

SIP Implementation Statement for year ended 31 March 2026

**HCA International Limited Staff
Retirement Benefits Scheme**

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Section 1

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year running from 1 April 2025 to 31 March 2026 (the “Scheme year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The statement is based on, and should be read in conjunction with, the relevant versions of the SIPs that were in place during the Scheme year, dated October 2023 and November 2025.

Section 2.1 of this statement sets out the investment objectives of the Scheme and section 2.2 confirms the changes made to the SIP during the Scheme Year.

Section 2.3 of this statement sets out how, and the extent to which, the policies in the SIP have been followed. **The Trustee can confirm that in its view, all policies in the SIP have been followed during the Scheme Year.**

A copy of the latest SIP is available at <https://schemes.vidett.com/hca-international-limited-staff/>.

Section 3 and 4 include information on the engagement and key voting activities of the underlying investment managers within the Scheme, respectively.

Section 2

Statement of Investment Principles

2.1 - Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set.

The Trustee's principal mission is to help members to maximise their retirement outcomes with an appropriate level of investment risk, by providing an appropriate investment framework which represents value for members, and which is in line with recognised market "good practice", taking into account guidance from the Pensions Regulator and other appropriate industry and regulatory bodies. In addition to the principal mission as stated above and the investment objectives below, the Trustee also aims to:

- To make available a range of investment funds that should enable members to tailor their own investment strategy to meet their own individual needs.
- Offer funds which facilitate diversification and long-term capital growth.
- Offer funds that enable members to reduce risk in their investments as they approach retirement.
- To restrict the number of funds to avoid unnecessarily complicating members' investment decisions.

The Trustee has the following investment objectives related to the default investment option:

- To generate returns in excess of inflation during the "growth" phase of the strategy.
- To provide a strategy that reduces investment risk for members as they approach retirement.
- To offer to members assets at retirement that are broadly appropriate for an individual to take their whole fund as cash.

2.2 - Review of the SIP

During the Scheme Year, the Trustee carried out a review of the Scheme's SIP to reflect the following changes to the default investment strategy implemented in May 2025 after the Trustee decided to adopt the proposed investment changes from the Mercer Workplace Savings ("MWS") 2024 annual strategy review:

- Introducing increased risk and expected return when members are further away from retirement by fully investing in the Mercer Long Term Growth Fund until 16 years to retirement. The Mercer Long Term Growth Fund predominantly invests in equities to target higher potential growth while members are further away from retirement and can tolerate greater investment risk.
- Extending the glidepath from 8 to 16 years in recognition of the increased risk introduced by the Mercer Long Term Growth Fund.
- Members are now invested in a Target Date Fund that corresponds with the year of their Target Retirement Date. The fund name remains the same throughout a member's investment journey and changes to the investment mix will happen automatically within the fund as a member moves towards retirement.

All these changes are reflected in the SIP dated November 2025.

2.3 - Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustee during the Scheme Year where relevant. It sets out how this work followed the Trustee's policies in the SIP relating to the Scheme.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 4 (Investment Policy) of the SIP.

How has this policy been met over the Scheme Year?

As a reminder, The Trustee invests in Mercer funds via the MWS solution and uses Mercer SmartPath as the Scheme's default investment strategy. MWS provides additional investment governance oversight for the Scheme.

Following the 2024 MWS annual review of the SmartPath default investment strategy, MWS proposed making some changes to SmartPath which the Trustee decided to adopt. The investment changes were implemented in May 2025 after the Trustee had received appropriate investment advice from their investment consultant.

In addition, the Trustee also completed their detailed triennial review of the Scheme's investment strategy during the Scheme year, which considered the appropriateness of the SmartPath investment strategy for the membership. The triennial review concluded in July 2025 and there were no recommended changes. The review concluded that a default strategy targeting cash remained appropriate for the majority of members and the Trustee was satisfied with the risk and return profile across the glidepath.

Following a review of the range of investment funds currently available, MWS decided to close some funds that have limited overall take-up by members to simplify the choice framework. The Trustee took investment mapping advice from its investment consultant before deciding where to switch assets for members affected by the fund closures. Members were notified about the fund closures before implementation in March 2026 and given the opportunity to select an alternative fund ahead of the default mapping.

The latest version of the SIP is dated November 2025, and a copy is available here: <https://schemes.vidett.com/hca-international-limited-staff/>

Realisation of Investments

Policy

The Trustee's policy is detailed in the following sections of the SIP:

- Overall Aims and Objectives (SIP Section 4.1)
- Investment Objectives (SIP Section 4.1 and 5.1)
- Investment Policies (SIP Section 4.1 and 5.1)

How has this policy been met over the Scheme Year?

