Compass Minerals UK Limited Defined Benefit Pension Plan

Implementation Statement

For the year ended 5 April 2023

Introduction

This Implementation Statement (the "Statement") has been prepared by the Trustees (the "Trustees") of the Compass Minerals UK Limited Defined Benefit Pension Plan (the "Plan") to demonstrate how the Trustees have acted on certain policies within the Statement of Investment Principles ("SIP").

This Statement covers the Plan year from 6 April 2022 to 5 April 2023 and has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit investments held by the Plan.

Trustees of pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including (where applicable) a description of their voting behaviour, the most significant votes cast and any use of proxy voting on their behalf over the year.

SIP Policies

This Statement should be read in conjunction with the Plan's SIPs covering the year under review, which provides details of the Plan's investment policies along with details of its governance structure and objectives.

The Plan's SIP includes policies on:

- How "financially material considerations" including environmental, social and governance ("ESG") considerations are taken into account when making investment decisions for the Plan.
- The extent to which non-financial matters are taken into account in the investment decision-making process.
- Stewardship and voting policy, including details on monitoring, and engaging with the investee companies in which they invest (and other relevant stakeholders) on relevant matters (including performance, strategy, capital structure, the management of actual or potential conflicts of interest, risks, and governance (including corporate governance), social and environmental issues concerning the Trustee's investments)
- A policy on monitoring the Plan's asset managers, particularly concerning financial arrangements and ESG. factors.
- A policy covering the duration of arrangements with the Plan's investment manager.

Over the year to 5 April 2023, the Trustees updated the SIP in July 2022 to reflect changes to the investment strategy, The allocation to growth assets was reduced but this de-risking did not change the fund that the growth allocation is invested in or change the policies on investment stewardship that were part of the of previous SIP. As such there has been no changes to the policies listed above over the year.

This Statement reviews the voting and engagement activities covering the 12-month period to 5 April 2023 and the extent to which the Trustees believe the policies within the SIP have been followed.

The Plan was invested in pooled funds managed by Schroders (the "Investment Manager") over the year under review to 5 April 2023. It is therefore the Investment Manager that is responsible for the policies on taking ESG considerations into account in the selection, retention and realisation of investments within the pooled investment vehicles and for the exercise of rights (including voting rights) attaching to these investments.

The Trustee's policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Plan's interests in the investments.

The Trustees expect the Investment Manager to engage with investee companies (and other relevant persons including, but not limited to, investment managers, and issuers/other holders of debt and equity and other stakeholders) on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustee's investments. The Trustees believe that such engagement will protect and enhance the long-term value of its investments.

Description of Equity Voting Behaviour

The Plan invests in pooled funds, which means that the responsibility for exercising the voting rights of the shares held by the Plan sits with the Investment Manager, Schroders. The Plan's voting behaviour over the year to 5 April 2023 is summarised below.

The pooled fund investment held by the Plan which carried voting rights during the year was:

- The Schroders Life Diversified Growth Fund from 6 April 2022 to 5 April 2023;

Schroders manage over £746 billion in assets, and use their resulting influence as investors, focussing their votes and engagement with organisations on climate change, inequality, diversity, and ESG integration.

The table below shows Schroders' voting summary covering the Plan's investment in the Diversified Growth Fund over the year to 31 March 2023. Schroders' were unable to provide voting data for exact dates, with the Investment Manager only providing annual data to quarter ends. As such, the most applicable one year period has been included.

Voting summary	1 April 22 – 31 March 23	
Voting Meetings Attended	1,270	
Proposals Eligible to Vote on	15,662	
Proposals Voted On	95.3%	
Votes WITH Management		89.9%
Votes AGAINST Management		10.1%
Abstentions		0.0%
Meetings Voted AGAINST Management at least once	4.4%	
Votes AGAINST Proxy Advisor Recommendation	1.7%	

Schroders note that figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Proxy Voting

The Trustees did not employ a proxy-voting service during the year to 5 April 2023.

