

1. Background

The Trustees of the Climax Molybdenum UK Limited Pension and Death Benefit Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Scheme's Statement of Investment Principles ("SIP") during the previous Scheme year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

A copy of the most recent SIP can be found on the Climax Molybdenum website at <https://www.climaxmolybdenum.com/sites/climaxmoly/files/documents/pdfs/CMUKPension.pdf>

2. Investment Objectives and activity

The Trustees are required to invest the Scheme's assets in the best interest of the members, and their main objectives with regard to investment policy are:

To achieve, over the long term, a return on the Scheme's assets which is consistent with the assumptions made by the Scheme Actuary in determining the funding of the Scheme;

To ensure that sufficient liquid assets are available to meet benefit payments as they fall due; and

To consider the interests of the Employer in relation to the size and volatility of the Employer's contribution requirements.

The Trustees understand, following discussions with the Employer, that it is willing to accept a degree of volatility in the company's contribution requirements in order to reduce the long-term cost of the Scheme's benefits.

Over the year the Trustees received advice in January 2024 from their investment consultant to de-risk their investment strategy. The Scheme is now following an interim strategy while the Trustees consider their long term objective for the Scheme. The interim strategy was implemented in May 2024.

3. Voting and Engagement

The Trustees are keen that their managers are signatories of the UK Stewardship Code, which they are.

All the Trustees' holdings are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees have not used proxy voting services over the year.

The Scheme is invested in the following funds:

- BNY Mellon Real Return Fund
- Insight Broad Opportunities Fund
- M&G Property Fund
- LGIM LDI Matching Core Long Fund – Nominal
- LGIM LDI Matching Core Short Fund – Nominal
- LGIM LDI Matching Core Long Fund – Real
- LGIM LDI Matching Core Short Fund – Real
- PIMCO GIS Income Fund
- LGIM Absolute Return Bond Fund
- LGIM Sterling Liquidity Fund

The underlined funds are predominantly fixed income and do not hold physical equities and hence there are no voting rights and voting data for the Trustees to report on.

2.a Description of Investment Manager’s voting processes

Newton Investment Management Ltd (BNY Mellon)

BNY Mellon describe their voting process as follows:

Newton has established overarching stewardship principles which guide their ultimate voting decision, based on guidance established by internationally recognized governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association’s Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting our investment rationale, engagement activity and the company’s approach to relevant codes, market practices and regulations. These are applied to the company’s unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that they recognise a material conflict of interest that they apply the vote recommendations of our third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with following four key objectives:

- To support the alignment of the interests of a company’s management and board of directors with those of the company’s investors;
- To promote the accountability of a company’s management to its board of directors, as well as the accountability of the board of directors to the company’s investors;
- To uphold the rights of a company’s investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company’s business operations and financial performance in a timely manner.

Insight Investment

Insight describe their voting process as follows:

Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and

IMPLEMENTATION STATEMENT COVERING 1 JULY 2023 TO 30 JUNE 2024 (continued)

rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. In addition, please refer to our Proxy Voting Policy, which sets out in detail our approach to voting on resolutions: <https://www.bnymellon.com/emea/en/about-us/esg-and-responsible-investment.html>

Insight does not consult with clients prior to voting on resolutions. However, Insight is committed to voting all proxies where it is deemed appropriate and responsible to do so. Insight takes its responsibility to vote very seriously and votes in the best interest of clients. We would utilise Minerva to analyse resolutions against Insight-specific voting policy templates to determine the direction of the vote, where applicable.

The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing

2b. Summary of voting behaviour over the year

Newton Investment Management Ltd (BNY Mellon)

	Summary Info
Manager name	Newton Investment Management Ltd
Fund name	BNY Mellon Real Return Fund
Approximate value of trustee's assets	c£1.5m
Number of equity holdings in the fund	66
Number of meetings eligible to vote	71
Number of resolutions eligible to vote	1,059
% of resolutions voted	99.2%
% of resolutions voted with management	94.3%
% of resolutions voted against management	5.7%
% of resolutions abstained	0.0%
% of meetings with at least one vote against managements	36.6%
% of resolutions voted contrary to the proxy adviser recommendation	5.2%

Insight Investment

	Summary Info
Manager name	Insight Investment
Fund name	Broad Opportunities Fund
Approximate value of trustee's assets	c£1.5m
Number of equity holdings in the fund	11
Number of meetings eligible to vote	12
Number of resolutions eligible to vote	160
% of resolutions voted	100.0%
% of resolutions voted with management	100.0%
% of resolutions voted against management	0.0%
% of resolutions abstained	0.0%
% of meetings with at least one vote against managements	0.0%

IMPLEMENTATION STATEMENT COVERING 1 JULY 2023 TO 30 JUNE 2024 (continued)

2c. Most significant votes over the year by Manager

Newton Investment Management Ltd (BNY Mellon)

BNY Mellon describe their process for determining the 'most significant' vote as follows:

"Newton's significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders."

