

## Implementation Statement

### Fujichem Sonneborn Limited Employee Benefits Plan

#### Purpose of this statement

This implementation statement has been produced by the Trustee of the Fujichem Sonneborn Limited Employee Benefits Plan ("the Plan") to set out the following information over the year to March 2025:

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

The voting behaviour is not given over the Plan year to 30 April 2025 because investment managers only report on this data quarterly, therefore we have reported on information over the year to 31 March 2025.

#### Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 30 April 2025 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2024 and has been made available online here: [Statement of Investment Principles Fujichem Sonneborn Limited Plan SIP](#)

The Trustee has decided not to set stewardship priorities for the Plan because the Plan solely invests through pooled investment vehicles, where the Plan's assets only represent a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers. However, the Trustee takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually as part of a Stewardship Priorities Review paper which outlines the investment managers' stewardship priorities and themes.

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

Based on the information provided by the Plan's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee uses ESG ratings information provided by its investment consultant, to assess how the Plan's investment managers take account of ESG issues.
- The Trustee has reviewed the stewardship priorities and key themes of the Plan's investment managers in March 2025 through a Stewardship Priorities Review paper provided by its investment consultant, and the Trustee has deemed these appropriate and in alignment with its views on stewardship.

- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Plan's stewardship policies.

**Prepared by the Trustee of the Fujichem Sonneborn Limited Employee Benefits Plan  
June 2025**

## Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Growth Portfolio on behalf of the Trustee over the year to 31 March 2025.

There are not expected to be any voting rights attaching to the Legal and General Investment Management ("LGIM") LDI funds, the LGIM Sterling Liquidity Fund, the LGIM Absolute Return Bond Fund or the Barings Global High Yield Credit Strategies Fund held by the Plan as there is a limited ability to engage with key stakeholders given the nature of these mandates. Therefore, these funds are not included in the tables below.

Manager	LGIM	Ruffer
<b>Fund name</b>	Future World Global Equity Index	Absolute Return Fund
<b>Structure</b>	Pooled	
<b>Ability to influence voting behaviour of manager</b>	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
<b>No. of eligible meetings</b>	5,515	68
<b>No. of eligible votes</b>	55,096	1,134
<b>% of resolutions voted</b>	99.8%	100.0%
<b>% of resolutions abstained</b>	1.1%	0.1%
<b>% of resolutions voted with management<sup>1</sup></b>	81.0%	96.9%
<b>% of resolutions voted against management<sup>1</sup></b>	17.9%	3.0%
<b>% of resolutions voted against proxy voter recommendation</b>	9.7%	4.3%

<sup>1</sup> As a percentage of the total number of resolutions voted on

## Proxy voting

A proxy advisor is a company that advises how owners of shares should vote on resolutions at shareholder meetings and, where applicable, the proxy advisor can also vote on behalf of the owners of the shares. This section of the Implementation Statement sets out how each of the Plan's applicable investment managers use a proxy advisor.

**LGIM** has an internal Investment Stewardship team which uses the Institutional Shareholder Service (ISS) 'ProxyExchange' electronic voting platform to administer votes, but all voting decisions are made by LGIM. To ensure the proxy provider votes in accordance with LGIM's position on ESG issues, LGIM have put in place a custom voting policy with specific voting instructions.

**Ruffer** have developed their own internal voting guidelines, however they also take into account issues raised by ISS to assist in the assessment of resolutions and the identification of contentious issues. Although they are cognisant of proxy advisers' voting recommendations, they do not delegate or outsource their stewardship activities when deciding how to vote on their clients' shares.

## 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 Trustee 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. At this time, the Trustee has not set stewardship priorities for the Plan. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy.

LGIM and Ruffer have provided a large selection of votes which they believe to be significant. In the absence of agreed stewardship priorities, the Trustee has selected three votes that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Plan.

A summary of the significant votes provided is set out below.

## LGIM Future World Global Equity Index Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Microsoft Corporation	The Procter & Gamble Company	Tesla, Inc.
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	4.9%	0.7%	0.7%
<b>Summary of the resolution</b>	Report on AI Data Sourcing Accountability	Elect Director Jon R. Moeller	Advisory Vote to Ratify Named Executive Officers' Compensation
<b>How the manager voted</b>	For	Against	Against
<b>Rationale for the voting decision</b>	LGIM voted in favour of this resolution as the company is facing increased legal and	LGIM voted against of the resolution as LGIM expects companies to separate the roles	LGIM voted against of the resolution as LGIM believes that the approved remuneration policy

	Vote 1	Vote 2	Vote 3
	<p>reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its larger language models.</p>	<p>of Chair and CEO due to risk management and oversight concerns.</p>	<p>should be sufficient to retain and motivate executives. While most Named Executive Officers received modest or no compensation for FY23, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.</p>
<b>Outcome of the vote</b>	Fail	Pass	Pass
<b>Implications of the outcome</b>	LGIM will continue to engage with the company, publicly advocate their position and monitor progress.		
<b>Criteria on which the vote is considered "significant"</b>	LGIM considers this vote to be significant due to the relatively high level of support received.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	LGIM considers this vote to be significant as it pertains to one of LGIM's key stewardship 'sub-themes', executive pay.