Schroders reported that they currently use ISS as one of their service providers to process proxy voting in all markets. Schroders Corporate Governance specialists assess each proposal and apply Schroders voting policy and guidelines (as outlined in their ESG policy). The Corporate Governance team are supported by external research, such as the Investment Association's Institutional Voting Information Services, and Schroders Sustainable Investment analysts.

ISS automatically votes all holdings where Schroders owns less than 0.5% of the voting rights excluding merger, acquisition and shareholder resolutions.

How Voting and Engagement Policies Have Been Followed

As set out in the SIP, the Trustees expect the Investment Manager to engage with investee companies on aspects such as performance, strategy, risks, corporate governance, management of actual or potential conflicts of interest, capital structure, and social and environmental issues concerning the Trustees' investments.

The Trustees met during the year to discuss performance of the funds and to receive updates on important issues. The Trustees also received ongoing advice and guidance from their advisers on ESG and Stewardship and continue to agree the Plan's policies in relation to these. One of the Trustees main focuses has been on these two issues, and they have been discussed with their investment advisors.

Significant Votes

Schroders has provided details of its voting actions including a summary of the activity covering the reporting year up to 31 March 2023. The Trustees have adopted the manager's definition of significant votes and have not set stewardship priorities.

Schroders has explained that they consider a significant vote to be one where they vote against the board's recommendation.

Schroders has provided examples of votes it deems to be significant, and the Trustees has shown example votes that align with order of significance found below. To confirm, in the examples listed below the Trustees would have expected Schroders to have voted against management as per Schroders definition of significant vote.

The Trustees do not currently have a stewardship policy, however, have selected these examples based on the belief that all votes against management should be classified as a significant vote. However, the Trustees believe resolutions related to certain topics carry particular significance. The Trustees therefore rank the significance of the votes against management, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of our holding.

Example 1: Schroders Life Diversified Growth Fund	
Vote Details	Royal Bank of Canada, 7 April 2022
Approximate size of fund's holding as at date of vote	Schroders was unable to provide the size of the fund's holding as at the date of vote
Rationale for significance	The Trustees believe that all votes against management should be classified as a significant vote. However, the Trustees believe resolutions related to certain topics carry particular significance. The Trustees therefore rank the significance of the votes against management, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of our holding.
Voting decision	Schroders voted for the adoption of an Annual Advisory Vote Policy on the Bank's Environmental and Climate Change Action Plan and Objectives, with management voting against this.
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular, if Schroders are a large shareholder or if they have an active engagement on the issue. Schroders always inform companies after voting against any of the board's recommendations.
Rationale for the voting decision	The company was asked to establish an annual advisory vote policy regarding its environmental and climate change targets and action plan. Schroders welcome additional mechanisms for shareholders to hold the board accountable for its management of climate risk and contribution to the transition to a low carbon economy. As such, Schroders supported the proposal.
Vote outcome	Fail
Next Steps	Schroders did not provide any further information on the lessons learned or next steps. Schroders monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or our other engagement work, they may escalate their concerns by starting, continuing or intensifying an engagement. As part of this activity, the Investment Manager may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.

Example 2: Schroders Life Diversified Growth Fund

Vote Details	Amazon.com, Inc., 25 May 2022
Approximate size of fund's holding as at date of vote	Schroders was unable to provide the size of the fund's holding as at the date of vote
Rationale for significance	The Trustees believe that all votes against management should be classified as a significant vote. However, the Trustees believe resolutions related to certain topics carry particular significance. The Trustees therefore rank the significance of the votes against management, firstly by management say on climate votes, secondly environmental and social shareholder resolutions, thirdly any shareholder resolutions and finally by the size of our holding.
Voting decision	Schroders voted for the commission of a third party report assessing the company's human rights due diligence process, with management voting against this.
Where the Investment Manager voted against management, did the Investment Manager communicate the intent to the company ahead of the vote?	Schroders may tell the company of the intention to vote against the recommendations of the board before voting, in particular, if Schroders are a large shareholder or if they have an active engagement on the issue. Schroders always inform companies after voting against any of the board's recommendations.
Rationale for the voting decision	Shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks.
Vote outcome	Fail
Next Steps	Schroders did not provide any further information on the lessons learned or next steps. Schroders monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If they think that the company is not sufficiently responsive to a vote or our other engagement work, they may escalate their concerns by starting, continuing or intensifying an engagement. As part of this activity, the Investment Manager may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.

