

Implementation Statement, covering the Fund Year from 1 January 2024 to 31 December 2024 (the “Fund Year”)

The Trustee of the Cereal Partners UK Pension Fund (the “Fund”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Fund Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Fund Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [Guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Fund Year. The last time these policies were formally reviewed was November 2023.

The Trustee has, in its opinion, followed the Fund’s voting and engagement policies during the Fund Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are as below:

- Legal & General Investment Management: [LGIM Vote Disclosures \(issgovernance.com\)](#)
- Baillie Gifford: [Our Principles & Guidelines](#)
- Ruffer: [Ruffer | Responsible investment policy](#)

However, the Trustee takes ownership of the Fund’s stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Fund’s investment consultant, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to voting and engagement.

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. The Trustee has discussed and agreed the following stewardship priorities for the Fund: **climate change**; **diversity, equity & inclusion (“DEI”)**, and **business ethics**. These priorities were selected because they represent key market-wide risks and areas where the Trustee believes good stewardship and engagement can improve long-term financial outcomes for members. The stewardship priorities have been communicated to the managers.

The Trustee (with the help of its advisers) reviews case studies of the managers’ votes and engagements which relate to the Trustee’s stewardship priorities as part of its ongoing monitoring. This helps the Trustee to better understand its managers’ approaches to voting and engagement and shape its view on their appropriateness for the Fund.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Fund Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore the Trustee is not able to direct how votes are exercised, and the Trustee itself has not used proxy voting services over the Fund Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Fund's funds that hold equities as follows:

- Legal & General Low Carbon Transition Global Equity Index Fund (Hedged & Unhedged);
- Ruffer Absolute Return Fund; and
- Baillie Gifford Multi Asset Growth Fund

In addition to the above, the Trustee contacted the Fund's asset managers that do not hold listed equities, to ask if any of the assets held had voting opportunities over the Fund Year. None of these other funds held any assets with material voting opportunities.

3.1 Description of the voting processes

For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. The Trustee last reviewed these policies in June 2024, focusing on the elements which relate to its stewardship priorities, and is comfortable that the policies are aligned with the Trustee's views.

The latest voting processes for each of the managers, where available, are summarised below. The below wording has been provided directly by the managers in responses to our questions below.

3.1.1 Legal & General Investment Management

What is your policy on consulting with clients before voting?

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. LGIM's voting policies are reviewed annually and take into account feedback from clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

Please provide an overview of your process for deciding how to vote.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

How, if at all, have you made use of proxy voting services over the year to 31 December 2024?

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. The use of ISS recommendations is purely to augment ISS' own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that they receive from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with our position on ESG, a custom voting policy with specific voting instructions has been put in place. These instructions apply to all markets globally and seek to uphold what are considered the minimum best practice standards which the team believe all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on LGIM's custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure votes are fully and effectively executed in accordance with voting policies by LGIM's service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

What process did you follow for determining the "most significant" votes?

As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure they continue to help their clients in fulfilling their reporting obligations. LGIM also believes public transparency of their vote activity is critical for clients and interested parties to hold it to account.

For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what are deemed 'material votes'. LGIM is evolving its approach in line with the new regulation and are committed to provide clients access to 'significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;*
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;*
- Sanction vote as a result of a direct or collaborative engagement;*
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.*

LGIM have provided information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.

The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. They also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.

3.1.2 Baillie Gifford

What is your policy on consulting with clients before voting?

All voting decisions are made by Baillie Gifford's ESG team in conjunction with investment managers. Baillie Gifford does not regularly engage with clients prior to submitting votes, however if a segregated client has a specific view on a vote then they will engage with them on this. If a vote is particularly contentious, the manager may reach out to clients prior to voting to advise them of this or request them to recall any stock on loan.

Please provide an overview of your process for deciding how to vote.

Thoughtful voting of Baillie Gifford's clients' holdings is an integral part of our commitment to stewardship. Baillie Gifford believes that voting should be investment led, because how they vote is an important part of the long-term investment process, which is why their strong preference is to be given this responsibility by Baillie Gifford clients. The ability to vote on behalf of clients' shares also strengthens their position when engaging with investee companies. Baillie Gifford's ESG team oversees voting analysis and execution in conjunction with investment managers. Unlike many peers, Baillie Gifford does not outsource any part of the responsibility for voting to third-party suppliers. Baillie Gifford utilise research from proxy advisers for information only. In addition, the team analyses all meetings in-house in line with Baillie Gifford's ESG Principles and Guidelines and endeavour to vote every one of Baillie Gifford clients' holdings in all markets.

How, if at all, have you made use of proxy voting services over the year to 31 December 2024?

