

# Appendix A – Implementation Statement

## Implementation Statement

The Trustees of the Council of Reserve Forces' and Cadets' Associations Pension Scheme has prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The Implementation Statement sets out:

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

## Changes to SIP policies during the period

The Trustees reviewed the SIP in October 2020 and during the period 1 August 2023 to 31 July 2024. In the opinion of the Trustees, the Scheme's SIP has been followed effectively and appropriately during the period.

## Voting and Engagement Policy

The Trustees invest in pooled funds in which the Scheme's investments are pooled with those of other investors, the Trustees have given the investment managers full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights, investee capital structure, management of conflicts of interest and other stewardship obligations attributed to the investments, in accordance with their own corporate governance policies and current best practice. The managers are expected to report at least annually on ESG considerations and engagement activities.

The Trustees have reviewed the engagement activities of their investment managers during the year and are satisfied that the policies followed by the managers were reasonable and broadly consistent with the Trustees' own policies.

The Trustees and their investment consultant are working with the fund managers to improve the availability and quality of information included in future Implementation Statements.

## Socially Responsible Investment

The Trustees believe that Environmental, Social and Governance (ESG) factors may have a material impact on investment returns and risk, particularly given the long-term nature of the Scheme's liabilities. The extent to which these factors are taken into account by the investment managers in the selection, retention and realisation of investments is considered by the Trustees as part of the process of selecting investment managers with which to invest. As part of their regular review of investment managers, the Trustees consider how ESG factors are integrated into their investment process.

When considering potential investments, it is expected that considerations of responsible investment (RI) will form an integral part of manager's process and that firms are sufficiently resourced to have achieved this. The Trustees have the requirement that managers are signatories of the UN Principles of Responsible Investment and comply with the UK Stewardship Code. Managers are expected to report at least annually on ESG considerations and engagement activities.

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The Trustees do not take into account the views of the members of the Scheme (including their ethical views, their views in relation to social and environmental impact matters, and on future quality of life considerations) in the selection, retention and realisation of investments.

### Voting undertaken on behalf of the Trustees

Voting only applies to equities held in the portfolio. The Plan's equity investments are held in pooled equity funds. The use of pooled funds means that there is limited scope for the Trustees to influence voting, which is carried out by the fund managers on behalf of the Trustees.

The tables below provides a summary of the voting activity undertaken during the year.

### Ruffer

<b>VOTING STATISTICS (APPLICABLE TO THE SCHEME'S REPORTING PERIOD)</b>	<b>RESPONSE</b>
How many meetings were you eligible to vote at?	146
How many resolutions were you eligible to vote on?	2193
What % of resolutions did you vote on for which you were eligible?	100.0%
Of the resolutions on which you voted, what % did you vote with management?	97.72%
Of the resolutions on which you voted, what % did you vote against management?	2.2%
Of the resolutions on which you voted, what % did you abstain from voting?	0.0%
In what % of meetings, for which you did vote, did you vote at least once against management?	20.54%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	-
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	3.60%

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Troy

VOTING STATISTICS (APPLICABLE TO THE SCHEME'S REPORTING PERIOD)	RESPONSE
How many meetings were you eligible to vote at?	20
How many resolutions were you eligible to vote on?	375
What % of resolutions did you vote on for which you were eligible?	100%
Of the resolutions on which you voted, what % did you vote with management?	90%
Of the resolutions on which you voted, what % did you vote against management?	10%
Of the resolutions on which you voted, what % did you abstain from voting?	0%
In what % of meetings, for which you did vote, did you vote at least once against management?	45%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	<p>To assist us in exercising our voting rights, we make use of the services of a proxy adviser, ISS. At the end of 2022, Troy approached ISS to create a custom Voting Policy to provide Troy's Investment Team with customised voting recommendations, particularly where we found ourselves frequently voting against ISS's recommendations. This also promotes consistent voting across Troy's strategies for such issues as Chair independence, director tenure, CEO/Chair separation and a minimum of 30% female representation at board level. Troy's custom Voting Policy came into effect in 2023.</p>
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	11%