Engagement with Investee Companies

Exercising equity voting rights (including those related to the Plan's investment in the Schroder Life Diversified Growth Fund) is not the only method of influencing behaviours of investee companies. Non-equity investments can also be subject to engagement activities but these investments do not carry voting rights.

The Trustees expect the Investment Manager to engage on their behalf to influence the underlying investee companies in respect of the ESG and stewardship matters outlined above.

At a firm level, Schroders states that it places a large focus on sustainability and has developed a number of ESG principles and practices that are core to its investment processes and operations across the business and include compliance with the UK Stewardship Code and the United Nations Principles for Responsible Investment. Schroders also states that it places a core focus on engagement, with investment selection being only the first step and active engagement with companies being key to promoting sustainable business practices and helping them to manage long-term risks.

In order to track ESG progress, Schroders has developed the Schroders Sustainability Accreditation Framework to formally recognise investments that have successfully integrated ESG into investment decision and identify any that have not, in order to further engage with. Schroders has also developed a set of proprietary ESG tools and includes the CONTEXT and SustainEx tools which scientifically combine measures and data of both the harm and the good companies can do to stakeholders and wider society.

Schroder'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 clients.

Over the 12 months to 31 December 2022, Schroders undertook over 2,800 engagements with over 1,099 entities. Some engagements cover multiple topics and Schroders have provided the following summary of substantial engagements:

- 885 on environmental topics;
- 416 on social topics;
- 460 on governance issues on other topics including finance and strategy.

The table below summarises the engagements undertaken on a fund-by-fund basis. Data was available for the Schroder Life Diversified Growth Fund over the year to 31 March 2023. Overall, the Investment Manager carried out 893 engagement events, with 1,534 topics discussed.

	Climate Change	Corporate Governance	Human Rights	Human Capital Management	Nature Capital & Biodiversity	Diversity & Inclusion
Diversified Growth Fund	59%	17%	9%	7%	5%	3%

Extent to which Trustees Policies Have Been Followed

Having reviewed the actions taken by the Investment Manager over the year, the Trustees believe that their policies on stewardship and engagement have been implemented appropriately over the year and in line with their views as stated in the Plan's SIP. The Trustees will continue to monitor the actions taken on its behalf each year.

If the Investment Managers deviate substantially from the Trustees' stated policies, the Trustees will initially engage and discuss this with Investment Manager, and if the Trustees still believe the difference between its policies and Investment Manager's actions are material, the Trustees will consider terminating and replacing the mandate if necessary.

November 2023

For and behalf of the Trustees of the Compass Minerals UK Limited Defined Benefit Pension Plan

Compass Minerals UK Limited Defined Benefit Pension Plan

Statement of Investment Principles – July 2022

1. Introduction

The Trustees of the Compass Minerals UK Limited Defined Benefit Pension Plan (the "Plan") have drawn up this Statement of Investment Principles ("the Statement") to comply with the requirements of the Pensions Act 1995 ("the Act") and subsequent legislation. The Statement is intended to affirm the investment principles that govern decisions about the Plan's investments. A separate document detailing the specifics of the Plan's investment arrangements are set out in a separate Investment Policy Implementation Document (IPID).

In preparing this Statement the Trustees have consulted the Sponsoring Employer to ascertain whether there are any material issues of which the Trustees should be aware in agreeing the Plan's investment arrangements.

2. Process for Choosing Investments

The process for choosing investments is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives set.
- Construct a portfolio of investments that is expected to maximise the return (net of all costs) given the targeted level of risk.

