

Engagement Policy Implementation Statement for the Year Ended 31 March 2024

ADM UK Pension Plan (“the Plan”) – Defined Benefit (DB) section

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 **Defined Benefit (DB)** section of the Plan's investments throughout the one-year period ending 31 March 2024 (the “Plan Year”). 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 **DB section's** assets are invested in a diverse range of specialised pooled funds (known as 'the Mercer Funds'). The management of each of the Mercer Funds' assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE). 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 how it addresses sustainability risks and opportunities, incorporating Environmental, Social and Corporate Governance (ESG) factors into the decision making across process. The Stewardship Policy provides further details on Mercer's beliefs and implementation of stewardship practices. Mercer's Client Engagement Survey aims to integrate the Trustees' perspectives on specific themes by evaluating the alignment between Mercer's engagement priority areas and those of the Trustees. Additionally, the survey highlights areas of focus that hold importance to the Trustees.

The Trustees regularly review reports from Mercer regarding the engagement and voting activities conducted within the Mercer Funds to assess the alignment of these with their own.

The purpose of this statement is to:

- detail any reviews of the Plan's Statement of Investment Principles ('SIP') that the Trustees have undertaken, and any changes made to the SIP over the year as a result of the review.
- set out how and the extent to which, in the opinion of the Trustees, the policies in the Plan's SIP have been followed during the year.
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

The Trustees' policies are set out in their version of the SIP dated October 2023. A copy of the Trustees' SIP is available [here](#).

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

Sections 3 to 6 of this statement also set out how, and the extent to which, the Trustees' engagement policy has been followed over the Plan Year.

Section 7 sets out the Trustees' policy regarding the exercising of rights (including voting rights) attached to the Plan's 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.

Taking the information compiled, it is the Trustees' belief that their policies in the SIP have been successfully followed during the Plan Year.

2. Statement of Investment Principles

Investment Objectives of the Plan

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

DB section

The Trustees' primary objective is to act in the best interests of its members and use best endeavors to ensure that the obligations to the beneficiaries of the Plan can be met. To guide them in their strategic management of the assets and the control of the various risks to which the Plan is exposed, the Trustees have adopted the following additional objectives to:

- be fully funded on a "self-sufficiency" basis defined as gilts +0.375% p.a. and run the investment strategy off thereafter, with minimal reliance on the Company, until further notice from the Company; and
- ensure that there are sufficient assets to cover the benefit promises accrued at any particular point in time (as defined by the Plan's actuarial assumptions), without placing unnecessary financial burden on the Company and without resorting to a high risk profile.

Review of the SIP

DB section

During the Plan Year, the Trustees reviewed and amended the Plan's SIP, taking formal advice from its Investment Consultant, Mercer. A revised SIP was agreed effective October 2023 to reflect strategic changes following the annual Investment Strategy Recalibration, undertaken in consultation with the Company, and the continued positive funding level progression. These changes effectively culminated in a de-risk for the Plan with the Growth : Matching split revised to 20% : 80% of total assets. The statement of investment arrangements was also amended effective October 2023 as an appendix to the SIP reflecting these changes.

Assessment of how the Trustees' policies in the SIP have been followed during the Plan Year

DB section

The information provided in the subsequent sections of the Statement highlights the work undertaken by the Trustees during the year, and longer-term where relevant, to set out how this work followed the Trustees' policies in the SIP (dated October 2023 covering the Plan Year), relating to the Plan.

In summary, it is the Trustees' view that the policies in the SIP have been followed during the Plan Year.

3. Investment Mandate

Securing compliance with the legal requirements about choosing investments (as per section 36 of the Pensions Act 1995)

DB section Policy

As required by legislation, the Trustees consult a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 1 and 2 of the SIP.

How has this policy been met over the Plan Year?

Mercer continues to act as discretionary investment manager to implement the Trustees' strategy whereby the level of investment risk has been reduced as the Plan's funding level improves. The Trustees continue to be advised by Mercer employees who are sufficiently experienced and FCA regulated to provide advice that is consistent with the requirements of Section 36 of the Pension Act 1995 (as amended).

