COMPASS GROUP PENSION PLAN

Implementation Statement 2026

IMPLEMENTATION STATEMENT ("IS")

Compass Group Pension Plan (the "Plan")

Plan Year End – 5 April 2026

The purpose of the Implementation Statement is for us, the Trustee of the Compass Group Pension Plan, to explain what we have done during the year ending 05 April 2026 to achieve our objectives and implement the policies set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

<u>Our conclusion</u>

Based on the activity we have undertaken during the year; we believe that the policies set out in the SIP have been implemented effectively.

- The investment managers were able to disclose adequate evidence of voting and/or engagement activity;
- The activities undertaken broadly aligned with the Trustee's stewardship expectations; and
- The Trustee's policies relating to ESG, stewardship and voting have been implemented effectively during the year.

During 2024, the Trustee entered into a bulk annuity ("buy-in") policy with Phoenix Life Limited (trading as Standard Life). As a result, the majority of the DB Section liabilities are covered by the annuity policy and the Trustee has agreed a strategy and objective based on the remaining non-annuity residual assets for the DB section of the Plan.

IMPLEMENTATION STATEMENT (continued)

CHANGES TO THE SIP DURING THE YEAR

On 1 January 2024, the Plan merged with the Compass Retirement Income Savings Plan ("CRISP"), a Defined Contribution pension scheme, to create the new CRISP Section of the Plan.

The Trustee has a separate SIP for each of the following within the Plan:

- The Defined Benefit (DB) Section
- The DC CRISP Section
- The DC Default arrangement for the legacy DC (including AVC) funds

The Trustee undertakes a review of the SIP's at least triennially or after any significant change in investment strategy or policy.

We reviewed the DB SIP during the year and updated it in February 2026.

The changes made included:

- Manager list: Updated to include Aegon Asset Management following agreement to invest in the Aegon European Asset-Backed Securities Pooled Fund in April 2026.
- Responsible Investment and Climate Risk: Updated to remove TCFD-related policies, reflecting that TCFD reporting is no longer required for the Plan following the buy-in and reduction in relevant assets below the applicable threshold.

The latest SIPs can be found here:

https://compass-pensions.co.uk/group_pension_plan/active/documents

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

IMPLEMENTATION STATEMENT (continued)

HOW THE POLICIES IN THE SIP HAVE BEEN FOLLOWED

In the table below we set out what we have done during the year to meet the policies in the SIP's.

Joint DB and DC/AVC policies

Risk	The Trustee monitored the Plan's investment arrangements throughout the year with support from its advisers. This included reviewing investment performance, investment risks, manager developments and cashflow requirements through regular reporting and governance processes. The Trustee's investment advisers, Aon and Mercer, provide formal advice on suitability ahead of investment and provide ongoing monitoring thereafter.
Environmental, Social and Governance ("ESG") Considerations	The Trustee recognises that ESG risk factors, including climate change, may negatively impact the value of investments held if not fully understood and evaluated. The Trustee reviews ESG ratings for DB and DC assets (excluding some legacy funds) as part of the quarterly investment reports it receives from Aon and Mercer. The ESG ratings focus on a set of principles and whether the managers have successfully integrated ESG considerations into their investment process.
Arrangements with investment managers	The Trustee is supported by Aon and Mercer in monitoring the activity of its investment managers. The Trustee receives quarterly investment reports, which include ESG ratings of the investment managers. Aon and Mercer are responsible for researching, rating and monitoring investment managers across all asset classes. This includes some aspects on the managers' alignment with Trustee policies generally, for example, whether the managers are expected to achieve their performance objectives and a review of their approach to ESG issues. Aon meets with the investment managers regularly to receive an update on the investment portfolio (excluding the annuity policy), performance and any major developments. Following discussions with the manager, they review each sub-component and overall rating.
Cost transparency	For the DB Section, the Trustee gathers cost information on its investments regularly, to provide a consolidated summary of all the investment costs incurred. The cost report includes a breakdown of the costs into their various component parts, including the costs of buying and selling assets (transaction costs) incurred by the underlying managers. The Trustee also reviews benchmark data where available to help understand how costs compare to the broader market. For the DC (including AVC) arrangements, the Trustee provides cost information on its investments annually within the Chair's Statement in the Trustee Report & Accounts.
Non-financial factors	In setting and implementing the investment strategy, the Trustee does not explicitly take into account non-financial factors.

