

# **COMPASS GROUP PENSION PLAN**

**Implementation Statement  
for the year ended 5 April 2024**

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT

### Compass Group Pension Plan (the "Plan")

#### Plan Year End – 5 April 2024

This is the Implementation Statement prepared by the Trustees of the Compass Group Pension Plan (the "Trustee") for the year to 5 April 2024. 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 5 April 2024 to achieve certain policies and objectives 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.

#### **Our conclusion**

**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 completed by the investment managers align with the Trustee's stewardship priorities; and
- The Trustee's voting policy has been implemented effectively in practice.

Despite all managers having robust stewardship policies in place, some investment managers were unable to provide all of the information requested. The Trustee's investment advisor is engaging with the managers to encourage them to provide detailed and meaningful disclosures about their engagement activities and better understand their engagement practices.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### CHANGES TO THE SIP DURING THE YEAR

The Trustee has a SIP that covers both the defined benefit ("DB") and defined contribution ("DC") Sections of the Plan (the "main SIP") and a SIP that covers the DC default arrangements (the "default SIP").

The default SIP is intended to provide a summary of the policies that are set out in the main SIP that are relevant to the DC default arrangements and therefore most likely to be of interest to members with DC funds.

All following references to SIP in this statement are to the main SIP but apply to the default SIP where they are relevant to the DC default arrangements.

The Trustee undertakes a review of the SIP at least triennially or after any significant change in investment strategy. The SIP was last reviewed and updated in June 2023.

The changes to the SIP include:

- The change in name of Aon's registered entity for all investment services.
- Additional wording to capture other factors affecting the value of the Plan's liabilities.
- Revised wording surrounding the maturity profile of the pensioners and the cashflows associated with the Plan.
- Revised wording reflecting updated Plan objectives.
- Updates to the Plan's strategic asset allocation to allow for:
  - An allocation to synthetic credit in the form of credit default swaps ("CDS") within the Plan's matching assets.
  - The removal of equities, property from the Plan's strategic growth allocation.
- Updating of stewardship responsibilities to reflect the removal of equities and property from the Plan's target asset allocation.

Reference to the new climate change governance reporting regulation, and how the Trustee remains compliant through the production of the TCFD report and associated requirements. The asset allocation at 31 March 2024 set out in the table below was in breach of the SIP in place at 5 April 2024 as the Plan continues to sell down the property holdings.

The Plan's latest SIP can be found here:

[https://www.compass-pensions.co.uk/group\\_pension\\_plan/active/documents](https://www.compass-pensions.co.uk/group_pension_plan/active/documents)

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. There is a separate SIP for the CRISP Section which was last updated in March 2022 and can be found here: [https://www.compass-pensions.co.uk/group\\_pension\\_plan/crisp/documents](https://www.compass-pensions.co.uk/group_pension_plan/crisp/documents)

# COMPASS GROUP PENSION PLAN

## 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.

#### Joint DB and DC/AVC policies

<b>Risk</b>	During the year, the Investment Committee (“IC”) met quarterly to discuss the strategic investment arrangements, monitor the performance and cashflow requirements. The Trustee has several direct investments in pooled funds managed by the investment managers. The Trustee’s investment advisor, Aon, provides formal advice on suitability ahead of investment and provides ongoing monitoring thereafter.
<b>Environmental, Social and Governance (“ESG”) Considerations</b>	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 as part of the quarterly investment reports it receives from Aon. The ESG ratings focus on a set of principles and whether the managers’ have successfully integrated ESG considerations into their investment process.
<b>Aligning to the Taskforce on Climate-related Financial Disclosures framework (“TCFD”)</b>	Over the year, the Trustee has been working with its advisors to prepare its second TCFD report which will be published within 7 months of the Plan year-end. The TCFD is a set of eleven recommended disclosures which, taken together, provide a framework for the management of climate-related risks and opportunities. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks.
<b>Arrangements with investment managers</b>	The Trustee is supported by Aon in monitoring the activity of its investment managers. The Trustee receives quarterly investment reports, which include ESG ratings of the investment managers. Aon is 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 portfolio, performance and any major developments. Following discussions with the manager, they review each sub- component and overall rating.
<b>Cost transparency</b>	For the DB arrangements, the Trustee gathers cost information on its investments annually, 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/AVC arrangements, the Trustee provides cost information on its investments annually within the Chair’s Statement in the Trustee Report & Accounts.
<b>Non-financial factors</b>	In setting and implementing the investment strategy, the Trustee does not explicitly take into account non-financial factors.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### DB policies only