Insight Investment

Insight Investment describe their process determining the 'most significant' vote as follows:

"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."

As mentioned previously, the strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework, that is with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, we have voted in line with recommendations of our proxy voting provider on all occasions."

IMPLEMENTATION STATEMENT COVERING 1 JULY 2023 TO 30 JUNE 2024 (continued)

2d. Most significant votes over the year by Fund

Newton Investment Management Ltd (BNY Mellon)

BNY Mellon Real Return Fund

Company name	Shell Plc	Amazon.com, Inc.
Date of vote	21-May-24	22-May-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.76%	1.39%
Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Commission a Third Party Audit on Working Conditions
How you voted	AGAINST	FOR
Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA	NA
Rationale for the voting decision	We did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as we believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.	We voted for the shareholder proposal requesting a third-party audit on working conditions as we do consider it to add value for shareholders at this stage.
Outcome of the vote	81.4% AGAINST	31% FOR
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	As a significant GHG emitter, it is critical for Shell to have a credible transition plan	While we do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to our concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy
On which criteria have you assessed this vote to be "most significant"?	While we do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to our concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy	We consider the issue of working conditions material to the company, and the conclusion of an audit would help the board understand potential shortcomings and respond adequately to shareholder concerns. Moreover, this will support our engagement efforts with the company

IMPLEMENTATION STATEMENT COVERING 1 JULY 2023 TO 30 JUNE 2024 (continued)

Insight Investment

Insight Broad Opportunity Fund

Company name	Ecofin US Renewables Infrastructure Trust plc	Aquila European Renewables Income Fund plc
Date of vote	25/05/2023	05/06/2023
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2%	0.6%
Summary of the resolution	Resolution 4: To re-elect as a director, Patrick O'Donnell Bourke	Resolution 4: To approve the continuation of the Company as an investment trust
How you voted	For	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	n/a	n/a
Rationale for the voting decision	<p>All board members stand for annual re-election at each AGM. Any potential change to the board could have added further uncertainty during an already volatile period and may not have been in the best interest of the shareholders.</p>	<p>Over the course of 2023, the company introduced a number of initiatives including asset life extensions, in some instances which contributed to increase in NAV per share; accretive share buybacks; debt refinancing which would enable further investment and/or return additional capital to shareholders and additional listing on a European exchange which could improve the company's marketability and liquidity on the secondary market. We voted in favour of the resolution for a continuation of the company as this would allow time to evaluate the success of initiatives outlined above. Shareholders will have a further opportunity to vote on the continuation of the company in Q3 2024 which has been brought forward from 2027.</p>
Outcome of the vote	Passed with over 87% of votes in favour	Passed
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<p>The board is cognisant of the lack of ethnic diversity and is mindful of the AIC Code alongside the Hampton-Alexander and Parker Reviews. The 2022 Annual Report indicated that the board will endeavour to address this in future recruitment whilst ensuring appointments are made on merit and are subject to a formal, rigorous and transparent procedure.</p> <p>The board announced a review of the company's strategy in September 2023 focussing on the sale company's assets in order to maximise value for shareholders. At this stage, no further action is proposed pending the outcome of this strategic review.</p>	<p>We note that 25.9% voted against this proposal and that the company has continued to engage with shareholders to allay their concerns.</p> <p>We continue to evaluate the effectiveness of initiatives and reassess this proposal at the next opportunity in Q3 2024.</p>

<p>On which criteria have you assessed this vote to be "most significant"?</p>	<p>In assessing our voting decision, we noted that votes were cast against proposal 5 (re-election of Patrick O'Donnell Bourke) at the previous AGM. We understand that this was predominantly from one shareholder due to board composition.</p> <p>https://www.londonstockexchange.com/news-article/RNEW/result-of-agm/15507645</p> <p>The 2022 Annual Report acknowledged that the board's composition did not meet one of the FCA's new targets, namely that one individual on the board should be from a minority ethnic background. While the company recognises the benefits of greater diversity on the board, we agreed with the company's assessment that in view of the portfolio size and potential increase to cost base, increasing the board's size would not be appropriate at the present time. We voted in favour of re-election resolution as we consider the board has the skillset and experience appropriate to fulfil their governance obligations.</p>	<p>The company's articles of association require that the directors propose an ordinary resolution at the AGM to be held in 2023, and every fourth AGM thereafter, that the company continue its business as a closed-ended investment company for a further four-year period.</p> <p>In the event that the resolution does not pass, the directors are required to draw up proposals for the reconstruction, reorganisation or liquidation of the company for consideration by shareholders at a general meeting to be convened within a six-month period.</p>
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