

CIM Holdings Limited Retirement Benefits Scheme

Implementation Statement

Barnett Waddingham LLP

November 2023

Purpose of Implementation Statement

This Implementation Statement has been prepared by the Trustees of the CIM Holdings Limited Retirement Benefits Scheme (the Scheme) and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 30 June 2023.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force as of 30 June 2023 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2021 and has been made available online here: <https://www.cim.co.uk/media/10029/cim-statement-of-investment-principles-v10.pdf>

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.

How voting and engagement policies have been followed

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.

The Trustees review the voting, stewardship and engagement activities of the current managers from time to time.

The Trustees are comfortable that the actions of the fund managers are in alignment with the Scheme's stewardship policies and no remedial action was taken during the period.

Voting undertaken on behalf of the Trustees

The Scheme's equity investments are held through pooled diversified growth funds managed by Baillie Gifford and Schroders. The investment managers of these funds vote on behalf of the Trustees.

The table below provides a summary of the voting activity of undertaken by each manager during the year.

Manager	Baillie Gifford	Schroders
Fund name	Baillie Gifford Diversified Growth Fund	Schroder Life Diversified Growth Fund
Structure	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	70	102
Number of resolutions the manager was eligible to vote on over the year	764	1,349
Percentage of resolutions the manager voted on	97.6%	95.6%
Percentage of resolutions the manager abstained from	0.7%	5.5%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	96.8%	90.0%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	2.6%	10.0%
Percentage of resolutions voted contrary to the recommendation to the proxy advisor	Not available	1.9%

Source: fund managers

There are no voting rights attached to the other assets held by the Scheme and therefore there is no voting information shown above for these assets.

Baillie Gifford employs Institutional Shareholder Services (ISS) and Glass Lewis for proxy voting services and Schroders uses ISS.

Significant votes

The tables below show a selection of votes cast by Baillie Gifford and Schroder during the year ending 30 June 2023. We have delegated to the investment managers to define what a “significant vote” is.

Baillie Gifford and Schroders have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities / themes, the Trustees has selected 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. As Schroders have not provided this information the trustees have selected votes to cover a range of themes, and will continue to work with Schroders so that this information can be provided going forwards.

Baillie Gifford Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Duke Realty Corporation	Prysmian S.P.A.	Consolidated Edison, INC.
Date of vote	28 September 2022	04 May 2023	18 May 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.20%	1.16%	0.79%
Summary of the resolution	Say on Pay Frequency	Remuneration	Appoint/Pay Auditors
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	No	Yes
Rationale for the voting decision	Baillie Gifford opposed the advisory proposal to approve executive compensation to be paid in connection with the company merger due to concerns regarding single trigger provisions and the introduction of excise tax gross-ups in connection with severance payments.	Baillie Gifford opposed executive compensation because they do not believe the performance conditions for the long-term incentive plan are sufficiently stretching.	Baillie Gifford opposed the ratification of the auditor because of the length of tenure. They believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	While Baillie Gifford were supportive of the proposed merger with Prologis, they were uncomfortable with the compensation arrangements planned for Duke Realty NEOs in connection with the merger and therefore opposed this resolution, which ultimately received 91.64% dissent from shareholders. Baillie Gifford	Baillie Gifford will re-iterate their expectation to the Company and monitor the evolution of pay going forward.	Although not a regulatory requirement in the U.S., Baillie Gifford consider it best practice for the auditor to rotate at least every 20 years in order to maintain independence. Last year they informed the company of their expectation and

	<p>unsuccessfully attempted to engage the company on its approach to compensation at this year's AGM and will continue their efforts to do so going forward.</p>		<p>abstained on the election of the auditors.</p>
<p>Criteria on which the vote is considered "significant"</p>	<p>This resolution is significant because it received greater than 20% opposition.</p>	<p>This resolution is significant because it received greater than 20% opposition.</p>	<p>This resolution is significant because Baillie Gifford opposed the election of auditors.</p>

Schroder Life Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Petroleo Brasileiro SA	Hellenic Telecommunications Organization SA	Innovent Biologics, Inc.
Date of vote	27 April 2023	7 June 2023	21 June 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	This information was not provided.		
Summary of the resolution	Approve Remuneration of Company's Management, Fiscal Council, and Statutory Advisory Committees	Advisory report on remuneration report	Approve Conditional Grant of Restricted shares to Joyce I-Yin Hsu under the 2020 RS Plan
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	This information was not provided.		
Rationale for the voting decision	Schroders believe that regarding remuneration there is insufficient disclosure including around termination.	Schroders believed that there was a lack of transparency so were unable to make an informed decision.	Schroders believed that this resolution would result in an excessive dilution of share ownership.
Outcome of the vote	Pass	Pass	
Implications of the outcome	This information was not provided.		
Criteria on which the vote is considered "significant"	MGT Governance Proposal, SH Governance Proposal, Vote against management.	MGT Governance Proposals; Vote was against management.	MGT Governance Proposals; Vote was against management.

Fund level engagement

Manager	Baillie Gifford	Schroders
Fund name	Baillie Gifford Diversified Growth Fund	Schroder Life Diversified Growth Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	*37	Not Provided
Number of engagements undertaken at a firm level in the year	*1255	849
Examples of engagements undertaken with holdings in the fund	<p>Baillie Gifford were involved in a number of different engagement topics, with the most common being:</p> <ul style="list-style-type: none"> • Environmental/Social; • Corporate Governance; and • Strategy, Financial and Reporting <p>An example is Baillie Gifford's engagement with Genus where they met with management to discuss the company's decarbonisation strategy/pathway. Discussion on decarbonisation centred around the material emissions of the sector and the associated risk this poses to the company.</p>	<p>Schroders were involved in a number of different engagement topics, with the most common being:</p> <ul style="list-style-type: none"> • Climate Change; • Corporate Governance; and • Human Rights <p>An example is Schroders' engagement with Amazon where they participated in a call with the company on human capital management, focusing on topics such as health, safety and wellbeing. On climate, Schroders reiterated their request for more complete Scope 3 disclosure and targets, although the company remains resistant on this point due to concerns about lack of data confidence.</p>

Source: fund managers

*Baillie Gifford could only provide fund level engagement data for the calendar year ending 31 December 2022. They are looking at way to automate this to provide more recent data.

The Trustees believe that there is limited scope for engagement in relation to the Schroders Liability Driven Investment Funds and Sterling Liquidity Fund, and therefore there is no information shown above for these funds.

Based on the information received, the Trustees believe that the fund managers have acted in accordance with the Scheme's stewardship policies. The Trustees are supportive of the key voting action taken by the fund managers over the period to encourage positive governance changes in the companies in which the funds hold shares.

**Prepared by the Trustees of the CIM Holdings Limited Retirement Benefit Scheme
November 2023**