All assets are invested in daily dealt pooled investment funds, accessed through an insurance contract. These pooled arrangements are themselves regulated and underlying investments are mainly invested in regulated markets. Therefore, assets should be realisable at short notice, based on member and Trustee demands. The Trustee monitors the fund range for any issues, including liquidity issues, through quarterly performance reporting.

The Trustee receives an administration report on a quarterly basis to ensure that core financial transactions are processed within Service Level Agreements and regulatory timelines. As confirmed in the Chair's Statement, the Trustee is satisfied that all requirements were met throughout the Scheme year.

There were no known issues relating to the liquidity of the Scheme's investments over the Scheme year.

Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Scheme’s SIP outlines the Trustee’s beliefs on ESG factors (including climate change). Further details are included in Section 8 of the SIP. The Trustee keeps its policies under regular review.

How has this policy been met over the Scheme Year?

The Trustee receives investment performance reports quarterly. The report includes the Trustee’s investment adviser’s ratings of the Scheme’s investment funds (both general and specific ESG). The reports also include details of how each investment manager has delivered against specific mandates.

The Scheme’s SIP includes the Trustee’s policy on ESG factors, stewardship and climate change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Trustee keeps their policies under regular review with the SIP subject to review at least triennially.

The Trustee invests in Mercer funds via the MWS solution and uses Mercer SmartPath as the Scheme’s default investment strategy. MWS provides additional investment governance oversight for the Scheme.

Where managers are not highly rated from an ESG perspective the Trustee expects MWS to engage with those managers to improve ESG practices or potentially replace these managers with more highly rated managers. When implementing a new manager, MWS will consider the ESG capabilities of that manager. For those funds where the selection of investment managers is not delegated by the Trustee, the Trustee monitors their investment adviser’s ratings and will engage with managers where necessary, although engagement was not required over the Scheme year.

The Trustee acknowledges that investment managers managing assets other than equity may not have a high ESG rating assigned by the investment adviser due to the nature of the asset class where it is harder to engage with the issuer of debt, or harder to establish ESG measurement for derivative strategies.

Member views on financial and non-financial matters are not taken into consideration in the selection, retention and realisation of assets. All managers remained highly rated during the Scheme year.

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Policy

The Trustee's policy is that investment managers are expected to evaluate factors which include climate change considerations, exercising voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

Further details are set out in Section 8 (Responsible Investment and Corporate Governance) of the SIP, which applies to the Scheme. In addition, it is the Trustee policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

How has this policy been met over the Scheme Year?

The Trustee's exercise of voting rights is delegated to their investment managers. The Trustee does not use the direct services of a proxy voter; however, the investment managers may enlist the service of a proxy voter when required.

For MWS funds, where underlying investment managers are not meeting expectations, MWS is expected to engage the managers underlying the MWS funds. During the Scheme year, the Trustee did not have a need to challenge any investment managers' voting records.

Since October 2022, trustees are required to identify their key stewardship themes and priorities and report on significant votes linked to these themes/priorities. The Trustee considers a significant vote as any vote in a material investment fund (holds more than 5% of Scheme assets at the end of the Scheme year) relating to holdings in a company representing at least 1% of the year-end value of the fund. The three key stewardship areas, which also have some alignment with the Company's sustainability initiatives, are:

- Climate change, pollution and natural resource degradation
- Human rights
- Diversity, equity and inclusion



Further details are set out later in this statement. A summary of voting activity for the year to 31 March 2026 is included in Section 3 of this statement.

The Trustee can regularly review the decisions made by the managers, including voting history and engagement activity, and can challenge such decisions to contribute towards good performance over the medium-to-long term.

The Trustee reviews details of voting and engagement activities on an annual basis for each of the funds. The Trustee can challenge manager decisions that appear out of line with the investment fund's objectives or the objectives/policies of the Scheme.

Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

Policy

The Trustee's policy is set out in Section 9.1 (Aligning Manager Investments Strategy and Decisions with Trustee policies) of the SIP, which applies to the Scheme.



How has this policy been met over the Scheme Year?

During the Scheme Year no mandates were terminated by the Trustee due to performance concerns or because of changes to managers' targets.