Whilst they are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), they do not delegate or outsource any stewardship activities or follow or rely upon their recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. Votes are made in line with Baillie Gifford's in-house policy and not with the proxy voting providers' policies. Baillie Gifford also have specialist proxy advisors in the Chinese and Indian markets to provide more nuanced market specific information.

What process did you follow for determining the "most significant" votes?

- *Baillie Gifford's holding had a material impact on the outcome of the meeting*
- *Management resolutions that receive 20 per cent or more opposition in the prior year*
- *Egregious remuneration*
- *Controversial equity issuance*
- *Shareholder resolutions that received 20 per cent or more support from shareholders in the prior year*
- *Where there has been a significant audit failing*
- *Mergers and acquisitions*
- *Where we have opposed the financial statements/annual report*
- *Where we have opposed the election of directors and executives*
- *Where we identify material 'E' 'S' or 'G' issues that result in Baillie Gifford opposing management*

3.1.3 Ruffer

What is your policy on consulting with clients before voting?

Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, Ruffer can accommodate client voting instructions for specific areas of concerns or companies where feasible.

Please provide an overview of your process for deciding how to vote.

Please see Ruffer's Responsible Investment policy ([Ruffer | Responsible investment policy](#))..

How, if at all, have you made use of proxy voting services over the year to 31 December 2024?

Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS).

Ruffer has developed its own internal voting guidelines, taking into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although cognisant of proxy advisers' voting recommendations, Ruffer does not delegate or outsource stewardship activities when deciding how to vote on Ruffer clients' shares.

Each research analyst, supported by Ruffer's responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.

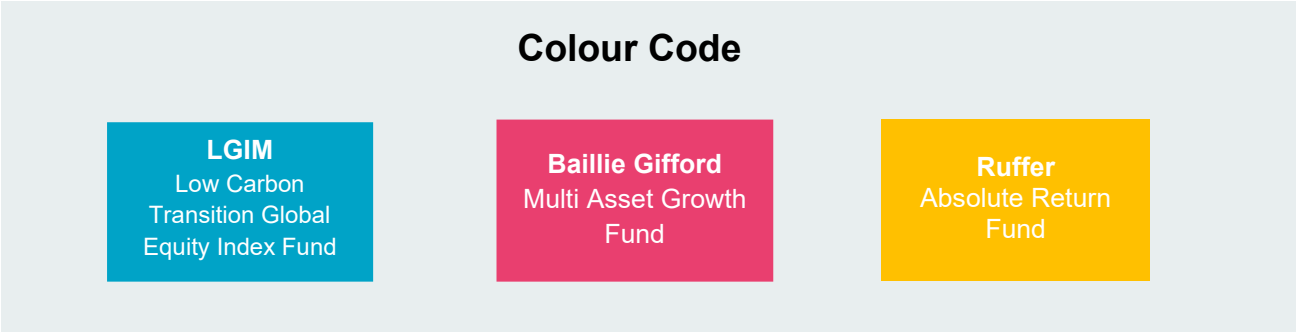
As discussed above, Ruffer do use ISS as an input into decisions. In the 12 months to 31 December 2024, of the votes in relation to holdings in the Ruffer Absolute Return Fund, Ruffer voted against the recommendation of ISS 4.34% of the time.

What process did you follow for determining the "most significant" votes?

