

Engagement Policy Implementation Statement for the Year 31 December 2025

Hendy Group Retirement Benefits Plan (“the Plan”)

1. INTRODUCTION

The Engagement Policy Implementation Statement (known as the Statement) presents the Trustees' assessment of their adherence to their engagement policy and their policy concerning the exercise of rights (including voting rights) attaching to the Plan's investments throughout the one-year period ending 31 December 2025 (the “Plan Year”). The Trustees' policies are outlined in their Statement of Investment Principles (SIP). The SIP was last reviewed in April 2025 in order to reflect the Plan's move to a fixed weight growth allocation. A copy of the Trustees' SIP is available [here](#).

This Statement has been prepared in accordance with the *Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* and the guidance published by the Department for Work and Pensions.

The Trustees have appointed Mercer Limited (Mercer) as the discretionary investment manager and the Plan's assets are invested in a diverse range of specialised pooled funds (known as the Mercer Funds). The management of each of the Mercer Fund's assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE) and Mercer Investments LLC (PIP III) and Mercer Alternatives (Luxembourg) S.à r.l. thereafter.¹

The relevant Mercer affiliate is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the assets of each Mercer Fund.

Under these arrangements, the Trustees acknowledge that they do not possess direct authority over the engagement or voting policies and arrangements of the Mercer Funds' managers. Mercer's publicly available [Sustainability Policy](#) outlines Mercer's investment philosophy and approach to managing sustainability risks and opportunities. The [Stewardship Policy](#) provides further details on Mercer's stewardship practices.

Mercer's triennial Client Engagement Survey seeks to incorporate the Trustees' perspectives by assessing the alignment between Mercer's engagement priorities and those of the Trustees. The most recent survey, conducted in 2023, identified key focus areas important to the Trustees. The Trustees also regularly review Mercer's reports on stewardship activities, including engagement and voting, to ensure these align with their own expectations.

Section 2 of this Statement outlines the Trustees' engagement policy and evaluates the extent to which it has been followed during the Plan Year.

¹ Due to the nature of private markets investment voting information is not available for the PIP funds.

Section 3 sets out the Trustees' policy regarding the exercising of rights (including voting rights) attached to the Plan investments. This Section also provides detailed information on the voting activities undertaken by third-party investment managers appointed within the Mercer Funds during the Plan Year.

Considering the analysis presented in Sections 2 to 3, the Trustees' believe that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Plan Year.

2. TRUSTEES' POLICY ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES, INCLUDING CLIMATE CHANGE

Policy Summary




The Trustees' ESG policy is outlined in Section 10 of the Plan's SIP.

The Trustees regularly review Stewardship and Sustainability policies as noted above. If the Trustees find that the relevant policies of Mercer, MGIE or the third-party asset managers do not align with their own beliefs they will notify Mercer. Engagement to seek alignment will be prioritised, then they may consider disinvesting some or all of the assets held in the Mercer Funds. They may also seek to renegotiate commercial terms with Mercer.

In June 2025, the Investment Consultant presented the 2024 Annual Sustainability Report to the Trustees.

How the Policy has been implemented over the Plan Year

The following work was undertaken during the year relating to the Trustees' policy on sustainability integration, including the climate transition and effective stewardship.

 Policy Updates	 Climate Change Reporting and Carbon Foot printing	 Mercer ESG Framework
<p>The Trustees regularly review how sustainability considerations including the climate transition and effective stewardship are integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers within the Mercer Funds, in their monitoring process. Mercer,</p>	<p>Mercer's global investment philosophy, which the Trustees have reviewed, recognises that:</p> <ul style="list-style-type: none"> • Portfolio resilience can be enhanced by integrating financially material sustainability, 	<p>Mercer's new ESG relevance highlights to what degree ESG factors have the potential to influence Mercer's view of strategies in that asset class, based on the typical impact of ESG Factors on the</p>

and MGIE, provide reporting to the Trustees on a regular basis.

The Mercer [Sustainability Policy](#) and [Stewardship Policy](#) are reviewed regularly. The policies now include nature and biodiversity as key themes and include expanded details on Mercer's Investment Philosophy.

