

COMPASS GROUP PENSION PLAN

**Implementation Statement
for the year ended 5 April 2025**

IMPLEMENTATION STATEMENT

Compass Group Pension Plan (the “Plan”)

Plan Year End – 5 April 2025

This is the Implementation Statement prepared by the Trustees of the Compass Group Pension Plan (the “Trustee”) for the year to 5 April 2025. The purpose of the Implementation Statement is for us, the Trustee, to explain what we have done during the year ending 5 April 2025 to achieve certain policies as 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.

During the year, and after receiving advice and in consultation with the Company, the Trustee agreed to purchase an annuity policy with the UK regulated insurer, Phoenix Life Limited (trading as Standard Life). As a result, during December 2024 most of the DB Section Plan assets (c. £1,496.9m) were sold and transferred to Phoenix Life Limited. By purchasing an annuity policy, the Trustee has an agreement with Phoenix Life Limited that it will honour the benefit payments of the DB Section Plan members it covers (which is the vast majority of the DB Section liabilities, save for those members that are still active and some other residual liabilities) as and when they fall due. The annuity policy is an asset of the Plan. The Trustee has agreed an investment strategy and objectives for the non-annuity residual assets of 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. The SIP's were last reviewed and updated in March 2025 (DB Section) and September (DC Default and DC CRISP Section).

DB Section

The SIP was updated to:

- reflect the investment strategy, asset allocation and principles following the purchase of the bulk annuity policy (or "buy in"). The annuity policy is an asset of the Scheme. The Trustee has agreed an investment strategy and objectives for the non-annuity residual assets of the Scheme;
- Account for other miscellaneous updates, which included updating some of the investment risks associated with the annuity policy and their ongoing management; and
- specific stewardship and engagement policies associated with the investment of some of the surplus assets into Global Equities.

CRISP Section

The SIP was updated to:

- reflect the merger of CRISP into the Plan with effect from 1 January 2024;
- confirm the Trustee's policy on investing assets in the DC default arrangements in illiquid investments;
- change the Active Emerging Markets Equity Fund to the Passive Emerging Markets Equity Fund; and
- amend the total expense ratios to the latest available.

DC Default for legacy DC (including AVC) funds

The SIP was updated to:

- confirm the Trustee's policy on investing assets in the DC default arrangements in illiquid investments.

The Plan's latest SIP's can be found here:

https://compass-pensions.co.uk/plan_sip_march_2025.pdf

https://compass-pensions.co.uk/plan_sip_crisp_section_september_2024.pdf

https://compass-pensions.co.uk/plan_sip_dc_default_arrangements_september_2024.pdf

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	During the year, the Investment Committee ("IC") met quarterly to discuss the strategic investment arrangements, monitor the performance and cashflow requirements. Following the annuity transaction, the Trustee retains several direct investments in pooled funds managed by the investment managers. The Trustee's investment advisors, Aon and Mercer, provide formal advice on suitability ahead of investment and provides 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.
Aligning to the Taskforce on Climate-related Financial Disclosures framework ("TCFD")	Over the year, the Trustee has been working with its advisors to prepare its third 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.
Arrangements with investment managers	<p>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.</p> <p>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.</p>
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	<p>The Trustee receives quarterly investment reports from Aon which include:</p> <ul style="list-style-type: none">• 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 liability proxy 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 the investments and detailed commentary for any major developments; and• Economic market review and outlook. <p>The IC regularly receives presentations from its investment managers to discuss the market background, performance, market outlook, positioning and ESG integration.</p> <p>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:</p> <ol style="list-style-type: none">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; and3. The Financial Services Compensation Scheme (FSCS) provides a degree of protection to the owner of the annuity policy (i.e. the Trustee).
Asset Allocation	<p>The investment strategy as set out in the SIP was agreed following the purchase of the bulk annuity policy. 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 asset's 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.</p>

IMPLEMENTATION STATEMENT (continued)

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

The investment choices available under the CRISP Section have been chosen by the Trustee based on its understanding of different member needs. The Trustee also makes available a default investment option. The default investment option places the emphasis on aiming to deliver a good level of real return over members' working lifetimes and also encompasses a switch into asset classes designed to provide some protection against equity market falls in the years approaching the member's selected target retirement age.