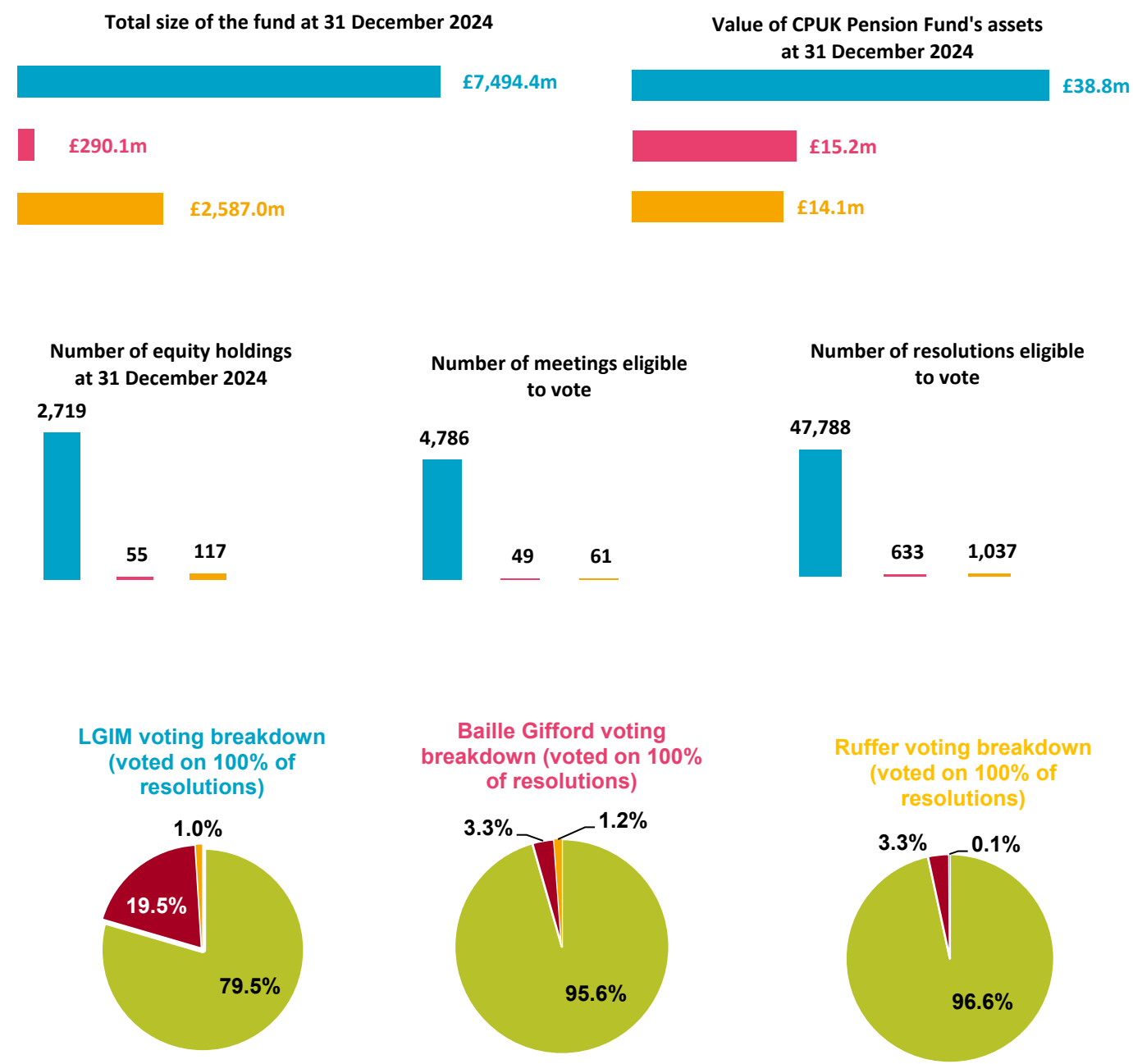
Ruffer has defined significant votes as:

- any vote against management or ISS recommendation*
- any vote misaligned with criteria included in Ruffer's internal voting guidelines*
- any shareholder resolution*
- any management-proposed climate-related resolution*
- dissident shareholder slate (US only)*

3.2 Summary of voting behaviour over the Fund Year



LGIM figures include both the sterling hedged and unhedged share classes that the Fund invests in.



Proportion of resolutions voted on that were with management, against management or abstained.

3.3 Most significant votes

Commentary on the most significant votes over the Fund Year, from the Fund's asset managers who hold listed equities, is set out below.


The Trustee has interpreted "significant votes" to mean those that:

- align with the Trustee's stewardship priorities;
- might have a material impact on future company performance;
- the investment manager believes to represent a significant escalation in engagement;
- impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- have a high media profile or are seen as being controversial;
- are shareholder resolutions which received material support;
- the subject of the resolution aligned with the investment manager's engagement priorities or key themes; and/or
- the Fund or the sponsoring company may have a particular interest in.

The Trustee has reported on two of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

Key	 Environmental	 Social	 Governance
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Legal & General Investment Management

 <i>LGIM voted against a report on risks of omitting viewpoint and ideological diversity from Equal Employment Opportunity (EEO) policy Apple Inc., February 2024</i>	
Relevant Stewardship Priority Diversity, equity & inclusion	Rationale from LGIM A vote against this shareholder proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Criteria against which this vote has been assessed as "most significant". This aligns with the Trustee's stewardship priorities and was a shareholder resolution which received material support. It also impacts a material fund holding.	Outcome of vote The resolution failed.
Approximate size of the mandate's holding at the date of the vote 4.9%	Next steps LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.
How did LGIM vote? Against	
Company management recommendation Against	Was the vote communicated to the company ahead of the vote: N/A



*LGIM voted for establishing a company compensation policy of paying a living wage.
Walmart Inc., June 2024*

Relevant Stewardship Priority

Business Ethics

Criteria against which this vote has been assessed as “most significant”.