Mercer also regularly reviews its approach to integrating climate considerations into its investment decision-making process as documented in its [Task Force on Climate Related Financial Disclosures \(TCFD\) report](#).

The most recent [UN Principles of Responsible Investment](#) results (based on 2022 activity) awarded Mercer with 4 out of 5 stars for Policy Governance and Strategy.

Mercer is a member of the TNFD working group and a founding signatory of Nature Action 100. The Financial Reporting Council confirmed in February 2025 that MGIE will remain a signatory to the UK Stewardship Code, based on its application of the 12 principles, which is seen to represent best practice in stewardship.

transition, and socioeconomic risks into investment decision-making.

- Investing to solve long-term systemic issues may provide opportunities to improve risk-adjusted returns.
- Effective stewardship can improve investment outcomes.

Mercer applies each of these three lenses when considering the climate transition, a widely recognised systemic risk. Mercer considers the transition to a low carbon economy, and the physical damages associated with global temperature increases, through its Climate Transition (ACT) framework. This framework assesses portfolio alignment with low-carbon goals and monitors various climate-related metrics.

Mercer has a target of net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian discretionary portfolios, and relevant multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer has set a target to reduce portfolio carbon intensity by 45% from 2019 levels and is on track to meet this goal.

Mercer's climate risk management is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), as described in Mercer's latest Task Force on Climate Related Financial Disclosures Status [Report](#).

As of 31 December 2025, Mercer's in-scope portfolios are on track to meet their long-term net zero portfolio carbon emissions reduction targets,

underlying securities as well as risk return drivers in a portfolio.

Each relevant strategy has a binary ESG Indication. A strategy is considered Integrated if Mercer believes there is consistency and repeatability in the manager's approach to identifying and assessing material financial ESG risks into their due diligence and investment decisions.

Stewardship continues to form an important part of Mercer's ESG framework, applied during the manager research process.

From Q2 2025 onwards this new integration framework is included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustees.

with an average of -58% since baseline. (Data Source: MSCI Barra)



Approach to Exclusions

Mercer and MGIE prioritize integration and stewardship, but may exclude certain investments based on Mercer's Exclusions Frameworks. Controversial weapons and civilian firearms are excluded from all multi-client funds, while tobacco and nuclear weapons are excluded from active equity and fixed income funds. Additional exclusions are detailed in fund disclosures on Mercer's [website](#).

In addition, Mercer and MGIE monitor funds for high-severity incidences relating to the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.



Sustainability-themed investments

An allocation to MGIE's Mercer Passive Sustainable Global Equity UCITS CCF is included within the Plan's portfolio of growth assets, with the allocation accounting for 3.7% of the growth portfolio. Additionally, an allocation to Mercer's Luxembourg domiciled Sustainable Opportunities fund (private markets) is included within the Plan's Private Markets IV investment, accounting for 6.0% of the growth portfolio.



Diversity

Mercer and the Trustees believe that diverse teams enhance decision-making. As a result, they have implemented several measures to promote diversity within Mercer's portfolio management team, the appointed managers, and across portfolio holdings.

Participation in collaborative initiatives can also support raising awareness and contributing to initiatives across the broader industry.

Mercer Limited is a member of The Diversity Project, which seeks to accelerate progress towards a more inclusive culture in the investment and savings profession.

Mercer is also a member of the 30% Club – UK Investor Chapter and Irish Investor Chapter, which are investor-led initiatives focused on increasing gender diversity on corporate boards and in senior leadership roles.

While Mercer considers various forms of diversity in decision-making, it currently reports specifically on gender diversity.



Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustees. The 2025 Sustainability & Stewardship Report captures Mercer's stewardship approach, activities and outcomes over the calendar year 2024 and is designed to address the 12 principles of the 2020 UK Stewardship Code for investment managers.

Mercer conducts an annual survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed in the Mercer Funds. The survey gathers information on managers' broad approach to stewardship as part of their investment integration. It also seeks insights and examples of voting and engagement activities. The results from the survey serve as an important source of information for tracking and measuring managers' stewardship efforts, assessing effectiveness, and identifying potential areas for improvement.