The selection of underlying investment managers for the MWS funds is the responsibility of MWS. MWS can decide to terminate the relationship with an underlying asset manager if certain performance or sustainable investment criteria are not met. For those funds that are not delegated the Trustee directly determines if relationships should be terminated based on similar criteria. This helps align and encourage investment managers to perform their duties in line with their objectives. As noted in the SIP, investment managers have been selected to align with the Trustee's overall investment strategy.

The current range of investment managers are aware that their continued appointment depends on meeting performance targets and successfully delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to review the appointment.

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustee's policy is set out in Section 9.3 (Evaluating Investment Manager Performance) of the SIP, which applies to the Scheme.

How has this policy been met over the Scheme Year?

The remuneration for investment managers used by the Scheme is based on a percentage of the value of the investments.

The level of fees are reviewed annually as part of the annual Value for Members assessment to ensure they continue to represent value. The latest assessment to 31 March 2026 concluded that fund charges overall, provide good value for members. The investment management charge element is competitive across funds and generally below the peer group median. Following the previous Value for Members assessment, the Trustee has secured a 0.02% reduction in the Scheme Provider charge for members further improving the value received by members.

The Trustee receives performance reports on a quarterly basis, which present performance information over three months, one year, three years and five years. The Trustee reviews the absolute performance, relative performance against a suitable index or target used as the benchmark, and against the underlying manager's stated target performance.

Monitoring portfolio turnover costs

Policy

The Trustee's policy is set out in Section 9.4 (Portfolio Turnover Costs) of the SIP, which applies to the Scheme.

How has this policy been met over the Scheme Year?

The Trustee does not define set ranges in respect of portfolio turnover and costs. The Trustee considers the level of transaction costs as a broad method to assess the level of additional costs incurred by members that may indicate higher levels of turnover within a portfolio. The level of transaction costs was considered as part of the Trustee's Value for Members' assessment.

While the transaction costs provided appear to be reflective of costs expected within the various asset classes and markets that the Scheme invests in, there is no agreed industry standard or universe for comparative assessment purposes. The Trustee will assess these costs on an ongoing basis and, where appropriate, with help from their investment adviser challenge the level of costs incurred if they were assessed to be too high relative to expectations as this may indicate excessive turnover.

The duration of the arrangements with asset managers

Policy

The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 9.5 (Manager Turnover) of the SIP, which applies to the Scheme.

How has this policy been met over the Scheme Year?

The Trustee monitors performance of the investment managers against their appointed mandates quarterly to ensure that they continue to remain appropriate as part of the default or self-select range. They reserve the right to make changes including termination of investment managers used by the Scheme.

The Trustee reviewed the default investment strategy over the Scheme year following changes made by MWS in May 2025. As a result of this review, the Trustee found that the existing Mercer Target Cash default arrangement remained appropriate for the majority of members and that no changes to the strategy were required. The Trustee will next formally review the default investment arrangement in 2028.

Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

Policy

The Trustee's policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Overall Aims and Objectives (SIP Section 4.1)
- Investment Objectives (SIP Section 4.1 and 5.1)
- Investment Policies (SIP Section 4.1 and 5.1)

How has this policy been met over the Scheme Year?

The default investment option was designed after careful analysis of the membership characteristics to offer an appropriate strategy to meet the needs of Scheme members. The Trustee decided to adopt the proposed changes from the 2024 MWS annual review of the SmartPath default investment strategy, which were implemented in May 2025.

The Trustee also completed its triennial review of the Scheme's investment strategy in July 2025, which considered the ongoing suitability of the default strategy for the membership and the range of self-select options.

The funds available are expected to provide an investment return relative to the level of risk associated with each fund.

The Trustee believes that the balance between different kinds of investments is a personal decision dependent on an individual's attitude towards risk. The Trustee believes that the range of funds offered should provide a suitable range of risk and return options for the membership to choose from.

Risks, including the ways in which risk are to be measured and managed

Policy

The Trustee's policy on the management of risk can be found in Section 4.2 of the SIP. In determining which investment options to make available the Trustee considers the investment risk associated with DC pension investment. The risk can be defined as the uncertainty over the ultimate amount of savings available on retirement. The Trustee has considered risks from a number of perspectives.

How has this policy been met over the Scheme Year?

In determining which investment options to make available, the Trustee considers both quantitative and qualitative measures for the risks outlined in the SIP when deciding on investment policy, strategic asset allocation and choice of fund managers / funds / asset classes.

All monitoring activity detailed in the SIP was undertaken, and there were no issues identified over the Scheme Year. No changes were made to the investment arrangements because of these considerations.

