

Cameron Defined Contribution Plan

Implementation Statement

September 2021

Table of Contents

Section 1 : Introduction	3
Section 2 : SIP review / changes.....	4
Section 3 : Adherence to the SIP	5
Section 4 : Voting and engagement	8

Section 1: Introduction

This document is the annual Implementation Statement (“the Statement”) corresponding to the Cameron Defined Contribution Plan’s Statement of Investment Principles (“SIP”) covering the “Plan Year” from 6 April 2012 to 5 April 2021.

The purpose of this statement is to:

- Detail any reviews of the SIP the Trustees undertook during the Plan Year, including the reasons for any changes made to the SIP over the year.
- Set out the extent to which, in the opinion of the Trustees, the SIP was followed during the Plan Year.

The Cameron Defined Contribution Plan has a wide range of investments; therefore the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

Section 2: SIP review / changes

The SIP was reviewed and updated during the Plan Year, with a revised version being adopted as at August 2020.

The revised version reflects the following changes:

- Update to the description of the Default Lifestyle Strategy
- An explanation of the Aviva Pension BlackRock Institutional Sterling Liquidity Fund becoming classified as a regulatory default arrangement after the Trustees asked Aviva to temporarily redirect member contributions into the fund following the suspension of the Aviva Pension LGIM Hybrid Property Fund.
- Updated asset class expected returns based on latest market expectations

The changes also reflected the Trustee's policies in relation to the new Department for Work and Pensions (DWP) regulations under section 2 of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 coming into force from 1 October 2020, which require Trustee Boards to:

- Set out their policy in relation to their arrangements with their asset managers. This policy must set out the following matters, or explain the reasons as to why the following matters are not set out:
 - how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees' investment policies
 - how that 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 performance in the medium to long-term
 - 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 trustees' investment policies
 - how the trustees monitor "portfolio turnover costs" incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range
 - the duration of the arrangement with the asset manager.

Section 3: Adherence to the SIP

The Trustees consider that the policies outlined in the SIP have been adhered to during the Plan Year. The remainder of this Statement sets out details of how this has been achieved and these details relate to those parts of the SIP which set out the Trustees' policies, and not those which are statements of fact.

The SIP comprises the following sections:

1. Introduction
2. Overall policy
3. Day-to-day management of the assets
4. Sustainable investment and stewardship
5. Arrangements with Investment Managers
6. Compliance with this SIP

1. Introduction

These paragraphs provide relevant introductory and background comments rather than setting out any policies

2. Overall policy

2.1 Investment Objective

The Trustees seek to provide members with a diversified range of investment options of appropriate liquidity which will generate income and capital growth which, together with contributions from the members and the Company, will provide pension savings at retirement with which retirement income can be secured.

The Trustees recognise the different return requirements and risk tolerance of members depending on their time to retirement. The Trustees also recognise that some members will have different levels of risk tolerance regardless of their time to retirement.

2.2 Risk

This section provides an overview of the broad range of risks recognised by the Trustees which could ultimately lead to members accumulating insufficient assets to finance their desired level of consumption in retirement.

The Trustees consider these risks when reviewing the range of investment options (lifestyle options and self-select funds) to measure their effectiveness and to ensure the options remain appropriate.

2.3 Investment strategy

To meet the objectives and risks identified in 2.1 and 2.2, over the Plan Year, the Trustees offer members a range of lifestyle options and self-select funds, giving members a diversified range of investment options to meet a range of investment needs and risk/return objectives.

- Three lifestyle options comprising four underlying investment funds. The Default Lifestyle Strategy targets annuity purchase at retirement whilst the alternative options target cash withdrawal and drawdown at retirement.
- A range of eight self-select investment funds

The latest investment strategy review was completed during the Plan Year. The review considered likely member retirement behaviour to inform the range of investment options offered and appropriate default design. The review also considered the expected risk and return characteristics of the lifestyle options to assess the overall balance between risk and return over time relative to the stated objective of each option.

Following the review, the Trustees considered making some changes to the default investment option and the global equity fund, however the changes were deferred due to the transfer of deferred members to the Scottish Widows Master Trust. Therefore no changes were made to any of the investment options during the Plan Year and the Trustees will communicate with members ahead of implementing any changes.

2.4 Expected return

The section states objective factual information.

3. Day-to-day management of the assets

3.1 Main assets

This is a description of the characteristics of the investment funds offered.