In considering the appropriate investments for the Plan the Trustees have obtained and considered the written advice of Ashley Kneale Consultancy Ltd, whom the Trustees believe to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

3. Investment Objectives

The Trustees' objective is to invest the Plan's assets in the best interests of the members and beneficiaries, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. Within this framework the Trustees' primary objectives are as follows:

- To reach a position where the assets of the Plan are sufficient to enable the full benefits of all members, dependants and other beneficiaries to be purchased by an insurance company in the future.
- To achieve and maintain a funding level of 100% on the ongoing funding basis

- To minimise risk in achieving and maintaining a 100% funding level on the ongoing basis subject to acceptable affordability

- To ensure that the Plan's assets are invested in a manner which will enable the Trustees to achieve their underlying funding objective, given the level of Company contributions.

- To ensure its investment managers take account of environmental, social and governance (ESG) factors where they may be financially material, considering the nature and time horizon of the investments.

- To ensure the suitability of assets in relation to the needs of the scheme.

- The expected return on the scheme assets is maximised whilst managing and maintaining investment risk at an appropriate level.

4. Risk Management and Measurement

There are various risks to which any pension plan is exposed. The Trustees' policy on risk management is as follows:

- The primary risk upon which the Trustees focus is that arising through a mismatch between the Plan's assets and its liabilities.

- The Trustees recognise that whilst increasing risk increases potential returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover the Plan's accruing liabilities as well as producing more short-term volatility in the Plan's funding position.

- The Trustees recognise the risks that may arise from the lack of diversification of investments and exposure from a mismatch of assets and scheme liabilities. With this primary thought in mind the Trustees initially sought to match assets against liabilities, utilising a Liability Driven Investment technique (LDI) via one investment manager (Schroder Pension Management Limited), and further changed to a Cash Driven Investment approach (CDI) designed to de-risk the strategy in incremental stages towards a final true "self Sufficiency Strategy.

- The contractual document governing these arrangements (Schroder Flight Path Swift Direct Contract) include guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan. The manager is prevented from investing in asset classes outside their mandate without the Trustees' prior consent.

- The Schroder Flight Path Swift arrangements allow on-line daily funding level monitoring and implementation by the Trustees and the Scheme Investment Manager. This will help the Trustees to routinely check that nothing has occurred that would bring into question the continuing suitability of the current investments. The Trustees meet periodically with the Plan's investment manager and receive regular reports from the investment manager.

- The safe custody of the Plan's assets is delegated to Schroder Pension Management Limited, a professional custodian.

The Trustees will monitor these risks as part of the ongoing monitoring of the Plan's progress to the underlying funding objective. In addition, the Trustees will engage in regular dialogue with the Company to ensure that all parties are aware of the risks as they evolve.

5. Investment Strategy

The Trustees' investment strategy is determined with the help of their advisers and in consultation with the employer.

When deciding how to invest the Scheme's assets, the Trustees consider several risks. Some of these risks are more quantifiable than others, but the Trustees have tried to allow for the relative importance and magnitude of each risk.

The Trustees have considered a wide range of asset classes for investment, taking account of the expected returns and key individual risks associated with those asset classes as well as how these risks can be mitigated where appropriate.

In setting the investment strategy, the Trustees consider:

- The Scheme's investment objectives, including the target return required to meet the Trustees' investment objectives.

- The best interests of all members and beneficiaries.

- The circumstances of the Scheme, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term) and the funding level.

- An assessment of the strength of the covenant of the sponsoring employer and expected contributions.

- The risks, "net of fee" rewards and suitability of a number of possible asset classes and investment strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken.

- The need for appropriate diversification between different asset classes to ensure that both the Scheme's overall level of investment risk and the balance of individual asset risks are appropriate.

- Any other considerations which the Trustees consider financially material over the time horizon that they consider is needed for the funding of future benefits by the investments of the Scheme.

- The views of the sponsoring employer; and

- The Trustees' investment beliefs.

The Trustees' key investment beliefs, which influenced the setting of the investment arrangements, are as follows:

- Asset allocation is the primary driver of long-term returns.

- Risk-taking is necessary to achieve return, but not all risks are rewarded.

- Equity, credit, and illiquidity are the primary rewarded risks; investment markets are not always efficient and there may be opportunities for good active managers to add value.

- ESG factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors.

- Long-term environmental, social, and economic sustainability is one factor that should be considered when making investment decisions: and

- Costs have a significant impact on long-term net performance and therefore obtaining value for money from the investments is important.