The Trustee maintains a register of key risks including investment risk which is reviewed annually by the Trustee or more frequently if new risks are identified. 'Top' risks were also reviewed quarterly. The register of key risks rates the impact and likelihood of the risks and identifies mitigating factors and additional actions taken.

Section 3

Examples of Engagement Activity by the Scheme's Investment Managers

The following are examples of engagement activity undertaken by the Scheme's investment managers. References to "we" and "our" relate to the investment manager and not the Trustee.

BlackRock engages with Skyworks Solutions, Inc.

Skyworks is a U.S.-based developer and manufacturer of semiconductor products that uses water in its production process.

BlackRock engaged with Skyworks' board chair and investor relations team at the company's request and in advance of its May 2025 AGM. At the engagement, the company discussed shareholder proposals on the agenda for its May 2025 AGM, and shared updates on several corporate governance matters, including its approach to managing material climate- and natural capital-related risks and opportunities. Among other updates, the company highlighted its newly constructed municipal wastewater treatment plant at a facility in Mexico, which began operations in October 2024 to support the company's efforts to mitigate its impact on freshwater resources. The plant treats wastewater from the municipality of Mexicali and uses the clean, recycled water in the company's production processes to reduce reliance on fresh water. The company estimates the plant will reduce its fresh water withdrawals from municipal water utilities by over 100 million gallons annually at peak capacity.

BlackRock found the information shared during the engagement and public disclosures helpful in understanding the company's approach to water risk management in highly water-constrained regions. BlackRock supported management's recommendations on all proposals at the May 2025 AGM, with the exception of one of two shareholder proposals. BlackRock voted against a shareholder proposal requesting that Skyworks disclose all material scope 3 GHG emissions, as BlackRock agreed with the company's view that, given Skyworks' existing goals, initiatives, and disclosures, as well as the evolving scope 3 emissions landscape, the proposal was not in the best interests of shareholders. BlackRock supported the governance-related shareholder proposal requesting the adoption of simple majority voting. All management proposals received majority shareholder support, ranging from approximately 90% to 99%. The governance-related shareholder proposal passed with approximately 98% shareholder support. The environmental-related shareholder proposal received approximately 21% shareholder support and did not pass.



Baillie Gifford engages with Burberry Group plc

Burberry is one of the UK's best-known luxury brands, famous for its classic outerwear and iconic British identity. Baillie Gifford has been a significant shareholder since 2011. Over the last decade, we have supported Burberry's strategy to elevate its brand by aligning its distribution and product range with a luxury positioning, underpinning long-term sustainable growth and value creation. Following several profit warnings and a sudden CEO departure, Baillie Gifford engaged with members of the board to gain further insight into what was happening at the company, assess the impact on board effectiveness and ensure its premiumization strategy remained on track.

Baillie Gifford's engagements with the company have given them confidence that management is well-positioned to deliver on its long-term premiumisation plan. If this is successful, Baillie Gifford believes that the current valuation does not reflect the strength of this unique brand. Baillie Gifford views recent management changes as positive and plan to engage with the incoming chair, once appointed, to outline their ongoing stewardship expectations.

Mercer Investment Solutions engages with investment managers to consider climate within investment process

Mercer IS actively engages with investment managers to ensure climate considerations are integrated into their investment processes and stewardship activities. As climate is a key stewardship priority, Mercer IS closely monitors how investment managers incorporate climate factors in their engagement and voting with underlying issuers and relevant stakeholders. To support its commitment to achieving net-zero absolute portfolio carbon emissions by 2050 for its model discretionary portfolios and most multi-client, multi-asset funds, Mercer IS has developed a dedicated climate engagement framework. This framework helps identify priority companies for engagement based on factors such as their contribution to portfolio emissions, alignment with transition pathways, and transparency in decarbonisation targets. Mercer IS shares these engagement target lists with investment managers responsible for these issuers, expecting them to actively engage on decarbonisation plans and regularly report progress back to Mercer IS. Through this collaborative approach, Mercer IS leverages stewardship—particularly engagement and voting—to drive meaningful decarbonisation across portfolios.

Section 4

Voting and Engagement Activity during the Scheme Year

The undertaking of engagement activities in respect of investments is also delegated to investment managers.

The Trustee has delegated its voting rights to MWS who in turn delegates this to external investment managers. Similarly, for the small number of Trustee governed self-select funds, voting rights are also delegated to the investment manager. The Trustee does not use the direct services of a proxy voter.