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### AXA Framlington

VOTING STATISTICS (APPLICABLE TO THE SCHEME'S REPORTING PERIOD)	RESPONSE
How many meetings were you eligible to vote at?	149
How many resolutions were you eligible to vote on?	2404
What % of resolutions did you vote on for which you were eligible?	100%
Of the resolutions on which you voted, what % did you vote with management?	92.85%
Of the resolutions on which you voted, what % did you vote against management?	7.11%
Of the resolutions on which you voted, what % did you vote to abstain?	0.04%
In what % of meetings, for which you did vote, did you vote at least once against management?	48%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	ISS-Bespoke AXA IM Policy
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	5.7%

### M&G

VOTING STATISTICS (APPLICABLE TO THE SCHEME'S REPORTING PERIOD)	RESPONSE
How many meetings were you eligible to vote at?	21
How many resolutions were you eligible to vote on?	143
What % of resolutions did you vote on for which you were eligible?	34%   50 proposals
Of the resolutions on which you voted, what % did you vote with management?	96%   48 proposals*
Of the resolutions on which you voted, what % did you vote against management?	4%   2 proposals*
Of the resolutions on which you voted, what % did you vote to abstain?	4%   2 proposals*
In what % of meetings, for which you did vote, did you vote at least once against management?	9%   2 meetings

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<p>Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?</p>	<p>We use the research services of ISS and IVIS. Our voting is instructed through the ISS voting platform, ProxyExchange. We use the ISS custom service to flag resolutions that may not meet our policy guidelines. Voting decisions are taken by the Sustainability and Stewardship team at M&amp;G often in consultation with fund managers. Some routine resolutions are voted by ISS on our behalf when clear criteria have not been met.</p>
<p>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)</p>	<p>0%   0 proposals</p>

### Schroders

<b>VOTING STATISTICS (APPLICABLE TO THE SCHEME'S REPORTING PERIOD)</b>	<b>RESPONSE</b>
<p>How many meetings were you eligible to vote at?</p>	<p>542</p>
<p>How many resolutions were you eligible to vote on?</p>	<p>7243</p>
<p>What % of resolutions did you vote on for which you were eligible?</p>	<p>6708 Proposals Voted  92.61%</p>
<p>Of the resolutions on which you voted, what % did you vote with management?</p>	<p>6285 Proposals Voted  93.69%</p>
<p>Of the resolutions on which you voted, what % did you vote against management?</p>	<p>423 Proposals Voted  6.31%</p>
<p>Of the resolutions on which you voted, what % did you vote to abstain?</p>	<p>15 Proposals Voted  0.22%</p>
<p>In what % of meetings, for which you did vote, did you vote at least once against management?</p>	<p>188 Meetings  36.15%</p>
<p>Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?</p>	<p>" Glass Lewis (GL) act as our one service provider for which we have our own bespoke policy.</p>
<p>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)</p>	<p>405 Proposals Voted  6.04%</p>

A sample of the most significant votes during the year have been provided below.