6. Implementation of investment manager arrangements

Before investing in any manner, the Trustees obtain and consider proper written advice from their investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments. Details of the investment managers are set out in a separate Investment Policy Implementation Document ("IPID").

The Trustees have a signed agreement with the investment manager, setting out in detail the terms on which the portfolios are to be managed. The investment manager's primary role is the day-to-day investment management of the Scheme's investments.

The Trustees and investment managers to whom discretion has been delegated, exercise their powers to giving effect to the principles in this SIP, so far as is reasonably practicable.

The Trustees have limited influence over the investment manager's investment practices because all the assets are held in pooled funds, but they encourage their investment managers to improve their practices where appropriate.

The Trustees' view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensures they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the fund.

However, in practice investment managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

It is the Trustees' responsibility to ensure that the investment managers' investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustees expect investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. They assess this when selecting and monitoring managers.

The Trustees evaluate investment manager performance by considering performance over both shorter and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of an investment manager's appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustees would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustees' policy is to evaluate their investment managers by reference to their individual performance as well as the role they play in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each investment manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustees expect their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

7. Portfolio Construction

The Trustees have adopted the following control framework in structuring the Plan's investments:

- Effective August 2019 the Trustees moved to adopt a single manager appointment with Schroder Pension Management Limited utilising their Schroder Flight Path Swift Direct Contract focused on a Liability Driven Investment technique (LDI).

- At the total Plan funding level, the asset allocation will be split 50% matching assets and 50% growth assets. Together with a target liability coverage of 100%

- Investment via the Tailored LDI portfolio will attempt to match the plan's liabilities, in a range of different Gilt Funds (both normal and index linked as well as physical and synthetic). This aims to achieve a tailored approach best matching the liability exposure to interest rate and inflation movement.

- Investment via Schroders DGF (growth assets) will be across a range of asset classes with the aim of achieving equity like returns with lower volatility over the medium to long term.

- Effective Feb 2022 the Trustees instructed Schroders to implement a Cash Driven Investment approach to assist with consolidating the Scheme Funding position and commence de-risking the strategy (Final Target being a low dependency / self sufficiency position giving an opportunity for a Full and Final But-Out with an insurance company).

- At the Plan Funding Level, the asset allocation was to be split 40% Growth Assets and 60% matching Liability Driven Investments Assets with the intention to further reduce Growth Assets incrementally to zero and achieve 30% Matching LDI and 70% Buy and Maintain Credit.

- No investment is to be made in securities issued by the Plan's Sponsoring Employer or affiliated companies.

- No investment is to be made by Schroder Pension Management Limited in the securities issued by the Schroder Group or any affiliated companies.

- Borrowing is not permitted except as to cover short term liquidity requirements.

8. Day-to-day Management

As permitted by section 34(2) of the Pensions Act 1995, the Trustees delegate the day to day management of the assets of the scheme as follows:

A Schroders Flight Path Swift Direct Contract was exchanged between Schroder Pension Management Limited and the Trustees of the CMUK DB Pension Plan effective 2 July 2019.

An amendment to the Flight Path Swift Direct Contract dated 16 Feb 2022 was exchanged to amend the allocation to Growth Assets and Matching Assets for the new investment phase of the Flight Path Swift Contract.

Schroders will have absolute authority on a day-to-day basis to affect all allocations and switches in accordance with Part B Schedule I, including but not limited to switching assets between and within the Matching Assets and the Growth Assets.

It is the responsibility of the Trustees taking advice as it considers appropriate to keep under regular review the Flight Path Framework and to notify Schroders in the event it ceases to be suitable for the pension scheme.

Schroder Pension Management Limited is regulated by the Financial Conduct Authority. The Trustees have taken steps to satisfy themselves that Schroders, being an insurance undertaking, has the appropriate knowledge and experience for managing the Plan's investments and that they are carrying out their work competently.

The Trustees regularly review the continuing suitability of the Plan's investments.

Further details of the appointed manager can be found in a separate document produced by the Trustees entitled "Investment Policy Implementation Document (IPID)", which is available to members upon request.