MWS includes stewardship within their Sustainable Investment Policy. MWS expects all shares to be voted on by external investment managers in a manner deemed most likely to protect and enhance long-term value for investors.

Voting and engagement activities of external investment managers are reviewed regularly, this includes voting execution, voting rationale and engagement examples. MWS annually produces an ESG Report which covers stewardship activities and disclosures from external investment managers appointed within the self-select fund range and within the Mercer Growth fund.

Summary of voting activity during the Scheme year for relevant funds. Investment funds where voting rights are not attached (i.e. non-equity funds) are not included in the list below.

Fund	How many meetings were you eligible to vote at?	How many resolutions were you eligible to vote on?	What % of eligible resolutions did you vote?	Of the resolutions on which you voted, what % did you:		
				Vote with management?	Vote against management?	Abstain from voting?
BlackRock – Passive Global Equity (30:70) (GBP Hedged)	4,706	53,375	99.00%	90.90%	8.40%	2.10%
BlackRock - DC Diversified Growth	570	7,065	95.00%	95.00%	4.00%	0.00%
Baillie Gifford – UK Equity Core	67	1150	100.00%	95.91%	2.96%	1.13%
Baillie Gifford – International Equity	94	1291	97.91%	92.56%	5.62%	1.82%
Mercer Long Term Growth/Mercer Growth/ Mercer Moderate Growth/ Mercer High Growth	6,608	83,115	94.60%	82.20%	16.60%	1.20%
Mercer Defensive	5,270	63,504	96.80%	82.20%	16.40%	1.40%
Mercer Active Emerging Market Equities	497	4,965	96.30%	88.30%	10.10%	1.60%
Mercer Active UK Equity	99	2,148	97.30%	97.10%	2.20%	0.70%
Mercer Active Global Equity	650	9,139	98.80%	89.30%	10.20%	0.50%
Mercer Diversified Growth Fund	7,262	89,398	94.70%	81.80%	17.00%	1.20%
Mercer Passive UK Equity	695	9,468	99.50%	97.20%	2.80%	0.00%

Fund	How many meetings were you eligible to vote at?	How many resolutions were you eligible to vote on?	What % of eligible resolutions did you vote?	Of the resolutions on which you voted, what % did you:		
				Vote with management?	Vote against management?	Abstain from voting?
Mercer Passive Overseas Equity (GBP Hedged)	1,925	25,270	94.00%	95.20%	4.80%	0.40%
Mercer Passive Overseas Equity (GBP Unhedged)	1,832	24,190	99.00%	95.20%	4.80%	0.40%
Mercer Passive Emerging Markets Equity	2,395	21,902	97.00%	73.70%	22.90%	3.30%
Mercer Passive Sustainable Global Equity	1,103	15,945	99.60%	76.60%	22.70%	0.70%
Mercer Passive Shariah	108	1,645	95.00%	84.60%	15.40%	0.50%
Mercer Active Global Small Cap Equity	824	9,257	98.60%	91.80%	7.70%	0.50%
Mercer Diversified Retirement	5,270	63,504	96.80%	82.20%	16.40%	1.40%
Target Retirement Funds	Funds have an allocation to Mercer Growth and Mercer Diversified Retirement Funds (DRF)					

Source: Marsh, BlackRock, Baillie Gifford. Baillie Gifford as at December 2025.

Note: Voting actions may not sum to 100% due to rounding.

Overview of Use of Proxy Services

MGIE (Mercer Global Investments Europe) has developed adequate and effective strategies for determining when and how any voting rights in funds are to be exercised, to the exclusive benefit of the fund and its investors. MGIE has put in place a policy covering each fund to ensure the exercise of voting rights are in accordance with the investment objective and policy of the fund. Marsh will provide a report on an annual basis which provides an overview of sub-investment manager engagement processes, significant votes, use of proxy advisers and engagement examples.

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. 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.

Baillie Gifford are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), but do not delegate or outsource any of their stewardship activities or follow or rely upon recommendations when deciding how to vote on their clients' shares. All client voting decisions are made in-house. They vote in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisers in the Chinese and Indian markets to provide them with more nuanced market specific information.

An overview on the use of any additional proxy voting services by sub-investment managers will be provided by Marsh on an annual basis going forward.