3. TRUSTEES' POLICY ON EXERCISE OF RIGHTS (INCLUDING VOTING RIGHTS) ATTACHING TO PLAN INVESTMENTS

The Trustees' policy is as follows:

Delegation of Investment Management:

- The Trustees delegate responsibility for the discretionary investment management of Plan assets to Mercer. The Plan assets are invested in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager.

Reporting of Engagement and Voting activities

- For the Trustees to fulfil their obligations regarding voting and engagement, they require reporting on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustees assess whether the policies align with their own delegation of voting rights.
- Voting rights that apply to the underlying investments attached to the Mercer Funds are delegated to the third-party investment managers appointed by MGIE. MGIE accepts that these managers are typically best placed to exercise voting rights and prioritise particular engagement topics, given their detailed knowledge of the governance and operations of the investee companies. However, Mercer plays a pivotal role in monitoring the stewardship activities of those managers and promoting more effective stewardship practices, including attention to more strategic themes and topics.

Proxy Voting Responsibility:

- Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted⁽²⁾ in a timely manner and in a manner deemed most likely to protect and enhance long-term value.
- Mercer and MGIE carefully evaluate each investment manager’s stewardship capabilities (engagement and voting activities) as part of the selection process, ensuring alignment with Mercer’s commitment to good governance and the integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. As such the Trustees do not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Plan assets are invested in is provided for the year ending 31 December 2025. This may include information in relation to funds that the Plan’s assets were no longer invested in at the year end. The statistics are drawn from the Glass Lewis system (via the custodian of the Mercer Funds). Glass Lewis is a leading provider of governance and proxy voting services.

Fund	Total Proposals		Vote Decision					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
Mercer Multi-Asset Credit Fund ⁽¹⁾	28	28	100%	0%	0%	0%	0%	100%	0%	2	0%
MGI Emerging Markets Equity Fund	2,167	2,087	86%	10%	3%	1%	0%	90%	10%	187	33%
MGI Global Equity Fund	9,090	8,831	86%	11%	1%	2%	0%	90%	10%	626	42%
Mercer Global Small Cap Equity Fund	9,204	8,941	90%	7%	1%	2%	0%	92%	8%	802	36%
Mercer Passive Global REITS UCITS CCF	2,963	2,859	75%	21%	0%	4%	0%	75%	25%	308	65%
Mercer Passive Sustainable Global Equity UCITS CCF	15,640	15,242	76%	21%	1%	2%	0%	77%	23%	1087	76%

(1) Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund’s underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

(2) There are a number of limited circumstances where voting rights may not be exercised relating to, for example, conflicts of interest, share-blocking markets, power of attorney (POA) markets etc.

- “Eligible Proposals” reflect all proposals of which managers were eligible to vote on over the period
- “Proposals Voted On” reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the “Other” category)”
- Vote Decision may not sum to 100 due to rounding. “No Action” reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully
- “Other” refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).
- “Meetings No.” refers to the number of meetings the managers were eligible to vote at.
- “Meetings Against” refers to the no. of meetings where the managers voted at least once against management, reported as a % of the total eligible meetings.

Significant Votes: The Trustees have based the definition of significant votes in line with the requirements of the Shareholder Rights Directive (SRD) II and on Mercer’s engagement priority themes, The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals), while considering Mercer’s engagement priority themes.

Where available, information on next steps and plans to escalate are included in the following table.