This aligns with the Trustee’s stewardship priorities. LGIM has been engaging with Walmart on the topic of living wages for several years, and in 2023 launched its income inequality engagement campaign targeting 15 of the largest global food retailers asking them to set out policies on living wages for workers in their operations and supply chain. This vote was an escalation in LGIM’s engagement process.

Approximate size of the mandate’s holding at the date of the vote

0.4%

How did LGIM vote?

For

Rationale from LGIM

While the company has improved on some areas of LGIM’s requests in terms of training opportunities, the company does not have a policy on the living wage, and its minimum wage of \$14 per hour for store employees is much less than the living wage, which is around \$25 per hour. A vote in favour is applied as LGIM encourages the company to establish a compensation policy that ensures employees earn a living wage. Paying a living wage may reduce the potential negative financial impacts that stem from low worker morale, poor health, absenteeism, presenteeism, high staff turnover etc.

Outcome of vote

Failed

Next steps

LGIM will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Company management recommendation

Against

Was the vote communicated to the company ahead of the vote:

No

Baillie Gifford



*Baillie Gifford voted for a shareholder resolution on climate lobbying
Nextera Energy Inc, May 2024*

Relevant Stewardship Priority

Climate Change

Criteria against which this vote has been assessed as “most significant”.

This aligns with the Trustee’s stewardship priorities. This was a shareholder proposal that received greater than 20% support. It also impacts a material fund holding.

Approximate size of the mandate’s holding at the date of the vote

1.2%

How did Baillie Gifford vote?

For

Rationale from Baillie Gifford

Baillie Gifford supported a shareholder resolution on climate lobbying as we believe that clear and transparent support for Paris-aligned goals through lobbying is one-way shareholders look to demonstrate consistency with their climate targets.

Outcome of vote

The resolution failed.

Next steps

Baillie Gifford reached out to the Company to explain why they decided to support the resolution. While Baillie Gifford welcomed the real zero target set, they believe that the lobbying reporting could be improved with identification of misalignment between the company’s lobbying activities and its Net Zero goal.

Company management recommendation

Against

Was the vote communicated to the company ahead of the vote:

No



*Baillie Gifford voted against a ratification of the auditor
EQUINIX, Inc., May 2024*

Relevant Stewardship Priority

Business Ethics

Criteria against which this vote has been assessed as “most significant”.

This aligns with the Trustee’s stewardship priorities. It also impacts a material fund holding.

Approximate size of the mandate’s holding at the date of the vote

1.0%

How did Baillie Gifford vote?

Against

Company management recommendation

For

Rationale from Baillie Gifford

Baillie Gifford opposed the ratification of the auditor because of the length of tenure. Baillie Gifford 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 vote

The resolution passed.

Next steps

This is the second year Baillie Gifford have opposed the ratification of the auditor due to long tenure. Baillie Gifford endeavour to follow up with the company to relay our thoughts on the benefits of regularly rotating the external auditor.

Ruffer



*Ruffer voted against the request of a report on clean energy supply financing ratio
Bank of America, April 2024*

Relevant Stewardship Priority

Climate Change

Criteria against which this vote has been assessed as “most significant”.

This aligns with the Trustee’s stewardship priorities. It is also an example of Ruffer choosing to vote against its proxy voting advisor – so is relatively controversial.

Approximate size of the mandate’s holding at the date of the vote

0.2%

How did Ruffer vote?

Against

Company management recommendation

Against

Rationale from Ruffer

Ruffer voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. Ruffer believes Bank of America is committed to its Net Zero targets 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 felt a vote against this proposal was the best option rather than company itself calculating this ratio with a possibly varying methodology.

Outcome of vote

The resolution failed.

Next steps

Ruffer will continue to monitor the company.

Was the vote communicated to the company ahead of the vote:

N/A



*Ruffer voted for a shareholders resolution requesting the Board of Directors to commission an independent third-party report on human labour rights
Amazon, May 2024*

Relevant Stewardship Priority

Business Ethics

Criteria against which this vote has been assessed as “most significant”.

This aligns with the Trustee’s stewardship priorities.

Approximate size of the mandate’s holding at the date of the vote

0.6%

How did Ruffer vote?

For

Company management recommendation

Against

Rationale from Ruffer

Ruffer voted in favour of a shareholder resolution requesting the Board of Directors to commission an independent third-party report, assessing Amazon’s customer due diligence process to determine whether customers’ use of its products and services with surveillance, computer vision, or cloud storage capabilities contributes to human rights violations. Ruffer’s support for the resolution is based on the belief that such a report may highlight some concerning issues that may protect Amazon from future reputational damage.

Outcome of vote

The resolution failed.

Next steps

Ruffer will continue to monitor the company and may seek to engage if no progress is seen.

Was the vote communicated to the company ahead of the vote:

No