The Trustees, under advice from Mercer, undertake a full review of the investment strategy on an approximately annual basis. This was undertaken in August 2023, in consultation with the Company, to incorporate the results of the Investment Strategy Recalibration. Accordingly, the investment strategy has evolved to manage the investments on a low risk basis with a lower allocation to Growth assets of 20%, from a previous target of 29.4%. Specifically, the investment strategy review resulted in a portfolio with a greater emphasis on credit, which is expected to generate income to meet a significant portion of member benefit outgo. The strategy is therefore now being managed in a steady "self-sufficient" state with no further de-risking triggers or ongoing reliance on Company contributions but also no specified timeframe for ultimately securing the member benefits, noting the strength of the covenant.

Realisation of investments

DB section Policy

The Trustees' policy is that there should be sufficient liquidity within the Plan's assets to meet short-term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the Plan's overall investment policy. Further details are set out in the following sections of the SIP:

- Realisation of Investments (SIP Section 6)
- Cash Flow Management and Rebalancing Policy (SIP Section 7)

How has this policy been met over the Plan Year?

The majority of the Plan's assets are invested in daily-dealt pooled fund investment arrangements. These pooled investment arrangements are themselves regulated and underlying investments are mainly invested in regulated markets. Where pooled investment arrangements do not invest assets in regulated markets, these are not expected to account for a material proportion of assets. Therefore, assets should be realisable at short notice, based on member and Trustees' demand. At year-end, the Mercer High Income UK Property Fund was terminated due to the volume of redemption requests following UK DB pension scheme de-risking activity

over the past few years, in particular. It is therefore now in the process of realising the underlying assets with proceeds expected to be paid out over the next few years.

The Trustees continue to delegate responsibility for the monitoring and rebalancing of the Plan's asset allocation to Mercer. Where investments or disinvestments were arranged during the year, the policies stipulated within the relevant appointment documentation have been followed.

4. Environmental, Social & Governance

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

DB section Policy

The Plan's SIP outlines the Trustees' beliefs on ESG factors (including climate change). Further details are included in Section 9 of the SIP. The Trustees keep the policy under regular review.

How the Policy has been implemented over the Plan Year

Within the DB section, the following work was undertaken during the year relating to the Trustees' policy on ESG factors, stewardship and climate change.

Policy Updates	Climate Change Reporting and Carbon Foot-printing	Mercer Ratings
The Trustees regularly review how ESG, climate change and stewardship is integrated within Mercer's investment processes and those of the underlying asset managers within the Mercer Funds. Mercer, and MGIE, provide regular reporting to the Trustees. The Mercer Sustainability Policy is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling section is now detailed in Mercer's standalone Task Force on Climate Related Financial Disclosures (TCFD) report. In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer has implemented a standalone Stewardship Policy to specifically address the requirements of SRD II. SRD II is a regulatory framework aimed at enhancing shareholder rights and improving corporate governance within the EU. 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. The United Nations Principles for Responsible Investment (UN PRI) is a global initiative that provides a framework for incorporating environmental, social,	Mercer and the Trustees believe climate change poses a systemic risk, with financial impacts driven by two key sources of change: 1. The physical damages expected from an increase in average global temperatures and 2. The associated transition to a low-carbon economy Each of these changes presents both risks and opportunities to investors. Mercer therefore considers the potential financial impacts at a diversified portfolio level, in portfolio construction within asset classes, and in investment manager selection and monitoring processes. In early 2021, Mercer announced its aim to achieve net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer also established an expectation that portfolio carbon emissions intensity would reduce by 45% from 2019 baseline levels and is on track to achieve this. Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate	Stewardship and active ownership form an important part of Mercer's ratings framework applied during the manager research process. Mercer's ratings include an assessment of the extent to which ESG factors are incorporated in a strategy's investment process as well as the manager's approach to stewardship. Across most asset classes, Mercer ratings are reviewed during quarterly monitoring by the portfolio management teams with a more comprehensive review performed annually. In these reviews, Mercer seek evidence of positive momentum on managers' ESG integration. These ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustees. As at 31 March 2024, the majority of funds in which the Plan's assets are invested had better ESG ratings than their respective asset class universes. The exceptions was the High Income UK Property

and governance (ESG) factors into investment practices.	related Financial Disclosures (TCFD), as described in the Mercer Investment Solutions Europe - Responsible Investment website .	Fund, which was marginally behind the broader universe but is in the process of being liquidated.
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The Financial Reporting Council confirmed in February 2024 that MGIE continues to meet the expected standard of reporting and will remain a signatory to the UK Stewardship Code, which represents best practice in stewardship.

