

Implementation Statement

Climax Molybdenum UK Limited Pension and Death Benefits Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Climax Molybdenum UK Limited Pension and Death Benefits Scheme (“the Scheme”)** to set out the following information over the year to **30 June 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;

This statement does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Scheme’s assets that are held as AVCs.



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. Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme’s policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustees' SIP in force at 30 June 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. A copy of the SIP has been made available online here:

<https://www.climaxmolybdenum.co.uk/sites/climaxmoly/files/documents/pdfs/CMUKPension.pdf>

The Trustees decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, around 3% of the Scheme assets were invested in assets with voting rights attached. 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 their 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 fund managers and investment advisor (summarised in this report).
- The Trustees received sustainability ratings from their investment consultant, Barnett Waddingham, for each of the funds held as part of the investment strategy review in December 2024. The growth funds and L&G Unconstrained Bond Fund are all rated 'Acceptable' by Barnett Waddingham which reflects that the managers are adequately taking into account material ESG issues and risks. The Trustees were satisfied that their policies were reasonable and no remedial action was required at that time.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the Scheme's fund managers are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustees of the Climax Molybdenum UK Limited Pension and Death Benefits Scheme
September 2025**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustees over the year to **30 June 2025**. The **LDI and bond funds** held with **Legal & General and Pimco** have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

| Manager | BNY Mellon | Insight |
|--|---|----------------------------------|
| Fund name | BNY Mellon Real Return Fund | Insight Broad Opportunities Fund |
| Structure | Pooled | |
| No. of eligible meetings | 74 | 9 |
| No. of eligible votes | 1,052 | 115 |
| % of resolutions voted | 98.0% | 100.0% |
| % of resolutions abstained | 0.0% | 0.0% |
| % of resolutions voted with management¹ | 92.6% | 99.2% |
| % of resolutions voted against management | 7.4% | 0.8% |
| Proxy voting advisor employed | Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. | Minerva Analytics |
| % of resolutions voted against proxy voter recommendation | 5.9% | 0.0% |

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



The below summarises how the investment managers utilise their proxy voting services.

BNY Mellon

BNY Mellon utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that they recognise a potential material conflict of interest that the recommendation of their external voting service provider will be applied.

Insight

Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Minerva Analytics monitors company meeting agendas and items to be voted on. Minerva reviews each vote against Insight's specific criteria and provides a recommendation for each item. Insight votes in line with the recommendations of the proxy voting agent and documents where it makes a voting decision against the recommendation. The rationale for abstaining or voting against the voting recommendation is retained on the Minerva platform on a case-by-case basis.



Significant votes

At this time, the Trustees have not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. 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 are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities / themes.

BNY Mellon and Insight have provided a selection of 3 votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees have used the 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

BNY Mellon | BNY Mellon Real Return Fund

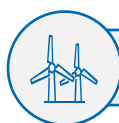
| | Vote 1 | Vote 2 | Vote 3 |
|--|---|--|--|
| Company name | Unilever Plc | The Goldman Sachs Group, Inc. | |
| Date of vote | 30 April 2025 | 23 April 2025 | |
| Approximate size of fund's holding as at the date of the vote (as % of portfolio) | 1.6% | 1.0% | |
| Summary of the resolution | Approve remuneration report | Advisory vote to ratify named Executive Officers' compensation | Report on clean energy supply financing ratio |
| How the manager voted | Against | For | For |
| Rationale for the voting decision | BNY Mellon voted against executive pay arrangements owing to significant pay increases granted to executives, the absence of a compelling rationale for this and owing to the exit arrangements agreed with a former executive which they considered to be excessive. | BNY Mellon supported this management proposal, however, deemed it significant. The rationale for the same is provided below. | BNY Mellon supported this proposal as in their view, the ask is aligned to the sustainable financing activities of the Company and should provide shareholders with increased transparency in assessing the Company's progress on the management of climate risks and opportunities. |
| Outcome of the vote | 28% Against | 66% For | 15% For |
| Implications of the outcome | The vote outcome reflects ongoing shareholder dissatisfaction at Unilever over executive pay. BNY Mellon | A one-time award was granted to the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO"). Although | BNY Mellon supported this shareholder proposal as they believe the proposal complements the sustainable |