Most Significant Votes

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
Mercer Passive Sustainable Global Equity UCITS CCF	Apple Inc (6.5%)	25/2/2025: Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies (Social)	<p>Manager Vote Decision: Against</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: The company 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. In addition, the company clearly provides its non-discrimination policies, it clearly discusses the board and management's role in oversight of the associated risks, and there do not appear to be any controversies related to employee diversity initiatives discriminating against employee groups at the company specifically.</p>	<p>Proposal did not pass (2.3% Support)</p> <p>Next steps to report — Manager will continue to vote in line with their published policies and positions.</p>
	Microsoft Corporation (5.8%)	05/12/2025: Shareholder Proposal Regarding Report on AI Human Rights Due Diligence (Social)	<p>Manager Vote Decision: Against</p> <p>(Intention to vote against management communicated: N/A)</p> <p>Rationale: A vote against is applied as the resolution is too narrowly focused on Conflict-Affected and High-Risk Areas (CAHRAs), and the manager believes the company has taken corrective actions following an independent investigation, in line with their expectation Following engagement with the company, the manager is encouraged by the steps taken to mitigate the identified risks and would encourage the company to disclose the details of the changes made in response to the incident to prevent similar issues in the future.</p>	<p>Proposal did not pass (25.8% Support)</p> <p>Next steps to report — Following the incident with Israeli Ministry of Defense, the company acknowledged limitations, including lack of visibility into how customers use software on self-managed servers. The manager will consider these examples when updating their AI governance and human rights considerations for the tech sector.</p>

	Microsoft Corporation (5.8%)	05/12/2025: Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production (Environmental)	<p>Manager Vote Decision: Against</p> <p>(Intention to vote against management communicated: N/A)</p> <p>Rationale: A vote AGAINST this resolution is applied. The concerns by the proposal raised do not present significant material risks at this time. The company provides sufficient disclosure on its approach to providing services to energy sector customers.</p>	<p>Proposal did not pass (8.6% Support)</p> <p>Next steps to report — (N/A)</p>
MGI Global Equity Fund	Meta Platforms Inc (3.3%)	28/5/2025: Shareholder Proposal Regarding Transition Plan and Renewable Energy (Environmental)	<p>Managers Vote Decision: Mixed</p> <p>For (1)</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: A vote for this proposal is warranted, as shareholders would benefit from greater disclosure on the company's climate transition strategy in light of expanded data centre operations.</p> <p>Against (2)</p> <p>(Intention to vote against management communicated: N/A)</p> <p>Rationale: A vote against this resolution is warranted. The company appears to provide sufficient information for investors to be able to determine how effectively it is addressing climate-related risks and opportunities.</p>	<p>Proposal did not pass (3.2% Support)</p> <p>Next steps to report — The manager who voted for stated that there is still strong resistance to climate-related proposals, and with only 3.25% voting in favour, the proposal was rejected.</p>
	Apple Inc (3.0%)	25/2/2025: Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies (Social)	<p>Manager Vote Decision: Against</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: A vote against this proposal is warranted. The company 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. In addition, the company clearly provides its non-discrimination policies, it clearly discusses the board and management's role in oversight of the associated risks, and</p>	<p>Proposal did not pass (2.3% Support)</p> <p>Next steps to report — N/A</p>

		there do not appear to be any controversies related to employee diversity initiatives discriminating against employee groups at the company specifically.	
Microsoft Corporation (3.7%)	05/12/2025: Shareholder Proposal Regarding Report on AI Human Rights Due Diligence (Social)	<p>Managers Vote Decision: Mixed</p> <p>For (1)</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: A vote FOR this resolution is warranted. 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.</p> <p>Against (1)</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: The manager doesn’t believe those reports/risk assessments would be additive as they’re covered in other materials and thus it’s not something management should be focused on.</p>	<p>Proposal did not pass (25.8% Support)</p> <p>Next steps to report — N/A</p>
Microsoft Corporation (3.7%)	05/12/2025: Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production (Environmental)	<p>Manager Vote Decision: Against</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: A vote AGAINST this resolution is warranted. The company has set climate goals for its emissions, and it does not appear that the emissions of its customers pose a significant risk to shareholders at this time.</p>	<p>Proposal did not pass (8.6% Support)</p> <p>Next steps to report — (N/A)</p>
Amazon.com Inc. (2.8%)	21/5/2025: Shareholder Proposal Regarding Climate	Managers Vote Decision: Mixed	Proposal did not pass (20% Support)