Mercer reviews the suitability of the CRISP DC section on behalf of the Trustee on at least a triennial basis. The review considers a number of things, 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, quality of investments and administration, costs and charges and the overall suitability of the arrangements.

The Trustee also provides access to a range of funds through the legacy DC (including AVC) arrangements that is likely to be suitable for meeting members' long and short-term investment objectives, taking into account members' term to retirement.

Aon reviews the suitability of the legacy DC (including AVC) arrangements on behalf of the Trustee on a triennial basis. The review considers 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, provider financial strength, quality of investments and administration, costs and charges and the overall suitability of the arrangements. During this reporting period, the Trustee replaced the L&G lifestyle strategy for members who were more than 10 years from retirement to increase asset diversification, and aim to reduce volatility, in the approach to retirement. The Trustee also made a decision to remove the L&G Sustainable Property Fund from the range of funds available to members, as the Trustee concluded that the increase in charges for this Fund meant it no longer offered value for members. This change was made after the Plan year-end.

The Trustee regularly monitors investment performance of CRISP DC Section and Legacy DC funds. The Trustee also regularly reviews the services provided by L&G and Aviva (and its advisors) to ensure that the services provided remain appropriate for the Plan. The Trustee assesses the remuneration of its DC providers 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

For most of the year, and prior to securing the annuity policy in December 2024, most of the Plan's DB assets were held in securities such as government and corporate bonds which do not have voting rights attached. On 1 April 2025, the Trustee reinvested some of the residual DB non annuity policy assets of the Plan into Global Equities. These have associated voting rights but were only held for a very short period of the reporting year, hence have been excluded from this report. However, voting and engagement activity for these assets will be reported next year.

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 which was one of several factors in the Trustee's due diligence process and decision to select them.

While the size of the legacy 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.

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

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 March 2025. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2025 which broadly matches the Plan year (note: investments were made from the residual non annuity policy DB assets into L&G Future World Global Equities in April 2025. These funds will be reported on next year).

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DC Section				
L&G - Global Equity Market Weights (30:70) Index Fund	71,485	99.8%	17.7%	1.4%
L&G - Managed Fund	91,443	99.8%	22.9%	0.8%
L&G - UK Equity Index Fund	10,134	100.0%	6.2%	0.0%
L&G - North America Equity Index Fund	8,278	98.9%	35.9%	0.6%
CRISP Section				
Mercer LLC ("Mercer") – Growth Fund	87,220	94.0%	15.4%	0.9%
Mercer – Moderate Growth Fund	99,092	96.0%	14.6%	0.9%
Mercer – High Growth Fund	101,294	96.1%	14.4%	0.9%
Mercer - Passive Global Equity Fund	20,512	98.8%	7.7%	0.2%
BlackRock – Passive UK Equity Fund	9,642	97%	2%	0.0%

Source: 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.

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)

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.

Use of proxy voting advisers?

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	L&G'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 L&G, 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	<p>Proxy research firms provide research and recommendations on proxy votes as well as voting infrastructure. BlackRock Investment Stewardship leverages Institutional Shareholder Services (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 Institutional Shareholder Services (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.</p> <p>Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations.</p> <p>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.</p>
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

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.

IMPLEMENTATION STATEMENT (continued)

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 (note: investments were made from the residual non annuity policy DB assets into M&G Multi Asset Credit and L&G Future World Global Equities in March and April 2025, respectively. These funds will be reported on next year). The managers have provided information for the most recent calendar year available.