| | Vote 1 | Vote 2 | Vote 3 |
|---|---|--|--|
| | believes the prior exit arrangements, despite a different Board composition, fell short of best practice. They also advocate for a greater emphasis on long-term incentives in executive compensation and intend to raise this with the Board. This remains a topic that they aim to speak on with the Company's Board. | excessive in magnitude, BNY Mellon supported the say-on-pay. This was awarded for retention for succession planning and the awards will be given at the end of five years, the period required for succession planning. In addition, BNY Mellon believe, the compensation committee is not going to provide further one-off awards to these executives in the near future. | finance target set by the bank and would be helpful for investors to assess the bank's progress on financing clean energy as well as decarbonizing its portfolio. Furthermore, the proposal does not seem to be prescriptive as peer banks have already disclosed or committed to disclose. In addition, the disclosure would be more robust than third party estimates. |
| Criteria on which the vote is considered "significant" | BNY Mellon consider this vote to be significant as it provides an example of where a significant portion of the Company's shareholders disagreed with a Company's pay practices. | BNY Mellon determined this vote significant given the scenario around the one-off grants. BNY Mellon may vote against if there are any recurring / frequent grants or if there are any issues with succession planning. | BNY Mellon deemed this vote significant as it aligns to their longer-term engagements and voting activity with the bank. Furthermore, in the current context, they deemed the support to the proposal as noteworthy as well. |

Insight | Insight Broad Opportunities Fund

| | Vote 1 | Vote 2 | Vote 3 |
|--|--|--|--|
| Company name | The Renewables Infrastructure Group | Aquila Euro Renewables Income | Foresight Environmental Assets Limited |
| Date of vote | 27 June 2025 | 23 September 2024 | 6 September 2024 |
| Approximate size of fund's holding as at the date of the vote (as % of portfolio) | 0.7% | 0.4% | 0.6% |
| Summary of the resolution | To re-elect Richard Morse as a Director | To approve that the Company should not continue as a closed ended investment Company with its current investment policy | To approve that the Company ceases to continue in its present form |
| How the manager voted | Against | For | Against |
| Rationale for the voting decision | In February 2025, the Company announced changes that Insight believed had the potential to incentivise debt refinancing – which they believe would be detrimental to flow of distributions to shareholders and undermine the Board's independence. Insight challenged these proposals in engagement with the Board | Following shareholder approval for the continuation of the Company for a period of a further four years in 2023, the Board announced a package of initiatives aimed at improving the marketability of the shares. The Board also proposed giving shareholders another opportunity to vote on its continuation in 2024. Initiatives | Over 2023-24, the company's shares traded at an average discount of over 10% to the net asset value ("NAV") per share, prompting a continuation vote as per the company's Articles of Association. Insight voted against the resolution citing the company's aims to provide stable, long-term inflation linked cash flows through |

| | Vote 1 | Vote 2 | Vote 3 |
|---|---|---|---|
| | and ultimately the majority of the proposed changes were reversed. However, in light of the Board making unilateral changes to fee arrangements without shareholder engagement, Insight were of the opinion that the Board should be held accountable and therefore voted against the re-election of the Board chair. | included NAV accretive share buybacks, extending the life of assets where appropriate and an additional listing on a European exchange amongst others. Despite this and several other measures including consideration with potential mergers with other companies, the Board believes that shareholder value could be maximised through a managed wind down the Company. | exposure to a diversified mix of environmental infrastructure assets across the UK and mainland Europe, sustainable dividends, and prudent power price management. The Company has actively addressed the NAV discount through premium asset disposals, reduced borrowings, share buybacks, and capital reallocation to higher-return assets, while enhancing investor appeal. Insight views the strategy as sound and promising for long-term value. |
| Outcome of the vote | Pass (99.2%) | Pass (99.8%) | Against (92.7%) |
| Implications of the outcome | Insight plan to maintain discussions with the Company's manager and the Board as part of their on-going monitoring. | The outcome suggests the Company will delist in the medium-term following asset disposals and capital returns. Insight plan to maintain regular discussions with the Company as part of the managed wind-down process of maximising shareholder value. | A vote in favour of discontinuation, would require the Company's Board to forward proposals for the restructuring or reorganisation of the Company. Insight have continued to maintain regular discussions with the Company, its Board and advisers to monitor the impact of the above initiatives on shareholder returns. |
| Criteria on which the vote is considered "significant" | Insight selected this example to highlight their investment approach in relation to their infrastructure holdings, in particular their use of pro-active engagement opportunities to influence the Company's decision making in areas affecting governance, strategy, or long-term value. | The Company's shares continue to trade below net asset value. To maximise shareholder returns, its investment objective and policy were revised, leading to a planned wind-down and eventual delisting. As such, Insight judged this vote to be significant. | Insight assessed the proposed discontinuation of the Company to be significant. While some of the share price weakness can be attributed to non-Company specific factors, the Company has continued to implement steps which could help in reducing discount to NAV and improve shareholder returns in the future. Additionally, the Company has also reduced its fees as part of these measures to improve shareholders returns. |