## Ruffer Absolute Return Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Amazon	Deere & Co	Bank of America
<b>Approximate size of fund's holding as at the date of the vote (as % of portfolio)</b>	0.6%	0.3%	0.2%
<b>Summary of the resolution</b>	Social – Human Labour rights	Social – Workforce diversity and inclusion	Environmental – Energy transition
<b>How the manager voted</b>	For	Against	Against
<b>Rationale for the voting decision</b>	<p>Ruffer voted in favour of a shareholder proposal requesting an independent audit of working conditions in Amazon warehouses. Amazon's board asserts that it is transparent with its workplace safety policies and procedures, and that its efforts to make its working conditions safer</p>	<p>Ruffer chose to vote against a shareholder resolution requesting a report on the statistical differences in hiring across race and gender at Deere &amp; Co. Ruffer finds Deere's disclosure related to its workforce (which includes three calendar years of comprehensive metrics), coupled</p>	<p>Among the several shareholder proposals on the slate at the 2024 AGM, Ruffer voted against the ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because Ruffer believes Bank of America is committed to its Net Zero targets</p>

	Vote 1	Vote 2	Vote 3
	have been effective. Nonetheless, Amazon has recently been charged with multiple workplace safety violations which, combined with negative media attention, expose the company to severe reputational risk. Shareholders would benefit from a third-party review of the company's working conditions within its facilities.	with its array of policies related to its respect for human rights (including Code of Business Conduct, Supplier Code of Conduct, Dealer Code of Conduct, and John Deere's Support of Human Rights in Our Business Practices), signal there is little to be gained from additional reporting. Comparing Deere's diversity in race and ethnicity relative to the US Census suggest there are marginal differences which may reflect the global footprint of its business. Further, in the company's hiring and development, Deere aims to attract and hire the best talent to innovate and solve our customers' biggest challenges.	and provides much of the necessary data to support this. While Ruffer supports enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer feels a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.
<b>Outcome of the vote</b>	Failed	Failed	Failed
<b>Implications of the outcome</b>	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.	Ruffer will continue to monitor and engage with the company.	Ruffer will continue to monitor the company.
<b>Criteria on which the vote is considered "significant"</b>	Ruffer believe this vote is significant as it was against the management recommendation.	Ruffer believe this vote will be of particular interest to its clients. Ruffer analyse and support companies in conducting business transactions that are in the best interest of shareholders.	Ruffer believes this vote is significant as it is a climate-related resolution.

## Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. 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 Plan's LDI funds, due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM			Barings	Ruffer
Fund name	Future World Global Equity Index Fund	Absolute Return Bond Fund	Sterling Liquidity Fund	Global High Yield Credit Strategies Fund	Absolute Return Fund
<b>Number of engagements undertaken on behalf of the holdings in this Fund in the year</b>	1,944	355	18	167	38

Manager		LGIM		Barings	Ruffer
<b>Number of entities engaged on behalf of the holdings in this Fund in the year</b>	1,278	180	12	111	29
<b>Number of engagements undertaken at a firm level in the year</b>		4,459		291	48

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

### LGIM

#### Pemex

As one of the largest oil and gas companies by refining capacity, with significant production of crude oil and natural gas, Petroleos Mexicanos (Pemex) is a company that LGIM 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.

LGIM 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, LGIM 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, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure (aligned with TCFD and ISSB recommendations), allocation of capital towards achieving climate goals, and addressing methane emissions within their operations. LGIM believe that the publication of Pemex's first Sustainability Plan demonstrates a positive commitment regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks.

### Barings

#### European food retailer

Barings holds an investment in a European food retailer, who is currently facing legal challenges due to claims that it was paying unequal salaries across roles within its store and warehouse operations. Similar cases are being heard in relation to retail peers in the market.

Barings has engaged with senior management to request details of exposure to understand management's operational plans and to ensure no future reoccurrence. This included requesting disclosure on expected financial fines due to previous underpayments and the cost of adjusting pay going forwards. Whilst management has been open to discussion on the topic there has been limited disclosure to date given uncertainties and an inability to discuss ongoing legal cases.

Barings understands the financial exposure is expected to be manageable for the company. Barings remains comfortable holding an investment in the issuer although has a '4 / Poor' social rating on the issuer until conclusion of the open engagement.

### Ruffer

#### BP

Ruffer held a meeting with the CFO and the VP Investor Relations, Strategic Communications regarding the sustainability reporting of the company.

During the meeting the CFO clarified that Ruffer is not the only shareholder (or stakeholder) asking BP to give greater insight and perhaps re-segment the financial reporting to strip the low-carbon or transition growth engines away from the traditional oil segment. She cautioned that, given the scale and scope of BP and its existing asset base (some of which will be re-purposed for sustainable aviation fuel or biofuels), the company would consider this topic over the coming 12 to 18 months before announcing anything to the market.

In their next meeting with the company, Ruffer plans to clarify some of the points raised by the CFO which include:

1. the possibility of revised segment reporting;
2. the key performance indicators for measuring the speed and trajectory of the energy transition;
3. and the broad topic of capital allocation – asking how Ruffer as shareholders can gain comfort that the board and management are deploying capital in the best interests of the company.

Since the CFO met with Ruffer and other investors, BP has released its annual report materials (reiterating its carbon reduction ambitions) and released additional communication which address the points about the likely total returns from renewable assets versus traditional oil and gas assets.