	Funds	Number of engagements		Themes engaged on at a fund level
		Fund level	Firm level	
DC	L&G - Global Equity Market Weights (30:70) Index Fund	2,482	4,399	Environment - Climate change, Natural resource use/impact Social - Human and labour rights, Human capital management Governance - Board effectiveness – Diversity, Remuneration Strategy, Financial and Reporting - Financial performance, Strategy/purpose
	L&G – Managed Fund	3,403		Environment - Climate change, Natural resource use/impact Social - Human and labour rights, Human capital management Governance - Board effectiveness – Diversity, Remuneration Strategy, Financial and Reporting - Financial performance, Strategy/purpose Others – Acquisitions/Takeovers/Mergers, Green Bonds, Activism, Lobbying and Political donations
	L&G – Future World Developed Ex-UK Equity Index	1,097		Environment – Climate change, Natural resource use/impact, Pollution and Waste Social – Human and labour rights, Inequality and Public health Governance – Board effectiveness – Diversity, Remuneration and Independence
	L&G - UK Equity Index Fund	421		Environment - Climate change, Natural resource use/impact Social - Human and labour rights, Human capital management Governance - Board effectiveness – Diversity, Remuneration Strategy, Financial and Reporting - Financial performance, Strategy/purpose
	L&G - North America Equity Index Fund	617		Environment - Climate Change, Pollution, Waste Social - Human And Labour Rights, Human Capital Management Governance - Board Effectiveness – Diversity, Remuneration Strategy, Financial And Reporting - Financial Performance, Strategy/Purpose
	L&G - Sustainable Property Fund	202		Environment - Climate Change Social - Human capital management, Conduct, culture and ethics Governance - Remuneration, Board effectiveness – Diversity, Board effectiveness - Independence or Oversight Strategy, Financial And Reporting - Financial Performance, Strategy/Purpose
DB	Aviva Investors ("Aviva") - Lime Property Fund ¹	19	2,370	Environment - Climate Change
	CBRE - Global Alpha Fund ¹	Not provided		Environment - Climate Change

IMPLEMENTATION STATEMENT (continued)

	Funds	Number of engagements		Themes engaged on at a fund level
		Fund level	Firm level	
CRISP	Mercer Global Investments – Mercer Sustainable Global Equity Fund	136	1,282	Environment – Climate transition plan, Climate risk management, Land use and deforestation Social – Corporate culture, cybersecurity & technology risks, Gender diversity, equity & inclusion Governance – Board accountability, board leadership, Shareholder rights and succession issues
	BlackRock – Passive UK Equity	185	2,208	Environment – Climate change, Natural resource use/impact, pollution and waste, Social – Human and labour rights, Human capital management and inequality Governance – Board effectiveness, Diversity, Leadership, Chair/CEO and Shareholder rights

Source: Managers ¹ Themes were taken from case studies provided by the manager.

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:

- Whilst L&G has provided complete engagement information, we note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. Each interaction may cover multiple themes.
- CBRE said it does not collate statistics on the number of individual engagements conducted with the nature of its engagement activity often being continuous and/or on a frequent basis. Aviva also does not provide engagement data; however, both managers provided examples of engagement activity at fund and firm-level.

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

This report does not include commentary on certain asset classes such as liability driven investments, 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.

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

In the table below are some significant vote examples provided by the Plan's DC managers (note: from next year, voting statistics for the investments made into L&G Future World Global Equities on 1 April 2025 for the DB Plan will be reported). 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, in manager's own words.

L&G - Global Equity Market Weights (30:70) Index Fund	Company name	Unilever Plc
	Date of vote	01 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.3
	Summary of the resolution	Resolution 4: Approve Climate Transition Action Plan
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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 FOR the CTAP is applied as we understand it to meet L&G's minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 Green House Gas ("GHG") emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.
	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 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 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 deem such votes to be significant, particularly when L&G votes against the transition plan.

IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G - Managed Fund	Company name	National Grid Plc
	Date of vote	10 July 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.3
	Summary of the resolution	Resolution 17: Approve Climate Transition Plan
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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: L&G is voting in favour of the National Grid Climate Transition plan. We commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.50C-aligned near term science based targets. We also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating.
	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 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 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 deem such votes to be significant, particularly when L&G votes against the transition plan.

IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G - UK Equity Index Fund	Company name	Glencore Plc
	Date of vote	29 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.3
	Summary of the resolution	Resolution 12: Approve 2024-2026 Climate Action Transition Plan
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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 as L&G expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5Â°C. While we note the progress the company has made in terms of disclosure, we remain concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5Â°C scenario.
	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 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 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 deem such votes to be significant, particularly when L&G votes against the transition plan.

IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

L&G – North America Equity Index Fund	Company name	ConocoPhillips
	Date of vote	14 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.3
	Summary of the resolution	Resolution 5: Revisit Pay Incentives for GHG Emission Reductions
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G 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		Shareholder Resolution - Climate change: A vote against is applied as L&G expects companies to be taking sufficient action on the key issue of climate change.
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 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 and High-Profile Meeting: This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.

IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

BlackRock Passive UK Equity Fund	Company name	Shell Plc
	Date of vote	21 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Approve the Shell Energy Transition Strategy
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A
	Rationale for the voting decision	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company
	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?	<p>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.</p> <p>BlackRock Investment Stewardship identifies and prioritizes companies for engagement based on several factors, including but not limited to, identified or potential material financial risks, aggregate client exposure, corporate developments, changes in regulation, or geopolitical or environmental-related developments that could impact a company's operations. We determine engagement would be helpful to further understand a company's situation after assessing its disclosures. We value the opportunity to listen to company leadership, which enhances our understanding of their business models, ensuring that our proxy voting decisions are based on a comprehensive view on company practices and priorities.</p> <p>In these conversations, we do not direct companies on how they should manage their business. That responsibility lies with management, with input from the board.</p>

IMPLEMENTATION STATEMENT (continued)

APPENDIX – SIGNIFICANT VOTING EXAMPLES

BlackRock Passive UK Equity Fund

**On which criteria have you
assessed this vote to be "most
significant"?**

BlackRock Investment Stewardship publishes "vote bulletins" and "case studies" on key votes at shareholder meetings to provide insight into certain vote decisions the team expects will be of particular interest to clients. The vote bulletins are published on the "Vote Bulletin library" section of the BlackRock Investment Stewardship website. The case studies can be found in BlackRock Investment Stewardship's flagship publications, also available on the website. These bulletins and case studies are intended to explain vote decisions relating to proposals addressing a range of corporate governance issues, including sustainability-related matters that may be material to a company's business model, that are on the agenda for a shareholder general meeting. Other factors BlackRock Investment Stewardship may consider in deciding to publish a vote bulletin and/or a case study include the profile of the issue in question and the level of client interest we expect in the vote decision. The vote bulletins and case studies include relevant company-specific background, sector or local market context, and engagement history when applicable. Vote bulletins and case studies may also include observations on emerging corporate governance issues and market-level stewardship developments.

The Investment Stewardship website is available here:
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IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer Global Investments – Mercer Sustainable Global Equity Fund	Company name	Apple Inc
	Date of vote	24 February 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.4%
	Summary of the resolution	Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A
	Rationale for the voting decision	<p>Apple provides several disclosures that relate to diversity and inclusion, and these disclosures appear to provide sufficient information for shareholders to evaluate the programs and policies in question.</p> <p>Apple provides its non-discrimination policies and clearly discusses its oversight of the associated risks, and this level of oversight is aligned with standard market practice. The proposal is overly prescriptive as it asks Apple to discontinue its current DEI policies, rather than just reporting on potential risks related to having such policies in place.</p> <p>In addition, there do not appear to be any controversies related to employees or employee groups at Apple being discriminated against due to the company's employee diversity initiatives.</p> <p>Although the topic of DEI has become contentious and widely reported, the company's current oversight and its level of disclosure do not raise concerns at this time. Therefore, support for this proposal is not warranted.</p>
	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?	We will continue to engage with the company. Given the current climate around DEI in the US, we shall monitor further developments by the company.
	On which criteria have you assessed this vote to be "most significant"?	<ul style="list-style-type: none"> - Shareholder Proposal - Engagement Priority (Diversity)

IMPLEMENTATION STATEMENT (continued)
APPENDIX – SIGNIFICANT VOTING EXAMPLES

Mercer LLC ("Mercer") – Growth Fund	Company name	Microsoft Corporation
	Date of vote	10 December 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.7%
	Summary of the resolution	Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production
	How you voted	For
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A
	Rationale for the voting decision	A vote for this proposal is warranted, as shareholders would benefit from additional disclosure related to the potential risks associated with the use of the company's artificial intelligence and machine learning tools for new oil and gas development and production.
	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?	Irish Life Investment Management ("ILIM") engages with Microsoft on the topic of Net Zero, deployment of advanced technology for the fossil fuel industry exposes it to material reputational, competitive, and operational risk. ILIM intends to continue to monitor the company's progress on the topic or any potential amendments.
	On which criteria have you assessed this vote to be "most significant"?	<ul style="list-style-type: none"> - Shareholder Proposal - Engagement Priority (Diversity)

Source: Managers