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 LDI funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

| Manager | BNY Mellon | Insight | Pimco | Legal & General Asset Management | |
|---|-----------------------------|----------------------------------|-----------------------|------------------------------------|--------------------------------|
| Fund name | BNY Mellon Real Return Fund | Insight Broad Opportunities Fund | Pimco GIS Income Fund | L&G Global Unconstrained Bond Fund | L&G Buy & Maintain Credit Fund |
| Number of entities engaged on behalf of the holdings in this fund in the year | 12 | 11 | 172 | 184 | 152 |
| Number of engagements undertaken on behalf of the holdings in this fund in the year | 18 | 31 | 273 | 323 | 272 |
| Number of engagements undertaken at a firm level in the year | 48 | 927 | 1,517* | 3,643 | |

*Pimco provided the number of entities engaged with. We therefore expect the number of engagements to be higher.



Examples of engagement activity undertaken over the year to 30 June 2025

BNY Mellon

Barclays

BNY Mellon engaged with Barclays regarding their client transition framework ("CTF"). Barclays use their CTF to assess their clients' climate transition plans and the actions they have taken so far. For Barclays, the climate transitions of high-emitting clients is important as it helps a phased approach to winding down the financing of fossil fuels while balancing current energy needs and reduces their exposure to the long-term structural challenges faced by their high-emitting clients.

Over recent years, Barclays have provided more information about the methodology used in their CTF, including providing details on the overall scoring methodology, governance structure and the broad parameters used to

assess clients. BNY Mellon engaged with Barclays to further improve these disclosures, as they believe investors would benefit from further details about the specific material parameters and risk indicators used to assess specific sectors. Additionally, BNY Mellon pressed for more disclosures around Barclays' engagement process, with a focus on key topics of discussion. Barclays have acknowledged this feedback and BNY Mellon will continue to monitor the bank's broader transition plan and engage where they see opportunities for improvement.

Insight

The Renewables Infrastructure Group

The Company's share price continues to trade at a significant discount to NAV, despite the implementation of policies designed to reduce the discrepancy. As a result, Insight initiated meetings to provide feedback on various parts of the strategy which may help to reduce the current discount and therefore improve shareholder returns.

Insight's engagement involved challenging current fee arrangements with the asset manager, InfraRed and changes that Insight believed would reduce distributions to shareholders and undermine the Board's independence. Since Insight's engagement, previously announced transaction fees and takeover fees were not introduced. Additionally, the Board have proposed the introduction of a continuation vote if the Company's shares trade at a discount of more than 10% to NAV in the preceding financial year.

Pimco

German Pharmaceutical Company

Pimco engaged with a German pharmaceutical Company on the topic of corporate sustainability and natural resource impact. Pimco has engaged with the Company for several years, most recently on topics such as biodiversity, ESG bond issuance and health and safety. In their recent engagement, Pimco encouraged the issuer to develop a comprehensive strategy to proactively address future issues. Additionally, Pimco suggested that they provide more consistent updates and interim measures on their progress in working with their partner to expand the scope of their methodology to incorporate pollinators. Subsequently to Pimco's engagement, the Company has made progress on their biodiversity and crop protection programme, and views decarbonisation and EU reporting obligations as a priority.

Legal & General Asset Management

Pemex

L&G engaged with Pemex, one of the largest oil and gas companies by refining capacity. Pemex have significant influence over the decarbonisation of the oil and gas industry in Mexico and South America. L&G have been engaging with Pemex since 2023, encouraging the Company to improve their climate-related disclosures, oversight of climate risk at Board level and to set ambitious but achievable climate targets. Following these engagements, Pemex has published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosures, allocation of capital towards their climate goals and addressing methane emissions within their operations. L&G believe Pemex's Sustainability Plan demonstrates the strength of these commitments and a serious approach to tackling these crucial issues.