IMPLEMENTATION STATEMENT

Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustees has been followed during the year to 31st August 2025 (the "Scheme year"). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives it has set. As set out in the SIP, the Trustees' primary investment objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustees' policies on ESG factors, stewardship and climate change. In order to establish these policies, the Trustees discussed ESG and the latest regulatory requirements governing the inclusion of ESG policies. The Trustees keep their policies under regular review, with the SIP subject to review at least triennially. The SIP was updated in December 2024 to reflect the updates that were made to the Scheme's strategic asset allocation.

Scheme's Investment Structure

The Scheme's only investment is a Trustee Investment Policy ('TIP') with Mobius Life Limited ('Mobius'). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers. As such, the Trustees have no direct relationship with the Scheme's underlying investment managers.

Engagement

Monitoring

- The Trustees consider how ESG, climate change and stewardship are integrated within investment processes in appointing new investment managers, implementing investment strategy decisions, and monitoring the existing investment managers.
- Managers will be expected to report on their own ESG policies as and when requested by the Trustees.
- The Scheme's investment performance report is reviewed by the Trustees on a quarterly basis – this includes ratings from the investment adviser. These ratings include an indication of Mercer's conviction in the ability of a manager to deliver its performance objectives. Deteriorations in these ratings may prompt the Trustees to consider terminating certain managers. The investment performance report includes details of how each investment manager is delivering against their specific mandates. Additionally, these reports also include strategy level ESG integration indications and views on the relevance of ESG within a particular asset class.

IMPLEMENTATION STATEMENT (CONTINUED)

Stewardship of investment managers

- Over the period, the Trustees did not set any investment restrictions on their appointed investment managers in relation to particular products or activities.
- In the relevant year, the Trustees have not engaged with Mobius or the underlying pooled fund managers on matters pertaining to ESG, stewardship or climate change.
- Mercer's ESG framework includes undertaking stewardship questionnaires with investment managers. The questionnaire is fact-based and aimed at providing an overview of some of the policies and processes that managers have in place.

Voting Activity

As noted earlier, the Scheme has no direct relationship with the pooled funds it is ultimately invested in, as a result, it has no direct relationship with the underlying companies and therefore no voting rights in relation to the Scheme's investments. The Trustees have therefore effectively delegated its voting rights to the managers of the funds the Scheme's investments are ultimately invested in.

The Trustees have not been asked to vote on any specific matters over the Scheme year. Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds, in which the Scheme's assets are invested, for which voting is possible (i.e. all funds which include equity holdings).

The table below sets out a summary of the key voting activity over the financial year:

		Votes cast		
Manager / Fund	**Proxy voter used?**	**Votes in total**	**Votes against management endorsement**	**Abstentions**
Baillie Gifford Diversified Growth Fund	**ISS** – Recommendations only. **Glass Lewis &Co.** – recommendations only. Specialist proxy advisors in the Chinese and Indian markets	893 (out of 912 eligible)	4.3%	0.6%
Columbia Threadneedle Multi Asset Fund	**ISS** – Threadneedle take recommendations and vote via ISS. **Glass Lewis &Co.** – recommendations only. **IVIS** – recommendations only.	6,143 (out of 6,143 eligible)	5.4%	0.7%

Note: ISS – Institutional Shareholder Services, IVIS- Institutional Voting Information Service. Voting data covers the 12 months to 30th September 2025.

IMPLEMENTATION STATEMENT (CONTINUED)

Significant votes:

A "Significant Vote" is defined by the Trustees as one that relates to climate change and constitutes a "material holding" in the Fund, where a material holding is defined as an investment with > 1% weight in the Fund's portfolio as at the time of voting.

Given the multi-asset nature of these Funds, equity holdings (for which voting is possible) only account for a subset of the holdings. As such, the Colombia Threadneedle Multi Asset Fund did not cast any votes during the 12 months that met the Trustees' definition of significant. We have included the below information as an example of the typical engagements made by the managers.

Manager / Fund	**Columbia Threadneedle** Multi Asset Fund	**Baillie Gifford** Diversified Growth Fund
Company	NVIDIA Corporation	Dimensional Funds plc – Global Value Fund
Date of Vote	25/06/2025	21/08/2025
Size of fund's holding at the date of vote (as % of portfolio)	2.4%	1.5%
Summary of Resolution	Enhance Workforce Data Reporting	Appoint/Pay Auditors
Vote Cast	Abstain	Against
Was intention of vote communicated beforehand if against management?	No	No
Rationale of Vote	The company should disclose its demographic workforce data as per the EEO-1 requirement. This will help to increase transparency and aid shareholders in assessing the effectiveness of the company's stated efforts to address related human capital material risks and opportunities.	Baillie Gifford opposed the ratification of the auditor because of the length of tenure. Baillie Gifford believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.
Result	Resolution failed to pass	Unknown
Next Steps	n/a	The company's auditor has been in place for 23 years. Baillie Gifford previously engaged on the topic of auditor tenure, as they believe it is best practice to rotate the auditor at least every 20 years to ensure independence. While Baillie Gifford acknowledge that the company is not subject to EU auditor rotation requirements and note the board's concerns about the costs of onboarding a new auditor, we do not find these reasons sufficiently persuasive. Baillie Gifford wrote to the company following the vote to encourage the board to undertake an audit retender.