9. Expected Return

The Trustees expect to generate a return, over the long term, in line with that of the actuarial assumptions under which the funding plan has been agreed. It is recognised that over the short term, performance may deviate significantly from the long-term target.

10. Additional Assets

Under the terms of the Trust Deed, the Trustees are responsible for the investment of Additional Voluntary Contributions that have been paid by members. The Trustees review the investment performance of the funds available to members on a regular basis and take advice as to the provider's continued suitability.

11. Realisation of Investments

The investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments, within parameters stipulated in the relevant appointment documentation and pooled fund prospectuses.

12. Financial material consideration and non-financial matters

The Trustees has considered how ESG and ethical factors should be taken into account in the selection, retention, and realisation of investments, given the time horizon of the Scheme and its liabilities. The Trustees seek to appoint investment managers that have the appropriate skills and processes to do this.

13. Voting and engagement

The Trustees recognise their responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustees have delegated to their investment managers the exercise of rights attaching to investments, including voting rights and engagement with issues of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risk and ESG considerations.

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity. They expect the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustees seek to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustees reviews how these are implemented in practice.

14. Compliance with this Statement

The Trustees will monitor compliance with this Statement annually.

15. Review of this Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

Signed on behalf of the Trustees of the
Compass Minerals UK Limited Defined Benefit Pension Plan

[redacted]

[redacted]

July 2022.

Appendix

Strategic Investment Management – recent history

Q3 2009 with Company approval, the investment strategy was modified to 20% in equities and 80% in Bonds to broadly move in line with how the insurance sector priced buy-out contracts and hopefully facilitate a full and final buy-out of the pension plan. The subsequent financial crisis that followed resulted in the insurance industry changing the cost / cash structure and as a result the possibility of a full and final buy-out was shelved.

Q2 2013 with Company involvement the investment strategy saw asset allocation change to 55% Equities and 45% Index Linked Bonds. (The Trustees were advised that the level of investment risk arising from this change in strategy was acceptable given the strength of the Company's covenant).

Q2 2015 with Company suggestion and endorsement the Trustees switched the full value of Equities (held in the L&G Global Equity Fund) and split the value between Standard Life GARS and Schroder Life DGF Funds. As at Aug 2015 asset valuation showed Standard Life GARS £9.8m Schroder Life DGF £14.2m and LGIM with 4 categories of Index Linked Gilts £22,2m (Total Assets £46,2m).

Q1 2019 Routine and regular investment review particularly throughout 2018 and following notification from the Scheme Actuary that no deficit existed as at 1 Jan 2018 prompted a desire for a possible change in investment strategy to consolidate this slight scheme surplus. Attention focused on the Liability Driven Investment (LDI) technique. At a Trustees Meeting held on 7 Mar 2019 the Scheme Investment Manager advised LDI is split into two components (one manages the liability risks and the other seeks to generate an appropriate level of return). At the Trustees Meeting held on 20 June 2019 the Company and the Trustees unanimously voted to implement the LDI technique via Schroder Pension Management Limited. The transition to Schroders was undertaken late July 2019 and completed on 6 Aug 2019. Disinvestment from Standard Life GARS (£9.7m) and LGIM Index Linked Gilts (£23.0m). As at 12 Aug 2019 the asset allocation was a Tailored LDI portfolio 50% (£26,060m) and Schroders Life DGF 50% (£25.210m).

Q3 /Q4 2021 Throughout this period and during a regular investment review the Trustees / Company discussed steps to further consolidate the Fully Funded position of the Scheme (30th June 2021 Funding Level was 103.9%). After due debate and following Investment Presentations on 21 Oct 2021 and 24 Nov 2021, there was a unanimous vote by the Trustees to move early to a Cash Driven Investment approach with the Company unprepared to commit and support at this stage. Following further representations with the Company in late Dec 2021 it was confirmed the Company was in general agreement for a move to self-sufficiency and endorsed a move to a Cash Driven Investment approach. The implementation of a change to CDI (and the initial reduction of Growth Assets from 50% to 40%) took place on 23 Feb 2022.