

Annual Implementation Statement - covering 1 January 2023 to 31 December 2023 (the “Scheme Year”)

Roquette UK Limited Retirement Benefits Scheme (the “Scheme”) - DB Section

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees of the Roquette UK Limited Retirement Benefits Scheme has been followed during the year to 31 December 2023. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator. This Implementation Statement covers the Defined Benefit (“DB”) section of the Scheme.

The table later in the document sets out how, and the extent to which, the policies in the Scheme’s SIP have been followed in respect of the DB Section.

The SIP can be found online at: roquette.com/site-search#documents

Investment Objectives of the Scheme

The Trustees’ primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

The Trustees wish to ensure that they can meet their obligations to the beneficiaries both in the short and long term.

The Trustees recognise that the investment performance of the Scheme’s assets would not normally be expected to have a direct impact on the members’ benefits. The investments can have an indirect impact on the members’ benefits only if they alter the sponsoring employer’s ability and/or willingness to continue to support the Scheme.

With that in mind, the Trustees have set specific investment objectives regarding the manner in which the primary objective of meeting their obligations to the members is to be achieved:

- To pay the Scheme benefits as they fall due and avoid any reduction in benefits if possible
- To achieve and maintain a funding level of 100% on the on-going funding basis

- To minimise risk in achieving and maintaining a 100% funding level on the on-going funding basis subject to acceptable affordability
- To pay due regard to the interests of the sponsoring employer in relation to the funding of the Scheme.

Review of the SIP

During the year to 31 December 2023, the existing SIP, signed in September 2020, remained appropriate and no updates were made. A review of the Scheme's investment strategy was ongoing over year end and the Trustees expect to update the SIP to reflect any changes to the strategic asset allocation resulting from the strategy review in 2024.

Assessment of how the policies in the SIP have been followed for the year to 31 December 2023

The information provided in this section highlights the work undertaken by the Trustees during the year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the SIP, relating to the DB section of the Scheme.

	Requirement	Policy	In the year to 31 December 2023
1	Securing compliance with the legal requirements about choosing investments	<i>The Trustees obtain advice from their investment advisor, who can provide expert advice enabling the Trustees to choose investment vehicles that can fulfil the Scheme's investment objectives. In the Trustees' opinion this is consistent with the requirements of Section 35 of the Pensions Act 1995.</i>	The Trustees confirm that advice was received from its investment advisor where required, for example for large investments and disinvestments from/to the Trustee Bank Account. There were no changes in the investment strategy during the year.
2	Kinds of investments to be held and balance between different kinds of risks	<i>The Trustees agreed to an investment strategy comprised of growth and stabilising assets.</i> <i>The growth portfolio is comprised of multi asset funds and equities. The stabilising portfolio is composed of bonds, multi asset credit funds and an LDI mandate with CT.</i> <i>The strategic asset allocation is set to achieve the expected return required within an acceptable level of risk.</i>	The Trustees aim to review the Scheme's investment strategy following any significant changes in investment policy. The basis of the Trustees' strategy is to divide the Scheme's assets between a "growth" portfolio, comprising assets such as equities and multi asset funds, and a "stabilising" portfolio, comprising assets such as bonds, multi asset credit and liability driven investments ("LDI"). The growth-stabilising allocation is set with regard to the overall required return objective of the Scheme's assets, which is determined by the funding objective and current funding level.

3	Risks, including the ways in which risks are to be measured and managed	<i>The Trustees recognise risk (both investment and operational) from a number of perspectives in relation to the DB section of the Scheme.</i> <i>Should there be a material change in the Scheme's circumstances, the Trustees will review whether and to what extent the investment arrangements should be altered, in particular whether the current risk profile remains appropriate.</i>	As detailed in Section 5 of the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. On a quarterly basis, the Trustees review the Scheme's asset allocation compared with target and may make rebalancing decisions to ensure that the overall level of risk and return is maintained.
4	Expected return on investments	<i>The Scheme's assets are expected to provide an investment return commensurate with the level of risk being taken.</i>	The investment performance report is reviewed by the Trustees on a quarterly basis. The investment performance report includes how each investment manager is delivering against their specific mandates. The manager appointment will be reviewed if there is a significant downgrade of the investment manager by Mercer's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term. Over the 3 years to 31 December 2023, the Scheme has returned -7.6% p.a. compared to a benchmark of -7.0% p.a. The underperformance was primarily due to the DGF funds.
5	Realisation of investments	<i>The Trustees' administrators will realise assets following member requests on retirement or earlier where required.</i>	The Scheme's assets are daily dealt pooled investment vehicles. The disinvestment policy for meeting benefit payments consisted of disinvesting on a structured approach to rebalance the actual allocation with the strategic allocation as far as possible.