IMPLEMENTATION STATEMENT (continued)

DB policies only

Risk	The Trustee receives quarterly investment reports from Aon which include: • Fund performance, both absolute and relative to their benchmarks over the quarter,one-year and three-year periods where possible; • Overall performance, both absolute and relative to the surplus asset long term investment return target over the quarter, one-year and three-year periods where possible; • Asset allocation relative to the strategic asset allocation for the residual investment portfolio (excluding the annuity policy); • An overview of Aon's ratings, including sub-category ratings such as ESG, of theinvestments and detailed commentary for any major developments; and • Economic market review and outlook. The IC regularly receives presentations from its investment managers to discuss the market background, performance, market outlook and positioning. The bulk annuity (or "buy-in") policy is an agreement for the insurer to cover all the Plan's liabilities as they fall due. The buy-in protects the Plan from the interest rate, inflation and longevity risk associated with the benefits covered by the policy. The main residual risk from the annuity policy is that the insurer fails to make the pension payments covered by the buy-in policy as they fall due ('insurer default risk'). This risk is mitigated in a number of ways: 1. The Trustee received due diligence advice in relation to the insurer as part of the transaction. 2. UK Insurers are required to meet stringent solvency requirements; and 3. The Financial Services Compensation Scheme (FSCS) provides a degree of protection to the owner of the annuity policy (i.e. the Trustee).
Asset Allocation	The strategy for the residual assets is designed to provide the growth and liquidity necessary to meet the Plan's expenses, contributions, and residual liabilities. The allocation for the residual assets' investment portfolio is reviewed on a regular basis and rebalanced as required. Income and disinvestments from the portfolio are used to meet expected payments. The strategy aims to ensure that the Plan's assets remain appropriately diversified.

IMPLEMENTATION STATEMENT (continued)

DC (including AVC) policies only (CRISP Section and Legacy DC funds)

Mercer formally reviews the suitability of the investment arrangements within the CRISP DC section on behalf of the Trustee on at least a triennial basis. This review considers a number of factors, such as the absolute performance and performance relative to benchmark for all funds held by members over one, three- and five-year periods, suitability of the investment options to meet members' needs, including the design of and retirement outcome targeted by the default investment option, the quality of investments, costs and charges and the overall suitability of the arrangements.

The Plan mostly invests in pooled funds, and the responsibility for voting and engagement has been delegated by the Trustee to the Plan's investment managers. This includes managers appointed by Mercer for the CRISP Section. The Trustee has reviewed the stewardship activity of the investment managers carried out over the Plan year and believes that most of the investment managers were able to disclose good evidence of voting and engagement activity regarding material risks, and therefore have acted in the best interests of members.

For the CRISP Section, day-to-day management of the CRISP assets is delegated to Mercer. Mercer invests the CRISP assets in a range of investment options, including the default option, and the wider range of self-select options. Mercer, on behalf of the Trustee, selects the underlying strategies and asset managers to achieve the objective of each investment option available to members.

The range of funds the Trustee offers through the legacy DC/AVC arrangements aims to be suitable for meeting members' long and short-term investment objectives, taking into account members' term to retirement. The DCC monitors investment performance of the legacy unit-linked funds held with Legal & General on a quarterly basis, using the information from the quarterly investment report produced by Legal & General. During this reporting period, the Trustee removed the L&G Sustainable Property Fund from the fund range, as the Trustee concluded that the increase in charges for this Fund meant it no longer offered value for members.

The Trustee does not attempt to influence the ESG integration or stewardship policies and practices of the insurer in managing the underlying assets they hold to back the annuity policy, but the Trustee did consider the ESG credentials of the insurer as part of the Trustee's due diligence process and decision to select them.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions.

Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

IMPLEMENTATION STATEMENT (continued)

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 March 2026. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2026 which broadly matches the Plan year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB Section				
Legal and General Asset Management ("L&G") Future World Global Equity Index Fund	60,906	100.0%	20.0%	1.1%
DC Section				
L&G Global Equity Market Weights (30:70) Index Fund	76,354	100.0%	19.1%	1.4%
L&G Multi Asset Fund	108,151	99.9%	23.6%	1.2%
CRISP Section				
Mercer LLC ("Mercer") Growth Fund	83,115	94.6%	16.6%	1.2%
Mercer Moderate Growth Fund	83,115	94.6%	16.6%	1.2%
Mercer High Growth Fund	83,115	94.6%	16.6%	1.2%
Mercer Passive Global Equity Fund	19,765	99.7%	6.3%	0.2%
Mercer Passive Emerging Market Equity Fund	21,902	97.0%	22.9%	3.3%
Mercer Passive Sustainable Global Equity Fund	15,945	99.6%	22.7%	0.7%
BlackRock 30:70 Currency Hedged Global Equity Fund	25,270	94.0%	4.3%	0.4%
BlackRock Passive UK Equity Fund	9,468	99.5%	2.7%	0.0%
L&G FTSE4Good Developed Equity Index Fund	17,338	100.0%	17.2%	0.3%
Active International Equities Fund (Baillie Gifford managed)	1,291	97.9%	5.6%	1.8%
Mercer Passive Shariah (HSBC managed)	1,645	95.6%	14.9%	0.5%

Source: Investment Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

IMPLEMENTATION STATEMENT (continued)

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	Description of use of proxy voting adviser(s) *(in the managers' own words)*
L&G	Votes are cast according to our instructions, guided by our voting policies and effected through an electronic voting platform called 'ProxyExchange', which is managed by ISS. We have developed a granular custom voting policy with specific voting instructions driven by our expectations. In parallel to applying our custom voting policy, we use the voting information services of ISS and receive research reports for all companies in our equity portfolios. We undertake quarterly performance management reviews with ISS in which we discuss issues such as timeliness, the quality of their research and the application of our voting policy. During these meetings, we receive delivery statistics and discuss changes to team resources. We deliberate on specific instances where our expectations have not been met and review possible solutions to avoid future repetition. We escalate issues to senior individuals at ISS where necessary. We also have regular meetings with ISS to discuss the implementation and evolution of our policies, as part of our process to ensure that our voting decisions remain aligned to market best practices and evolving regulations.
BlackRock	BlackRock Investment Stewardship leverages ISS as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations. BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.
Mercer	The legal right to vote belongs to the relevant fund, as the owner of the securities. The voting activity is delegated to the external investment managers ("sub-investment managers") as appointed by Mercer Global Investments Europe Limited ("MGIE"), as the investment manager for the investment vehicles in which clients are invested. This includes the use of proxy voting advisers. Examples of underlying fund managers appointed include BlackRock, Baillie Gifford and L&G.

IMPLEMENTATION STATEMENT (continued)

Use of proxy voting advisers (continued)

Managers	Description of use of proxy voting adviser(s) *(in the managers' own words)*
Baillie Gifford	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations, we do not rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. Baillie Gifford utilises two proxy advisers' voting research, ISS and Glass Lewis, for information only. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information, ZD Proxy and IIAS respectively.
HSBC	To enable efficient proxy voting operations, we work with our proxy service provider (Institutional Shareholder Services), which provides research, a voting platform and disclosure services. Our Global Voting Guidelines, together with our own research, inform more granular voting policy instructions, which form the basis for custom voting recommendations for each shareholder meeting.

Source: Investment Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

IMPLEMENTATION STATEMENT (continued)

Our managers' engagement activity (continued)

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available.