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Troy	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
<b>Company name</b>	The Procter & Gamble (since sold)	Microsoft	Alphabet	Chubb	Canadian National Railway Company
<b>Date of vote</b>	01 October 2024	10 December 2024	06 June 2025	15 May 2025	02 May 2025
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.4%	2.3%	3.9%	2.1%	1.0%
<b>Summary of the resolution</b>	Elect Director	Elect Director	Elect Director	Elect Director	Ratify Auditors
<b>How you voted</b>	Against Management	Against Management	Against Management	Against Management	Against Management
<b>Management recommendation</b>	Yes - see details in space for comments below	Yes - see details in space for comments below	Yes - see details in space for comments below	Yes - see details in space for comments below	Yes - see details in space for comments below
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	Yes	Yes	Yes	Yes	Yes
<b>Rationale for the voting decision</b>	<p>Troy voted against Joseph Jimenez due to his role as Chair of the Governance committee as P&amp;G has a joint CEO/Chair role. This happened after David Taylor retired as Chair in June 2022 and CEO Jon Moeller was appointed Chair.</p> <p>Within Troy's Multi-Asset Strategy, we sold our shares in P&amp;G in April 2025 mainly due to</p>	<p>Troy voted against electing Director Sandra E. Peterson in her capacity as Chair of the Governance Committee owing to combined CEO/Chair roles.</p>	<p>Troy voted against electing Director John L. Hennessy and Robin L. Washington in his capacity as Chair of the Nominating Committee because the Board is less than 30% female.</p>	<p>Troy voted against electing Director David H. Sidwellit is due to combined CEO/ Chair and he is the chair of the Governance Committee, and also because the board has less than 30% women.</p>	<p>As per Troy's policy to vote against ratifying auditors where the audit firm has a tenure of more than 20 years (since the first date of appointment), Troy voted against ratifying KPMG LLP as Auditors of Canadian National Railway Company as they have served as auditors since 1992. We believe</p>

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	valuation concerns as the company continues to outperform many of its consumer staples peers, and trades at a substantial premium as a result.				such extended tenure may compromise the perceived independence of the audit function, which is critical for effective oversight.
<b>Outcome of the vote</b>	We sold our shares in P&G in April 2025	Votes accepted	Votes accepted	Votes accepted	Votes accepted
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We will continue to vote in the best interests of investors and monitor future AGM resolutions	We will continue to vote in the best interests of investors and monitor future AGM resolutions	We will continue to vote in the best interests of investors and monitor future AGM resolutions	We will continue to vote in the best interests of investors and monitor future AGM resolutions	We will continue to vote in the best interests of investors and monitor future AGM resolutions
<b>On which criteria have you assessed this vote to be "most significant"?</b>	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.	The resolution satisfied the criteria of materiality. In this case it was a governance factor and we voted against management.

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AXA Framlington	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
<b>Company name</b>	Freshpet, Inc.	Microsoft Corporation	Costco Wholesale Corporation	Visa Inc.	Apple Inc.
<b>Date of vote</b>	01/10/2024	10/12/2024	23/01/2025	28/01/2025	15/02/2025
<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.31%	1.78%	1.24%	1.30%	2.06%
<b>Summary of the resolution</b>	Advisory Vote to Ratify Named Executive Officers' Compensation	Elect Director Hugh F. Johnston	Ratify KPMG LLP as Auditors	Report on Lobbying Payments and Policy	Advisory Vote to Ratify Named Executive Officers' Compensation
<b>How you voted</b>	Against	Against	Against	For	Against
<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No	No	No	No	No
<b>Rationale for the voting decision</b>	Remuneration Policy not aligned with long-term shareholder interests. Concerns about lack of ESG performance criteria	The number of directorships assumed by the proposed candidate exceeds our policy.	Concerns about audit oversight	Additional disclosure of the dues paid to trade associations and the percentage of dues used for lobbying would better position shareholders to evaluate the alignment between the company's political efforts and stated goals.	Concerns about the relevance of ESG criteria, as it functions more as a modifier rather than a proper criterion in executive remuneration.

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Outcome of the vote	Accepted	Accepted	Accepted	Rejected	Accepted
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We will continue to push our investee companies to add ESG elements in the remuneration	As with other topics, whilst we haven't seen direct response we will continue to push the topic of director time commitments as a strong ask across our investee company holdings.	We will continue opposing long-tenured auditors as long as a plan for auditor refreshment is not proposed.	We are likely to continue engaging with the company on this issue and may support future proposals calling for more comprehensive political spending disclosures.	We will continue to push our investee companies to add ESG elements in the remuneration
<b>On which criteria have you assessed this vote to be "most significant"?</b>	Significant Governance risk	Material Governance Risk	Material Governance Risk	Material Governance Risk	Significant Governance risk