		<i>The Trustees consider the liquidity of the investment in the context of the likely needs of members.</i>	
6	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<i>The Trustees consider financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.</i> <i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i>	The investment performance report is reviewed by the Trustees on a quarterly basis. Section 4 of the Scheme's SIP includes the Trustees' policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially. Where managers may not be highly rated from an ESG perspective the Trustees continue to monitor this area. When implementing a new manager the Trustees would consider the ESG rating of the manager and balance against the prospects of the fund achieving its objective. The investment performance report includes how each investment manager is delivering against their specific mandates.
7	The extent (if at all) to which non-financial matters are taken into account in the selection,	<i>Member views and non-financially material issues are not currently explicitly taken into account in the selection,</i>	Whilst members' views and non-financial issues are not currently explicitly factored in, the Trustees will continue to review their position on this policy.

	retention and realisation of investments	<i>retention and realisation of investments.</i>	
8	The exercise of the rights (including voting rights) attaching to the investments	<i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i>	The Trustees have delegated the exercise of voting rights to the underlying investment managers, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Trustees expect the investment managers to have produced written guidelines of their process and practice in this regard. The Trustees have equity exposure through the following funds: - Baillie Gifford – Diversified Growth Fund - LGIM – World Equity Index Fund, World Emerging Markets Equity Index Fund - Pictet – Multi Asset Portfolio Voting activity deemed by the Trustees as most significant from each of the underlying investment managers is summarised in the Appendix of this statement. Over the period covered by this statement, the Trustees have not actively challenged managers on voting activity.
9	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustees would monitor and engage with relevant	<i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i>	As the Scheme invests entirely in pooled funds, the Trustees require their investment managers to engage with the investee companies on their behalf. Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. At present, the investment advisor's ESG ratings help the Trustees to understand which managers are engaging and integrating ESG issues into

	persons about relevant matters)	<i>Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.</i>	their investment decision making and these are reviewed on a quarterly basis. The following reflects the work undertaken by managers relating ESG factors, stewardship and climate change: Payden Payden is member of multiple international initiatives and associations such as Municipal Impact Coalition (since 2018) and a CDP Signatory. CDP is a not-for-profit organization that works with investors, companies and governments to drive industrial-scale environmental disclosure on climate change, water security and deforestation. Ninety One Ninety One have been a signatory to the United Nations Principles for Responsible Investment (“UNPRI”) since 2008 and incorporate ESG factors in all their investment strategies, following a belief that ESG investing should enhance long term performance. Ninety One is an active investor, and when possible, engages with portfolio companies to encourage them to address sustainability and improve their ESG performance. As a UNPRI signatory, Ninety One’s responsible investment practices are assessed annually by the Principles for Responsible Investment team. During the year, Ninety One have committed to net-zero alignment targets for their portfolios to drive emissions reductions and ensure companies have viable Paris-aligned plans by 2030. They have also appointed a Chief Sustainability Officer to ensure alignment and oversight of all sustainability programs and initiatives at Ninety One. The UN PRI rate Ninety One A+ for strategy and governance.
--	---------------------------------	--	--

			Baillie Gifford (“BG”) BG recognises the benefits of working alongside other likeminded stakeholders on both policy and company specific matters, which can increase the influence that they can bring to bear on clients’ behalf and may be necessary in helping to achieve their own engagement objectives. This includes collective engagement with investee companies and regulators to recognize, assess and manage ESG risks and to contribute to the development of industry best practice. BG have confirmed that they are signatories of the UK’s Stewardship Code. Pictet Pictet are one of the founding members of Swiss Sustainable Finance, which is a collective organisation dedicated to strengthening Switzerland’s position as a leading voice and actor for sustainable finance. Pictet supports and actively participates in multiple international and national RI initiatives, organisations and partnerships, including Climate Action 100+ which they signed in 2018, and the Investor Initiative for Sustainable Forests (mitigating deforestation in the Amazon) and Mining & Tailings Safety Initiative (in the wake of Vale’s Brumadinho dam disaster) in 2019. Pictet have received an A+ rating from the UN PRI for strategy and governance since 2017. Legal and General Investment Management (“LGIM”) LGIM tackles inter-connected ESG issues that materially impact the value of clients’ assets. Regular monitoring of companies assists them in identifying change. In the case of unsuccessful engagements the team
--	--	--	---

			will assess where problems arose and what new approach can be employed. LGIM have confirmed that they are a signatory of the UK Stewardship Code.
10	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005	The Platform provider and the investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. None of the investment managers, currently appointed by the Scheme, receive a performance based fee. <i>SIP Section 3</i>	Over the period the Trustees believed that the appointments with its investment managers were consistent with its long-term objectives and no changes were made.
11	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their	The Trustees do not select investment managers / funds with a view to holding these for a pre-specified time period. Instead, these are selected with a view to how these fit with and assist the Trustees in meeting their long-term strategic objectives. An investment manager / fund will only be replaced if: • The strategic objectives of the Scheme change such	The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which present performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers' stated target performance (over the relevant time period) on a net of fees basis. The reports also provide returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance. The Trustees' responsibilities include assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Advisor.