<table>
<tr><th rowspan="2"></th><th rowspan="2">Funds</th><th colspan="2">Number of engagements</th><th rowspan="2">Themes engaged on at a fund level</th></tr>
<tr><th>Fund level</th><th>Firm level</th></tr>
<tr><td rowspan="3">DB</td><td>Aviva Investors ("Aviva") Lime Property Fund</td><td>40</td><td>1,353</td><td>Environment - Climate Change
Strategy, Financial & Reporting - Financial Performance; Reporting; Strategy/Purpose</td></tr>
<tr><td>L&G Future World Global Equity Index Fund</td><td>1,394</td><td>3,762</td><td>Environment - Climate Change; Natural resource use/impact
Social - Human capital management; Inequality
Governance - Remuneration; Strategy, Financial and Reporting
Other - Multiple ESG topics</td></tr>
<tr><td>M&G Alpha Opportunities Fund</td><td>79</td><td>533</td><td>Environment - Climate Change; Natural Resource Use/Impact
Social - Human Capital Management; Public Health
Governance - Board Effectiveness – Diversity; Remuneration
Other - Succession</td></tr>
<tr><td rowspan="2">Legacy DC/AVC</td><td>L&G Global Equity Market Weights (30:70) Index Fund</td><td>2,234</td><td rowspan="2">3,762</td><td rowspan="2">Environment - Climate Impact Pledge; Deforestation; Climate Change
Social - Gender Diversity; Income inequality; Lobbying and Political Donations
Governance – Remuneration; Board Composition; Capital Management
Others - Corporate Strategy; Company Disclosure & Transparency; Regulation</td></tr>
<tr><td>L&G Multi Asset Fund</td><td>3,296</td></tr>
<tr><td rowspan="4">CRISP*</td><td>Mercer Passive Sustainable Global Equity Fund</td><td>572</td><td>>310*</td><td>Environment - Climate change; Natural resource use/impact
Social - Human Capital Management; Human and labour rights
Governance - Remuneration; Strategy, Financial and Reporting; Board effectiveness - Other
Other - Multiple ESG topics</td></tr>
<tr><td>BlackRock Passive UK Equity Fund</td><td>161</td><td>2,373</td><td>Environment - Climate Risk Management; Deforestation/Land Use
Social - Health and Safety; Human Rights
Governance - Compensation & Remuneration; Corporate Strategy; Executive Management and Succession Planning</td></tr>
<tr><td>L&G FTSE4Good Developed Equity Index Fund</td><td>2,234</td><td>3,762</td><td>Environment - Climate Impact Pledge; Deforestation
Social - Gender Diversity; Income inequality
Governance – Remuneration; Board Composition
Others - Corporate Strategy; Company Disclosure & Transparency</td></tr>
<tr><td>Active International Equities Fund (Baillie Gifford managed)</td><td>64</td><td>522</td><td>Environment - Climate Change; Natural Resource Use/Impact
Social - Conduct, culture and ethics; Human and labour rights
Governance - Shareholder rights; Remuneration</td></tr>
</table>

Source: Investment Managers

Engagement data is not available for all funds under the CRISP section; the engagement table includes only the information available at the time of reporting.

IMPLEMENTATION STATEMENT (continued)

Our managers' engagement activity (continued)

**Mercer was unable to provide an aggregate firm-level engagement figure due to differences in underlying manager reporting. Mercer noted that it collected engagement examples from the underlying managers across four key themes (Climate, Nature, Human Rights, and Diversity) through its 2025 survey. The figure above represents the aggregate of these reported examples.*

No data shown for some Mercer funds as Mercer have noted that they are unable to consolidate data across underlying investment managers used within the same fund. However, they have confirmed that they monitor underlying manager stewardship practices including review of engagement case studies.

Data limitations

Due to the nature of annuity policy, stewardship information has not been provided but the Trustee expects that the insurer should use its influence and purchasing power where possible to ensure that ESG factors, including climate change, are appropriately considered in investment decisions it makes and by any underlying investment managers and financial counterparties it may use.

At the time of writing, the following managers did not provide all the information we requested:

- Aviva also does not provide engagement data; however, the manager provided examples of engagement activity at fund and firm-level.

This report does not include commentary on certain asset classes such as gilts or cash because of the limited materiality of stewardship to these asset classes. Note, it also excludes engagement information in respect of the Aegon European Asset-Backed Securities Pooled Fund which was first invested in during April 2026. This will be included in the 2027 implementation statement. Finally, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

In the table below are some significant vote examples provided by the Plan's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