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<b>Risk</b>	<p>The Trustee receives quarterly investment reports from Aon which include:</p> <ul style="list-style-type: none"><li>• Fund performance, both absolute and relative to their benchmarks over the quarter, one-year and three-year periods;</li><li>• Overall performance, both absolute and relative to the liability proxy over the quarter, one-year and three-year periods;</li><li>• Asset allocation relative to the strategic asset allocation;</li><li>• An overview of Aon's ratings, including sub-category ratings such as ESG, of the investments and detailed commentary for any major developments; and</li><li>• Economic market review and outlook.</li></ul> <p>The IC regularly receives presentations from its investment managers to discuss the market background, performance, market outlook, positioning and ESG integration.</p>
<b>Asset Allocation</b>	<p>The investment strategy set out in the SIP was agreed following an investment strategy review. The investment strategy protects, as far as practical, 95% of changes in the buy-in funding basis liability value due to changes in interest rates and inflation, while using credit exposure to protect the Plan's funding level on a buy-in valuation basis.</p>

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### DC/AVC policies only

Aon reviews the suitability of the DC/AVC arrangements on behalf of the Trustee on a triennial basis. The review considers fund investments' absolute performance and performance relative to their benchmarks over one, three- and five-year periods, provider financial strength, quality of investments and administration, costs and charges and the overall suitability of the arrangements.

The Trustee provides access to a range of funds that is likely to be suitable for meeting members' long and short-term investment objectives, taking into account members' term to retirement.

The IC monitors investment performance of the unit-linked funds on a quarterly basis, using the quarterly investment report produced by Legal & General. No changes were recommended to the investment strategy during the year.

The Governance and Operations Committee ("GOC") of the Trustee reviews the services provided by Legal & General (its main DC provider) on a quarterly basis using the quarterly governance report produced by Legal & General to ensure that the services provided remain appropriate for the Plan.

The IC assesses the remuneration of Legal & General by obtaining full details of the costs and charges paid by members to disclose in the Chair's Statement for the Plan.

### Voting and engagement activity undertaken over the year

Almost all of the Plan's DB assets are held in securities such as government and corporate bonds which do not have voting rights attached. Approximately 78% of the Plan's assets were invested in a bespoke LDI portfolio as of the end of March 2023. Following the sale of the equity holdings in the previous year, none of the Plan's holdings have any associated voting rights.

While the size of the DC assets is small relative to the DB assets, the Trustee has included information for the DC funds in the interests of transparency and disclosure.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### 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.

### Voting statistics

Voting information is only produced by the Plan's investment managers on a quarterly basis, so information for the year to 5 April 2024 was not available at the time of writing this statement. We are comfortable that the information provided (which reflects the 12 months to 31 March 2024) is reflective of the voting carried out on our behalf, over the Plan year to 5 April 2024. The table below shows the voting statistics for the Plan's material funds with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DC Section - LGIM - Global Equity Market Weights (30:70) Index Fund	72,082	99.9%	18.6%	0.5%
DC Section - LGIM - Managed Fund	91,568	99.8%	23.0%	0.2%
DC Section - LGIM - UK Equity Index Fund	10,462	99.8%	5.6%	0.0%
DC Section - LGIM - North America Equity Index Fund	8,731	99.8%	34.6%	0.0%
DC Section - LGIM - North America Equity Index Fund	8,731	99.8%	34.6%	0.0%
DC Section - BlackRock - ACS Climate Transition World Equity Fund <sup>1</sup>	8,240	97.0%	3.0%	0.0%
DC Section - Nordea Investment Management ("Nordea") - Diversified Return Fund <sup>1</sup>	2,069	99.9%	12.4%	4.7% <sup>2</sup>
DC Section - Newton Investment Management Limited ("Newton") - BNY Mellon Real Return Fund <sup>1</sup>	1,101	99.3%	7.8%	0.0%
CRISP Section - Mercer LLC ("Mercer") - Growth Fund	125,611	97.6%	15.0%	0.7%
CRISP Section - Mercer - Passive Global Equity Fund	21,503	91.1%	8.5%	0.4%
CRISP Section - BlackRock - Passive UK Equity Fund	14,654	96.0%	3.0%	1.0%

Source: Managers.<sup>1</sup>A selection of underlying funds within the Scottish Widows Conventional With Profits Section have been included based on materiality. <sup>2</sup>Includes 1.9% of votes withheld.