	Commitments and AI Data Centres (Environmental)	<p>For (1)</p> <p>(Intention to vote against management communicated: Yes)</p> <p>Rationale: The manager supported a shareholder resolution requesting a report explaining how it will meet its climate change goals given the massively growing energy demand from artificial intelligence and Amazon's plan to build more data centres. The manager thinks that how Amazon will meet the energy requirements of its rapid data centre build out is an investment material question as it will require considerable management time and capital allocation. The manager therefore think additional information on Amazon's thinking would benefit shareholders.</p> <p>Against (2)</p> <p>(Intention to vote against management communicated: No)</p> <p>Rationale: A vote against this proposal is warranted. The company appears to provide sufficient details related to its sustainability initiatives focused on reducing the carbon footprint of its data centres and related metrics to gauge its progress towards achieving its climate goals.</p>	<p>Next steps to report — Ahead of the meeting, the manager who voted for discussed this resolution with the company and shared the manager's intention to support it. The manager continues to discuss this topic with the company as they believe additional insight into how energy use is being considered alongside their climate goals would help shareholders in their risk assessments.</p>
Amazon.com Inc. (2.8%)	21/5/2025: Shareholder Proposal Regarding Disclosure of Material Scope 3 Emissions (Environmental)	<p>Mixed</p> <p>For (1) - (Yes - The manager supported a shareholder resolution requesting additional emissions reporting. There are many reasons why a broader boundary would be useful to shareholders. It would reveal more about the scale of the company's true commercial carbon footprint and enable engagement on particular areas of concentration and possible mitigants. It also has reputational relevance which could work to Amazon's long-term advantage in customer attraction and retention.)</p> <p>Against (2) - (N/A - A vote against this proposal is warranted, as the company appears to be taking sufficient action to measure and reduce its Scope 3 emissions.)</p>	<p>Proposal did not pass (13.8% Support)</p> <p>Next steps to report — The manager who voted FOR stated that expanding the carbon emissions reporting boundary continues to be a priority for them, and their support for this resolution is an escalation of that longstanding engagement on this matter. Over the next year, they intend to further this discussion.</p>

	Amazon.com Inc. (2.8%)	21/5/2025: Shareholder Proposal Regarding Report on Plastic Packaging (Environmental)	<p>Managers Vote Decision: Against</p> <p>(Intention to vote against management communicated: N/A)</p> <p>Rationale: The manager opposed a shareholder resolution requesting a report on the company's efforts to reduce its flexible plastic packaging. While the manager supported a similar resolution last year and continues to think this is an important issue for the company, the manager believes that the more material topics for the company right now are around its Scope 3 emissions and the consideration of data centre expansion and the impact on its climate goals. Further, the manager thinks the company has taken significant action in the last year on this topic and does not believe a specific report on the company's flexible packaging would provide any immediate insight.</p>	<p>Proposal did not pass (13.5% Support)</p> <p>Next steps to report — The manager believes the company continues to make good progress, but the manager notes that it still does not have a clear strategy. The manager did not support this resolution this year because, in the short term, the manager's focus remains on the company's energy use to power its data centres. However, it does remain a peripheral topic of engagement.</p>
	Amazon.com Inc. (2.8%)	21/5/2025: Shareholder Proposal Regarding Report on Working Conditions (Social)	<p>Managers Vote Decision: Against</p> <p>(Intention to vote against management communicated: N/A)</p> <p>Rationale: The manager opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. The company continues to make demonstrable progress on health and safety. The company continues to provide extensive disclosure and detailed safety metrics and to take pre-emptive action by investing in safety initiatives, technology, and programs. This is consistent with how the manager has voted on this resolution previously.</p>	<p>Proposal did not pass (22.3% Support)</p> <p>Next steps to report — This was the fourth year this resolution was filed, and the manager continued to oppose it. Support for the resolution has declined since last year from 31% to 22%. The manager continues to believe that this is a material issue for the company; however, from speaking with the company and reviewing their current disclosures, the manager also thinks the company continues to consider workplace safety seriously and provides good disclosure around their efforts and progress. The manager continues to monitor Amazon's approach closely.</p>

Note – These funds, namely the **Mercer Global Small Cap Equity Fund, Mercer Multi-Asset Credit Fund, Mercer Passive Global REITS UCITS CCF Fund and MGI Emerging Markets Equity Fund** do not have any votes deemed to be significant based on our definition of significant votes. Our definition specifically focuses on Mercer's Global Engagement Priority Themes.