	performance in the medium to long-term.	that the offering provided by the investment manager / fund is no longer appropriate in context of the Trustees achieving their long-term strategic objective; • The objective(s) of the investment manager / fund changes such that is no longer fitting with the long-term strategic objectives of the Trustees; or, • The Mercer Manager Research Team's ("MMRT") future expectations on the likelihood of the investment manager / fund achieving its performance objective(s) has deteriorated. <i>SIP Section 3</i>	
12	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies required under sub-	<i>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</i> <i>Investment managers are remunerated by ad valorem charges based on the value of</i>	The Trustees have considered the long term investment performance of the investment managers as part of the monitoring assessment, as well as their investment advisor's views of the investment managers, and were comfortable that the longer term performance and forward-looking capabilities were suitable over the year covered by this statement. The Trustees are satisfied that the investment fund managers' short term performance does not impact long-term goals. In particular, none of the funds have performance fees in place, which could encourage managers to

	paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].	<i>the assets that they manage on behalf of the Scheme.</i> <i>The Trustees receive quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers' stated target performance (over the relevant time period) on a gross of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.</i> <i>SIP sections 3 & 6</i>	make short term investment decisions to hit their short term profit targets at the expense of longer term performance.
13	How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<i>The Trustees do not currently monitor portfolio turnover costs for the funds in which the Scheme is invested. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending, or borrowing of investments.</i>	N/A

		<i>Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme, but are aware of the requirement to define and monitor targeted portfolio turnover costs and range.</i> <i>SIP section 6</i>	
14	The duration of the arrangement with the asset manager.	<i>The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis.</i> <i>SIP section 2</i>	All of the invested funds are open-ended with no set end date for the arrangement. There were no changes to manager appointments over the year covered by this statement.

Investment Manager Voting Summary

The Scheme is invested in multi-client pooled funds therefore the Trustees do not have direct voting rights in relation to the Scheme's investments. The Trustees have effectively delegated their voting rights to their investment managers. The Trustees have not been asked to vote on any specific matters over the Scheme year covered by this statement. Nevertheless, this statement sets out a summary of the key voting activity carried out on behalf of the Trustees by the investment managers of the multi-client pooled funds for which voting is possible (i.e., all funds which include equity holdings). The Trustees do not use the direct services of a proxy voter.

The Trustees have classified "most significant votes" as any vote which concerns **Climate Change** e.g. a vote on a company's carbon disclosures or low-carbon transition, where the **Size** of the holding is >1% of the fund. Where applicable, examples of such significant votes are summarised in the table below:

Voting Summary

Manager / Fund	Proxy voter used?	Votes cast		
		Votes in total	Votes against management endorsement	Abstentions
Baillie Gifford Diversified Growth Fund	ISS - cognisant of proxy advisers' voting recommendations Glass Lewis - cognisant of proxy advisers' voting recommendations	665 (of 703 eligible)	2.71%	0.3%
LGIM World Equity Index Fund	ISS – for recommendations & voting platform.	37,776 (of 37,810 eligible)	20.93%	0.13%
LGIM World Emerging Markets Equity Index Fund	ISS – for recommendations & voting platform.	33,998 (of 34,029 eligible)	18.6%	0.9%
Pictet Multi Asset Portfolio	ISS – for monitoring meetings data and voting schedules	304 (of 304 eligible)	61.9%	0%

Significant Votes

Manager / Fund	Company	Date	Why it is significant	Size of holding (% fund)	Summary of resolution	Vote cast	If against management, was intention communicated?	Rationale for voting decision	Outcome	Next steps
LGIM World Emerging Markets Equity Index Fund	Tencent Holdings Limited	May 17 th 2023	This resolution is significant because it is applied under the Climate Impact Pledge, and the size of the holding is greater than 1%.	4.2%	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director	Against	No	The company is deemed to not meet minimum standards with regard to climate risk management.	Pass (88.4%)	LGIM will continue to engage with the company and monitor progress.
LGIM World Emerging Markets Equity Index Fund	China Construction Bank Corporation	June 29 th 2023	This resolution is significant because it is applied under the Climate Impact Pledge, and the size of the holding is greater than 1%.	1.0%	Resolution 7 - Elect Tian Guoli as Director	For	No	The company is deemed to not meet minimum standards with regard to climate risk management.	Pass (97.5%)	LGIM will continue to engage with the company and monitor progress.
Pictet Multi Asset Portfolio	Microsoft	Dec 2023	This resolution is significant because it is in relation to climate risk reporting and the holding is greater than 1%.	2.0%	Report on Climate Risk in Retirement Plan Options	For	No	The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.	Fail (8.9%)	Pictet noted the outcome and will continue to monitor and engage with the Company.

There were no votes cast over the Scheme year in the LGIM World equity fund or Baillie Gifford DGF that met the Trustees' definition of "most significant". There were no investments with voting rights held in the LGIM Index-linked Gilts, CT LDI (Real) or Ninety One Multi-Asset credit funds.