### 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

# COMPASS GROUP PENSION PLAN

## 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 DC Plan's managers use proxy voting advisers.

<b>Managers</b>	<b>Description of use of proxy voting adviser(s) (in the managers' own words)</b>
LGIM	LGIM's Investment Stewardship team uses Institutional Shareholder Services ("ISS's") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team ("BIS"), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA") – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While we subscribe to research from the proxy advisory firms Institutional Shareholder Services ("ISS") and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.
Nordea	In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services – henceforth, "ISS" and "NIS") to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged. During 2023, Glass Lewis was also added to this list of external vendors but is mainly used for analytic input.
Newton	Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that we recognise a potential material conflict of interest as described above that the recommendation of our external voting service provider will be applied. We do not maintain a voting policy with ISS. We apply our own Newton voting guidelines, as mentioned above.
Mercer	An overview on the use of any proxy voting services by sub-investment managers will be provided by Mercer on an annual basis going forward.

Source: Managers

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### 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.

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. Some of the information provided is at a firm-level i.e., is not necessarily specific to the funds invested in by the Plan.

Funds	Number of engagements		Themes engaged on at a fund-/firm-level
	Fund-level	Firm-level	
<b>DB Section - Aviva Investors ("Aviva") - Lime Property Fund*</b>	<i>Not provided</i>	11,784	Environment - Energy Efficiency; Progress towards Net Zero; Water Efficiency; Biodiversity Social - Social Impact; Tenant Well-Being; Health Other - GRESB; ESG Performance
<b>DB Section - CBRE Investment Management ("CBRE") - GI Global Alpha Fund</b>	<i>The manager stated that: "We do not collate statistics on the number of individual engagements. The nature of our engagement activity is often continuous and/or on a frequent basis, for example in relation to a specific project. At the very least we will engage with all underlying managers at least once per year. We currently work with over 100 operating partners across 210+ investments globally our indirect platform".</i>		Environment - Various Other - Global Real Estate Sustainability Benchmark Scores
<b>DB Section - M&amp;G Investments ("M&amp;G") - UK Corporate Bonds</b>	7	297	Environment - Net Zero/Decarbonisation (including Net Zero Commitments and Climate Transition Plans) Social - Human Capital Management (e.g., inclusion and diversity, employee terms, safety) Governance - Executive Remuneration



# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

Funds	Number of engagements		Themes engaged on at a fund-/firm-level
	Fund-level	Firm-level	
<b>DC Section - LGIM - Global Equity Market Weights (30:70) Index Fund</b>	1,135		Environment - Climate Impact Pledge; Climate Change; Deforestation Social - Ethnic Diversity; Ethnic Diversity Governance - Remuneration; Board Composition Other - Corporate Strategy
<b>DC Section - LGIM - Managed Fund*</b>	<i>Not provided</i>		Environment - Climate Change; Deforestation Social - Ethnic Diversity Governance - Remuneration Other - Strategy
<b>DC Section - LGIM - UK Equity Index Fund</b>	370	2,500	Environment - Climate Change; Climate Impact Pledge; Energy Social - Ethnic Diversity; Income Inequality Governance - Remuneration; Board Composition; Nominations and Succession Other - Corporate Strategy
<b>DC Section - LGIM - North America Equity Index Fund</b>	269		Environment - Climate Impact Pledge; Climate Change; Methane Measurement Social - Gender Diversity; Public Health Governance - Remuneration; Combined Chair & CEO; Board Composition Other - Corporate Strategy
<b>DC Section - LGIM - Sustainable Property Fund</b>	151		Environment - Climate Impact Pledge Social - Gender Diversity; Ethnic Diversity Governance - Remuneration; Nominations and Succession; Combined Chair & CEO Other - Corporate Strategy
<b>DC Section - BlackRock - ACS Climate Transition World Equity Fund<sup>1</sup></b>	609	3,768	Environment - Climate Risk Management, Other Company Impacts on the Environment Social - Human Capital Management; Social Risks and Opportunities Governance - Corporate Strategy Remuneration; Board Composition and Effectiveness
<b>DC Section - Nordea - Diversified Return Fund<sup>1</sup></b>	131	1,238	Environment - Pollution, Waste; Climate Change Social - Human and Labour Rights Governance - Board Effectiveness - Diversity Strategy, Financial & Reporting - Reporting
<b>DC Section - Newton - BNY Mellon Real Return Fund<sup>1</sup></b>	20	42	Environment - Climate Change; Natural Resource Impact Social - Human Capital Management Governance - Board and Management Accountability