Most significant votes

A "Significant Vote" is defined, by the Trustee as one that relates to the Trustee following key stewardship priorities:

The Trustee considers a significant vote as any vote in a material investment fund (holds more than 5% of Scheme assets at Scheme year-end) relating to holdings in a company representing at least 1% of the year-end value of the fund. The three key stewardship areas, which also have some alignment with the Company's sustainability initiatives, are:

- Climate change, pollution and natural resource degradation
- Human rights
- Diversity, equity and inclusion

Mercer Long Term Growth and Mercer Growth are the only funds that holds over 5% of Scheme assets where voting rights are attached.

✗ Resolution not passed ✓ Resolution passed

Fund	Portion of the fund	Company	Date of vote	How the Manager voted	Intention shared with Company	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant	Next Steps
Mercer Long Term Growth	2.11%	Meta Platforms Inc	28/05/ 2025	Voted against Shareholder Proposal Regarding Transition Plan and Renewable Energy	No	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 RECs (vs. >50% at Amazon and Microsoft reportedly). Technical and data challenges are significant barriers here. The 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. 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. This is an evolving issue. Data centre power demand growth is expected to drive a significant	✗	The Trustee has deemed votes related to Climate Change to be a significant vote.	MGIE will continue to engage with the company. Given the current discourse around environmental/climate proposals in the US, MGIE will monitor the company's further developments closely.

Fund	Portion of the fund	Company	Date of vote	How the Manager voted	Intention shared with Company	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant	Next Steps
						increase in carbon dioxide emissions. Meta's data centre expansion has already led to a 200% increase in electricity use since 2019.			
Mercer Growth	2.54%	Microsoft Corporation	05/12/2025	Voted for Shareholder Proposal Regarding Report on AI Human Rights Due Diligence	No	The recent controversy related to the misuse of the company's Azure technology — which Microsoft identified only after external reporting and public scrutiny — raises questions about the effectiveness of its HRDD processes and exposes the company to legal, reputational, operational and financial risks. The company and its shareholders would benefit from a report assessing the effectiveness of Microsoft's human rights due diligence processes in preventing, identifying, and addressing customer misuse of its artificial intelligence and cloud products or services.	×	The Trustee has deemed votes related to Human Rights to be a significant vote.	MGIE is currently engaging with the company through their service provider, Sustainalytics, on two key topics: Net Zero and Sustainability & Good Governance. As part of the Sustainability and Good Governance engagement, MGIE has the opportunity to discuss matters related to artificial intelligence with the company. MGIE will continue engaging with the company, monitor its progress towards the preset objectives, and raise any potential concerns during their engagement calls.

Fund	Portion of the fund	Company	Date of vote	How the Manager voted	Intention shared with Company	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant	Next Steps
Mercer Growth				Voted for Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production	No	Though the company has set goals and made progress regarding its own emissions, shareholders would benefit from transparency regarding how the company is assessing and managing risks related to the usage of its advanced artificial intelligence and machine learning tools in other industries like oil and gas development, as these risks could carry further implications for the company in the long term.	✗	The Trustee has deemed votes related to Human Rights to be a significant vote.	
	1.64%	Meta Platforms Inc	28/05/2025	Voted against Shareholder Proposal Regarding Transition Plan and Renewable Energy	No	The manager believes that: 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 RECs (vs. >50% at Amazon and Microsoft reportedly). Technical and data challenges are significant barriers here. b) The 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.	✗	The Trustee has deemed votes related to Climate Change to be a significant vote.	MGIE will continue to engage with the company. Given the current discourse around environmental/climate proposals in the US, MGIE will monitor the company's further developments closely.

Fund	Portion of the fund	Company	Date of vote	How the Manager voted	Intention shared with Company	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant	Next Steps
Mercer Growth						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.			
				Voted against Shareholder Proposal Regarding Report on Human Rights Risks in Non-U.S. Markets	No	The manager believes that a vote against this proposal is warranted, as the company has a corporate human rights policy in place and the board's Audit and Risk Oversight Committee manages the company's risk exposures including human rights risks. The company has also established an independent Oversight Committee that reviews the company's content moderation policies and provides issue specific feedback to the team for redressal of concerns. While there have been instances of negative	✗	The Trustee has deemed votes related to Human Rights to be a significant vote.	None to report

Fund	Portion of the fund	Company	Date of vote	How the Manager voted	Intention shared with Company	Rationale of Manager vote	Final outcome following the vote	Why Vote is Significant	Next Steps
Mercer Growth						media attention, on the whole, the company has sufficient measures to evaluate and manage human rights risks related to content moderation in non-U.S. markets.			

Source: MWS.