf of the Scheme's assets over the year.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 5 April 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in January 2023 and has been made available online here:

[Statement of Investment Principles](#)

The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's asset only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, only 17.0% (£1.5m as at 5 April 2025) of the Scheme assets were invested in assets with voting rights attached through the LGIM Buy & Maintain Credit Fund. Given the Scheme's time horizon to buy-out and plans to reduce the allocation overtime, the Trustees decided not to set stewardship priorities. However, the Trustees takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. 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.
- Annually the Trustees receive and review voting information and engagement policies from both the asset managers and investment advisor (summarised in this report)
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the CP Holdings Limited (1986) Retirement Benefits Scheme
July 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers on behalf of the Trustees over the year to 31 March 2025. The Sterling Liquidity fund and gilts held with Legal & General Asset Management have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.



Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes.

At this time, the Trustees have not set stewardship priorities / themes for the Scheme due to the nature of the Scheme's investment strategy and future considerations for the Scheme. The Scheme is fully invested in bond and cash assets as at 5 April 2025 which have limited scope for voting and engagement.

For this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees do not have a specific voting policy.

Legal & General Asset Management have confirmed that there was no voting information for the LGIM Buy and Maintain Credit Fund.



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 Sterling Liquidity fund and gilts held with Legal & General Asset Management due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Legal & General Asset Management
Fund name	Buy and Maintain Credit Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	331
Number of entities engaged on behalf of the holdings in this fund in the year	182
Number of engagements undertaken at a firm level in the year	4,459



Examples of engagement activity undertaken over the year to 31 March 2025

Legal and General Asset Management

Legal & General Asset Management report engagement data at a firm-level, with information and examples on ESG considerations and stewardship activities provided in their quarterly engagement reports, which are available on their website ([L&G | Responsible Investing](#)). An example from the Q1 2025 quarterly engagement report is provided below.

Name of entity engaged: Pemex

Type of engagement: Firm-level

Topic: Climate

Rationale for the engagement

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas¹, Petroleos Mexicanos (Pemex) is a company that Legal & General Asset Management believe is critical in Mexico's energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry and the realisation of financial opportunities from the energy transition.

L&G particularly emphasise Pemex's management of methane emissions which have been an area of concern across their supply chain². Given that methane emissions have more than 80 times the warming power of carbon dioxide over a 20-year period³, L&G believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational scrutiny.

Actions

L&G have been a contributing investor to the CA100+ engagements with Pemex since 2023. In helping to establish a productive dialogue between the company and its investors, encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and the setting of ambitious but achievable climate targets.

Following successive engagements, in what L&G view as a significant step, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD

Footnotes provided by Legal and General Asset Management in the Q1 2025 quarterly engagement report:

¹ <http://www.pemex.com/deerpark/en/aboutus/Paginas/default.aspx>

² <https://www.offshore-mag.com/regional-reports/us-gulf-of-mexico/article/14282285/scientists-detect-second-vast-methane-leak-at-pemex-oil-field-in-mexico>

³ <https://www.edf.org/climate/methane-crucial-opportunity-climate-fight#:~:text=Methane%20has%20more%20than%2080,after%20it%20reaches%20the%20atmosphere>

and ISSB recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations⁴.

Outcomes and next steps

The publication of Pemex's first Sustainability Plan demonstrates, L&G believes, positive commitments regarding emission reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. The strength of these commitments and their endorsement by Pemex's CEO⁵ demonstrate a connected and serious approach to tackling these crucial issues.

In addition to continuing this collaborative engagement with the CA100+, Legal & General Asset Management will also continue their work on methane emissions with EDF⁶. Having strengthened Legal & General Asset Management's expectations in 2024 for oil and gas companies regarding methane emissions disclosure, this will continue to be an area for focus for L&G across the sector more broadly, as L&G seek to encourage companies to realise the potential for value creation along their journey to net zero.

Footnotes provided by Legal and General Asset Management in the Q1 2025 quarterly engagement report:

⁴ https://www.pemex.com/en/about-pemex/Documents/pemex_sustainability_plan.pdf

⁵ <https://www.climateaction100.org/news/climate-action-100-investors-welcome-pemexs-climate-commitments-presented-in-the-companys-first-sustainability-plan/>

⁶ As detailed in previous Legal and General Asset Management reports, for example, page 6:
<https://am.landg.com/asset/4af44d/globalassets/lgim/document-library/esg/engagement-report-q4-2023.pdf>