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

CRISP Section – Mercer – Passive Global Equity Fund	Not provided stating that: <i>“The underlying manager, State Street, has not provided such data”.</i>	
CRISP Section – BlackRock – Passive UK Equity	Not provided	3,768
		Environment – Biodiversity, Climate Risk Management, Deforestation/Land Use, Water and Waste
		Social – Community Relations, Diversity and Inclusion, Supply Chain Labour Management and Business Ethics and Integrity
		Governance – Board Composition and Effectiveness, Business Oversight/Risk Management and Board Gender Diversity
DC Section – BlackRock – ACS Climate Transition World Equity Fund <sup>1</sup>	609	3,768
		Environment – Climate Risk Management, Other Company Impacts on the Environment
		Social – Human Capital Management; Social Risks and Opportunities
		Governance – Corporate Strategy Remuneration; Board Composition and Effectiveness

Source: Managers.

\*Themes provided are at a firm-level.

<sup>1</sup>A selection of the Funds within the Scottish Widows Conventional With Profits Section have been included based on materiality.

### Data limitations

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

- Whilst LGIM provided a comprehensive list of fund-level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested requested in the ICSWG reporting template. LGIM also did not provide fund-level engagements of the Managed Fund.
- Aviva did not provide engagement information at fund-level, however, did provide detailed illustrative examples of its engagement activity at firm-level.
- CBRE did not provide engagement data, however, did provide examples of its engagement activity at fund- and firm-level.
- Mercer was unable to provide engagement data for the Mercer Growth Fund, the Mercer Passive Global Equity Fund and the BlackRock Passive UK Equity Fund, With regards to the former, this is because the underlying manager, State Street, did not provide this information.

Our investment advisers are engaging with the managers, on our behalf, to encourage improvements in reporting.

This report does not include commentary on the Plan’s liability driven investment portfolio/gilts or cash, because of the limited materiality of stewardship to these asset classes. Further, 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.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

In the table below are some significant vote examples provided by the DC 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.

<b>DC Section - LGIM - Global Equity Market Weights (30:70) Index Fund</b>	<b>Company name</b>	JPMorgan Chase & Co.
	<b>Date of vote</b>	16 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.5%
	<b>Summary of the resolution</b>	Resolution 9 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
	<b>Rationale for the voting decision</b>	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with the company and monitor progress.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - LGIM - Managed Fund</b>	<b>Company name</b>	Glencore Plc
	<b>Date of vote</b>	26 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.3%
	<b>Summary of the resolution</b>	Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.
	<b>Rationale for the voting decision</b>	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement.
		<p>However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives.</p> <p>This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.</p>
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with the company and monitor progress.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - LGIM - UK Equity Index Fund</b>	<b>Company name</b>	Shell Plc
	<b>Date of vote</b>	23 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	7.0%
	<b>Summary of the resolution</b>	Approve the Shell Energy Transition Progress
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a 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.
	<b>Rationale for the voting decision</b>	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5°C trajectory.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM continues to undertake extensive engagement with Shell on its climate transition plans.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Thematic - Climate: LGIM 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 1.5°C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - LGIM – North America Equity Index Fund</b>	<b>Company name</b>	Wells Fargo & Company
	<b>Date of vote</b>	25 April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.4%
	<b>Summary of the resolution</b>	Resolution 8 - Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.
	<b>Rationale for the voting decision</b>	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	LGIM will continue to engage with the company and monitor progress.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Pre-declaration and Thematic – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - BlackRock - ACS Climate Transition World Equity Fund</b>	<b>Company name</b>	Exxon Mobil Corporation
	<b>Date of vote</b>	31 May 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Adopt Medium-Term Scope 3 GHG Reduction Target
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	<p>We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.</p>
	<b>Rationale for the voting decision</b>	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	<p>BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high-level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction.</p> <p>Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.</p>
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - Nordea - Diversified Return Fund</b>	<b>Company name</b>	Alphabet
	<b>Date of vote</b>	02 June 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	4.8%
	<b>Summary of the resolution</b>	Report on Lobbying Payments and Policy, Report on Framework to Assess Company Lobbying Alignment with Climate Goals etc.
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	At the Alphabet AGM we supported a number of shareholder proposals, besides Report on managing risks related to data collection, privacy and security, such as Report on physical risks of climate change, Report on climate lobbying and Report on steps to improve racial and gender Board diversity. Management voting recommendations was against on all these proposals. The dominant position of Google, its impact on society and integrity of individuals is very important for us as investors.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	We will continue to support shareholder proposals on these issues as long as the company is not showing substantial improvements.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company.



# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>DC Section - Newton - BNY Mellon Real Return Fund</b>	<b>Company name</b>	Lockheed Martin Corporation
	<b>Date of vote</b>	27 April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	1.0%
	<b>Summary of the resolution</b>	Report on Efforts to Reduce Full Value Chain GHG Emissions in Alignment with Paris Agreement Goal
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	We supported a shareholder proposal asking for a report on efforts to reduce full value chain GHG emissions in alignment with Paris Agreement as in our view, more information on the company's plans to transition towards a low carbon economy would help shareholders better assess this risk.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	The support received for the shareholder proposal is substantial and must be accounted for. We would expect the company to provide enhanced disclosures especially around setting timelines to implement a scope 3 emission reduction goal and finding efficiencies in processes.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	We determined this vote as significant owing to the rarity of a shareholder proposal receiving significant support.

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>CRISP Section - Mercer - Growth Fund</b>	<b>Company name</b>	Fedex Corp
	<b>Date of vote</b>	21 September 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.1%
	<b>Summary of the resolution</b>	Shareholder Proposal Regarding Just Transition Reporting
	<b>How you voted</b>	For
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	While the company is making good progress (for example the new electric vehicle fleet and its long-term effect on GHG emissions), the manager supported this proposal as they felt it would further enable shareholders to determine the strength of company policy, strategy and actions in regard to climate change.
	<b>Outcome of the vote</b>	Not approved
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	The shareholder proposal received support of 30% of votes cast. Manager will be reviewing whether Fedex take further steps in regard to Just Transition reporting.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	<ul style="list-style-type: none"> <li>- Shareholder Proposal</li> <li>- Engagement Priority (Climate Change)</li> </ul>

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>CRISP Section - Mercer - Passive Global Equity Fund</b>	<b>Company name</b>	Microsoft Corporation
	<b>Date of vote</b>	7 December 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	2.6%
	<b>Summary of the resolution</b>	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	No
	<b>Rationale for the voting decision</b>	This proposal did not merit support as the company's disclosures related to operations in high-risk countries are broadly in line with the market standard.
	<b>Outcome of the vote</b>	Not Approved
	<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	The manager is currently coordinating engagements with Microsoft on relevant issues following its 2024 annual meeting.
	<b>On which criteria have you assessed this vote to be "most significant"?</b>	<ul style="list-style-type: none"> <li>- Shareholder Proposal</li> <li>- Engagement Priority (Human Rights)</li> </ul>

# COMPASS GROUP PENSION PLAN

## IMPLEMENTATION STATEMENT (continued)

### APPENDIX – SIGNIFICANT VOTING EXAMPLES

<b>CRISP Section - BlackRock- Passive UK Equity Fund</b>	<b>Company name</b>	The Goldman Sachs Group, Inc.
	<b>Date of vote</b>	26 April 2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	Not Provided
	<b>Summary of the resolution</b>	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting
	<b>How you voted</b>	Against
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	<b>Rationale for the voting decision</b>	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company[SF-S0000-021] The company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.
<b>Outcome of the vote</b>	Fail	
<b>Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	BlackRock's approach to corporate governance and stewardship is explained in our Global Principles. Our Global Principles describe our philosophy on stewardship, including how we monitor and engage with companies. These high- level principles are the framework for our more detailed, market-specific voting guidelines. We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction.  Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.	
<b>On which criteria have you assessed this vote to be "most significant"?</b>	BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients.	

Source: Managers