L&G Future World Global Equity Index Fund	**Company name**	Mastercard Incorporated
	Date of vote	24 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.8%
	Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
	How you voted	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G Global Equity Market Weights (30:70) Index Fund	**Company name**	Shell Plc
	Date of vote	20 May 2025
	Approximate size of fund's/mandate's holding as atthe date of the vote (as % of portfolio)	1.8%
	Summary of the resolution	Resolution 22: Request Company Disclose Whether and How Its: Demand Forecast For Liquified Natural Gas ("LNG"); LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2050
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder resolution - Climate change: While we recognise the intent behind Resolution 22, we have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its Liquefied Natural Gas ("LNG") operations. We acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, we believe the resolution's key objectives are being addressed through ongoing company actions.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	Pre-declaration: This shareholder resolution is considered significant. We recognise the underlying merit of this resolution, after careful consideration, we have made the decision to vote against. This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, we received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure LNG. These gaps were key reasons we were unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, we believe Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G Multi Asset Fund	**Company name**	Santos Limited
	Date of vote	04 April 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.2%
	Summary of the resolution	Resolution 4: Approve Advisory Vote on Climate Transition Approach
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Climate change: A vote against is applied. We acknowledge the progress the company has made in respect of its climate-related disclosures over recent years, as well as the enhanced approach to identifying and mitigating methane emissions. We also view positively the commitment to scaling carbon capture across operations and value chains. However, we remain concerned about the absence of quantifiable disclosures regarding portfolio resilience against relevant scenarios, the insufficiently ambitious mid-term operational emissions targets, and the extent of offsets used to meet these targets. Additionally, we would benefit from greater transparency regarding future capital investments in transition activities.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	Thematic - Climate: L&G's Asset Management business is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, L&G's Asset Management business deem such votes to be significant, particularly when L&G's Asset Management business, votes against the transition plan.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer Growth Fund - UBS Asset Management	**Company name**	Meta Platforms Inc
	Date of vote	28 May 2025
	Approximate size of fund's/mandate's holding as atthe date of the vote (as % of portfolio)	1.6%
	Summary of the resolution	Shareholder Proposal Regarding Transition Plan and Renewable Energy
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No – We do not disclose our voting intentions to companies ahead of their Annual General Meetings (AGMs) or Extraordinary General Meetings (EGMs).
	Rationale for the voting decision	a) Meta's renewable energy strategy emphasizes enabling new projects and includes the principle of "additionality." Less than 5% of their 2023 renewable energy purchases were from short-term unbundled Renewable Energy Certificates (RECs) (vs. >50% at Amazon and Microsoft reportedly). Technical and data challenges are significant barriers here. b) The Greenhouse Gases (GHG) Protocol is reviewing the use of RECs, focusing on "Quality Criteria" to ensure that EACs/RECs contribute to real-world emissions reductions and grid decarbonization. c) Meta provides detailed emissions disclosure, with under 5% of their energy purchases linked to unbundled RECs. Additionality is an explicit principle of their renewable procurement strategy. The proposal's ask is not particularly material for Meta as yet. d) This is an evolving issue. Data centre power demand growth is expected to drive a significant increase in carbon dioxide emissions. Meta's data centre expansion has already led to a 200% increase in electricity use since 2019.
	Outcome of the vote	Not approved
	Implications of the outcome e.g.were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to engage with the company. Given the current discourse around environmental/climate proposals in the US, we will monitor the company's further developments closely.
	On which criteria have you assessed this vote to be "mostsignificant"?	- Shareholder Proposal - Engagement Priority (Climate Change)

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer Moderate Growth Fund – UBS Asset Management	**Company name**	Netflix Inc.
	Date of vote	05 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.8%
	Summary of the resolution	Shareholder Proposal Regarding Climate Transition Plan
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No – We do not disclose our voting intentions to companies ahead of their AGMs or EGMs.
	Rationale for the voting decision	a. Netflix's current level of disclosure should provide shareholders with sufficient information to assess its climate strategy, targets, and progress. b. Netflix already has a climate transition plan and SBTI validated interim targets aiming for a 55% intensity and 46% absolute emission reduction in Scope 1+2 emissions by 2030 from a 2019 baseline. c. Netflix has already achieved reductions (and discloses its interim decarbonisation plan across: (1) Energy efficiency, (2) Electric vehicles, (3) Clean Mobile Power, (4) Renewable energy. d. Whilst Netflix doesn't set sub-targets for its decarbonisation strategy, it does provide qualitative updates on activity to evidence its decarbonisation projects. e. Netflix has more material issues to its business model such as privacy, security, and diversity of its content. This proposal is overly burdensome and unnecessary at this time given the current adequate disclosure.
	Outcome of the vote	Not approved
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to engage with the company. Given the current discourse around environmental/climate proposals in the US, we will monitor the company's further developments closely.
	On which criteria have you assessed this vote to be most significant?	- Shareholder Proposal - Engagement Priority (Climate Change)