3.2 Realisation of investments

This is a statement of fact

3.3 Monitoring the investment managers

The Trustees monitor the performance of all investment funds via a quarterly investment performance report produced by their investment consultant and presentations from their investment managers. The performance report provides the Trustees with an assessment of performance for all funds and latest views on the Plan's investment managers.

The Trustees also evaluate the investment options as part of their annual Value for Members assessment, which provided assurance of Good value on this issue.

The investment consultant will inform the Trustees of any key developments outside of the regular quarterly reporting cycle and the Trustees have sought advice from the Plan's investment consultant throughout the year including at Trustee meetings.

4. Sustainable investment and stewardship

The Trustees' investment consultant considers stewardship, engagement and sustainable investing factors as part of its investment manager research and assessment process which contributes to the Trustees' consideration of all financially material risks in setting investment strategy. The investment consultant allocated strong ratings to all of the Plan's investment managers.

Integration of sustainable investment and stewardship matters by the Plan's investment managers were considered as part of the investment review completed during the Plan Year. The Trustees will consider more sustainable investment reporting of all its investment managers going forward.

5. Arrangements with Investment Managers

This section sets out the investment manager's responsibilities and the Trustees' new policies in relation to the new regulations which came into force from 1 October 2020 and require Trustee Boards to set out specific aspects of their policy in relation to their arrangements with their investment managers.

The Trustees have a long-standing relationship with their investment managers and monitor them on an ongoing basis through regular reporting received from their investment consultant.

One of the new policies states the Trustees' approach to reviewing portfolio turnover and associated costs of the Plan's underlying investment funds. The Trustees review costs and charges reporting in preparing the annual DC Chair's Statement and Value for Members assessment and will engage with their investment managers to look to extend this going forward.

6. Compliance with the SIP

The regular monitoring activities of the investment range have been commented on above and this covers the elements outlined in this section. The next triennial investment strategy review is due to commence in late 2022.

The Trustees review the SIP on a regular basis and follow all regulatory responsibilities.

Section 4: Voting and engagement

This section sets out the voting activities of the Plan's equity investment managers over the Plan Year. The Trustees have not set any specific guidelines around manager voting.

The Trustee invests in pooled investment funds and as set out in the SIP, the Trustee's policy is to delegate the day to day sustainable investment considerations (including environment, social and governance factors) and stewardship activities (including voting and engagement) to the investment managers.

The investment managers have their own voting policies which determine their approach to voting, and the principles they follow when voting on investors' behalf. The investment managers also use proxy voting advisors which aid in their decision-making when voting and details are summarised below.

Manager	Use of proxy advisor services
BlackRock	<p>BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis which contribute to, but do not determine, BlackRock's voting decisions which are made by the BlackRock internal stewardship team.</p> <p>BlackRock uses proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship team can readily identify and prioritise those companies where BlackRock's own additional research and engagement would be beneficial. They do not follow any single proxy research firm's recommendations.</p>
LGIM	<p>LGIM's Investment Stewardship team uses Institutional Shareholder Services' (ISS) electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource the strategic decision.</p> <p>LGIM use ISS recommendations to augment their own research. LGIM's internal investment stewardship team also use 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.</p> <p>LGIM have a custom voting policy in place which includes specific voting instructions which apply to all markets globally. LGIM have the ability to override any vote decisions which are based on this custom voting policy if they see fit.</p>
Schroders	<p>Schroders receive research from both Institutional Shareholder Services (ISS) and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies they are also informed by company reporting and engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.</p> <p>It is important to stress that their own research is also integral to the final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their views and better understand the corporate context.</p> <p>Schroders continue to review their voting practices and policies during their ongoing dialogue with portfolio managers. They believe this has led them to raise the bar on what they consider 'good governance practice'.</p>

The below table sets out the Investment Managers voting activity over the Plan Year:

Fund	Voting activity
BlackRock Global Equity (30:70) Currency Hedged Fund	<p>Number of resolutions on which manager was eligible to vote: 60,907</p> <p>Percentage of eligible votes cast: 95.66%</p> <p>Percentage of votes with management: 92.72%</p> <p>Percentage of votes against management: 7.26%</p> <p>Percentage of votes abstained from: 1.54%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A</p>
BlackRock UK Equity Index Fund	<p>Number of resolutions on which manager was eligible to vote: 11,044</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 94.87%</p> <p>Percentage of votes against management: 5.13%</p> <p>Percentage of votes abstained from: 0.65%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A</p>
BlackRock ALMA Fund	<p>Number of resolutions on which manager was eligible to vote: 28,532</p> <p>Percentage of eligible votes cast: 94.27%</p> <p>Percentage of votes with management: 91.12%</p> <p>Percentage of votes against management: 8.88%</p> <p>Percentage of votes abstained from: 2.39%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A</p>
LGIM Hybrid Property Fund	<p>Number of resolutions on which manager was eligible to vote: 4,121</p> <p>Percentage of eligible votes cast: 99.83%</p> <p>Percentage of votes with management: 82.84%</p> <p>Percentage of votes against management: 16.80%</p> <p>Percentage of votes abstained from: 0.36%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 0.34%</p>
Schroder QEP Emerging Markets Equity Fund	<p>Number of resolutions on which manager was eligible to vote: 6,653</p> <p>Percentage of eligible votes cast: 99.8%</p> <p>Percentage of votes with management: 89.1%</p> <p>Percentage of votes against management: 10.9%</p> <p>Percentage of votes abstained from: 0.2%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3.1%</p>

The following table provides a sample of significant votes cast by the Plan's investment managers on behalf of the Trustees' over the year. Given there is no definition of what constitutes a significant vote, the Trustee has decided to include examples of significant votes for constituents of the default investment option.

BlackRock Investment Stewardship periodically publish detailed explanations of specific key votes in "vote bulletins" which can be found by following this link <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>. There were 54 vote bulletins covering the Plan Year. These bulletins are intended to explain their vote decision, including the analysis underpinning it and relevant engagement history when applicable, on certain high-profile proposals at company shareholder meetings. BlackRock make this information public shortly after the shareholder meeting, so investors can be aware of their vote determination when it is most relevant to them. BlackRock consider these vote bulletins to contain explanations of the most significant votes for the purpose of the Shareholder Rights Directive II.

Significant vote cast	Coverage
<p><u>Company: The Boeing Company</u></p> <p><u>Meeting date: April 2020</u></p> <p>Manager Resolutions: Re-election of four directors</p> <p>Company management recommendation: For Manager Resolutions</p> <p>How the manager voted: Against Manager Resolutions</p> <p>Rationale: BlackRock voted against the manager resolutions to re-elect the four Board members due to the Board's failure to exercise sufficient oversight of management strategy and corporate culture, which contributed to the fatal 737 MAX crashes. BlackRock also voted AGAINST six related shareholder proposals as the company has appropriate policies and reporting to address the issues covered by the proposals.</p>	<p>BlackRock Global Equity (30:70) Currency Hedged Fund</p>
<p><u>Company: Chevron Corporation</u></p> <p><u>Meeting date: May 2020</u></p> <p>Shareholder Resolution: Report on Climate Lobbying Aligned with Paris Agreement Goals</p> <p>Company management recommendation: Against Shareholder Resolution</p> <p>How the manager voted: Against Manager Resolutions and For Shareholder Resolution</p> <p>Rationale: BlackRock voted for the shareholder resolution as greater transparency into the company's approach to political spending and lobbying as aligned with their stated support for the Paris Agreement will help articulate consistency between private and public messaging in the context of managing climate risk and the transition to a lower-carbon economy</p>	<p>BlackRock Global Equity (30:70) Currency Hedged Fund</p>

Significant vote cast	Coverage
<p><u>Company: Exxon Mobil Corporation</u></p> <p><u>Meeting date: May 2020</u></p> <p>Manager Resolutions: Re-election of two directors</p> <p>Shareholder Resolution: Require independent Board Chair</p> <p>Company management recommendation: For Manager Resolutions and Against Shareholder Resolution</p> <p>How the manager voted: Against Manager Resolutions and For Shareholder Resolution</p> <p>Rationale: BlackRock voted against the manager resolution because of insufficient progress on TCFD aligned reporting and related action and for failure to provide investors with confidence that the Board is composed of the appropriate mix of skillsets and can exercise sufficient independence from the management team.</p> <p>BlackRock voted for the shareholder resolution on account of their belief that the Board would benefit from a more robust independent leadership structure</p>	<p>BlackRock Global Equity (30:70) Currency Hedged Fund</p> <p>BlackRock UK Equity Index Fund</p>