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer High Growth Fund - BlackRock	**Company name**	Mitsubishi UFJ Financial Group
	Date of vote	27 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.1%
	Summary of the resolution	Amend Articles to Add Provision on Assessment of Clients' Climate Change Transition Plans
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No – We do not disclose our voting intentions to companies ahead of their AGMs or EGMs.
	Rationale for the voting decision	Voted against shareholder proposal as the proposal will not serve shareholder's interest.
	Outcome of the vote	Not approved
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.
	On which criteria have you assessed this vote to be "most significant"?	- Shareholder Proposal - Engagement Priority (Climate Change)

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer Passive Global Equity Fund	**Company name**	Microsoft Corporation
	Date of vote	05 December 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.4%
	Summary of the resolution	Shareholder Proposal Regarding Report on Artificial Intelligence ("AI") Human Rights Due Diligence
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Not provided
	Rationale for the voting decision	Shareholder Resolution - Human rights: A vote against is applied as the resolution is too narrowly focused on Conflict-Affected and High-Risk Areas (CAHRAs), and we believe the company has taken corrective actions following an independent investigation, in line with our expectation. Following our engagement with the company, we are encouraged to see the steps the company has taken to mitigate the identified risks, and we would encourage the company to disclose the details of the changes the company has made in light of the incident to prevent similar issues in the future.
	Outcome of the vote	Not approved
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Following the incident with Israeli Ministry of Defence, the company acknowledged limitations, including lack of visibility into how customers use software on self-managed servers. We will consider these examples when updating our AI governance and human rights considerations for the tech sector.
	On which criteria have you assessed this vote to be "most significant"?	- Shareholder Proposal - Engagement Priority (Human Rights and Labour Practices)

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

BlackRock Passive UK Equity Fund	**Company name**	Reckitt Benckiser Group Plc
	Date of vote	27 January 2026
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not Provided
	Summary of the resolution	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment.
	How you voted	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No, Blackrock does not disclose its vote intentions in advance of shareholder meetings.
	Rationale for the voting decision	Not provided
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Generally, BlackRock Investment Stewardship supports the vote recommendations of the board of directors and management. When we determine it is in our clients' financial interests to convey concern to companies through voting, we may do so in two forms: we might not support the election of directors or other management proposals, or we might not support management's voting recommendation on a shareholder proposal. In some cases, companies may request an engagement after a shareholder meeting to provide additional clarity.
	On which criteria have you assessed this vote to be "most significant"?	The Investment Stewardship website is available here: https://www.blackrock.com/corporate/insights/investment-stewardship We may determine that a vote is significant based on the potential financial impact on clients, the level of anticipated interest across our clients in the vote, the complexity of the issue, or the context within which the vote is made, amongst other things. We vote on all proposals to advance our clients' financial interests, consistent with their investment objectives and our fiduciary duty as an asset manager. BIS prioritizes its stewardship activities around themes on which the team most frequently engages companies, where these issues are relevant and represent a source of material business risk or opportunity. These themes are: board quality and effectiveness; strategy, purpose, and financial resilience; incentives aligned with financial value creation; climate and natural capital; and company impacts on people. BIS has identified a population of shareholder meeting proposals that align with these themes and are therefore considered significant.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G FTSE4Good Developed Equity Index Fund	**Company name**	Eli Lilly and Company
	Date of vote	05 May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Resolution 1d: Elect Director Juan R. Luciano
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Classified Board: A vote against is applied as LGIM supports a declassified board as directors should stand for re-election on an annual basis.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be "most significant"?	Thematic - Board Leadership: L&G's Asset Management business considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

Active International Equities - Baillie Gifford Global Alpha	**Company name**	Prosus N.V.
	Date of vote	20 August 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.5
	Summary of the resolution	Remuneration
	How you voted	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	We opposed the resolution to approve the remuneration report because of ongoing concerns with the company's approach. Our concern also relates to the stretch of targets under the long-term incentive plan, all of which we do not deem to be in the best interest of long-term shareholders.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Prior to the AGM, we joined the company's executive remuneration roadshow with the Chair of the remuneration committee. Consistent with our approach in 2024, we fed back our ongoing concerns relating to 'moonshot' award for the CEO, as well as concerns with the stringency of targets under the long-term incentive plan. Finally, we recommended that shareholder outreach be conducted earlier in the year to maximise effectiveness in securing shareholder feedback ahead of the AGM.
	On which criteria have you assessed this vote to be "most significant"?	This resolution is significant because we opposed remuneration.

Source: Investment Managers