As of 31 December 2023, Mercer are on track to meet our long-term net zero portfolio carbon emissions expectation. There has been a notable 33% reduction over the 4 years since 2019 baseline levels for Mercer Model Growth Portfolio used, bringing the 45% baseline-relative reduction by 2030 well within range.

Approach to Exclusions

Mercer and MGIE's preference is to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions Framework. Controversial weapons and civilian firearms are excluded from active equity and fixed income funds, and passive equity funds. In addition, tobacco companies and nuclear weapons are excluded from active equity and fixed income funds. Some funds have additional exclusions as outlined on the [Mercer Investment Solutions Europe - Responsible Investment website](#).

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

Diversity

Mercer's ambition to promote diversity extends beyond its own business through to the managers it appoints. This is partly assessed within the manager research process and documented in a dedicated section within research reports.

Within the Fixed Income universe, the average fund has 13% non-male KDM's and within the EMEA Active Equity universe, the average is 17%. Figures relating to Mercer Fixed Income and Active Equity Funds are currently slightly ahead or aligned, at 15% and 17%.

In Q3 2022, MGIE became a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023. The 30% Club is a business-led initiative that aims to increase gender diversity on corporate boards and in senior leadership positions.

Mercer considers broader forms of diversity in decision-making, but currently report on gender diversity. As of 1 April 2023, 35% of the Key Decision Makers (KDM's) within Mercer Investment Solutions team are non-male, and Mercer's long term target is 50%.

Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustees. [The 2023 Stewardship Report](#) highlights the engagement objectives which have been set, examples of engagement and the escalation process. Mercer also participates in collaborative initiatives related to stewardship.

Mercer conducts an annual Global Manager Engagement Survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed by the Mercer Funds. The survey aims to gather 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 the managers' stewardship efforts, assessing effectiveness and identifying potential areas for improvement.

Some key highlights from the 2023 survey are that 89% of managers have formal policies for sustainable investment and stewardship, 78% integrate ESG factors into the security selection process, and 96% of the 200+ strategies covered are managed by UN PRI signatories.

The results and insights from the survey will be shared in Mercer's 2023 Annual Stewardship Report. This report is reviewed by the Trustees, providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

5. 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 Trustees would monitor and engage with relevant persons about relevant matters).

DB section Policy

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's assets to Mercer. The Plan's assets are invested in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager.

In order 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 ultimately 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 invested 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.

As such, proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting 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.

Further, in appointing the asset managers, the Trustees expect MGIE to select managers where it believes the managers will engage directly with issuers in order to improve their financial and non-financial performances over the medium to long term. To monitor the third party asset managers' compliance with this expectation, the Trustees consider regular reports from Mercer that include an assessment of each third party manager's engagement activity.

We have set out a summary of voting activity for the year to 31 March 2024 relating to the Mercer relevant to the Plan in section 8 of this Statement.

Further details are set out in Section 4 (Environmental, Social and Governance). In addition, it is the Trustees' policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

6. Monitoring the Investment Managers

DB section Policy

The Trustees' policy is set out in Section 10 of the SIP and covers a number of aspects with respect to arrangements with, and evaluation of the performance and remuneration of, asset managers and portfolio turnover costs.

How has this policy been met over the Plan Year?

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

The Trustees' investment strategy is based on advice from Mercer which is predicated on a de-risking framework seeking to meet the Trustees' key objectives as defined within the SIP and therefore intrinsically aligns Mercer with said policies.

The investment strategy report was reviewed by the Trustees on a quarterly basis and includes a comparison of how the Plan's funding level is progressing versus the projections from the latest investment strategy review in order to assess ultimately whether the Trustees are on track to meet their objective.

In addition, the Trustees' review Mercer against the Plan's Investment Objectives on an annual basis, which was last agreed in January 2024.

Monitoring portfolio turnover costs

As noted in the SIP, the Trustees do not explicitly monitor portfolio turnover costs incurred by the Plan. Investment manager performance is reported and evaluated net of all fees and transaction costs (costs incurred as a result of buying and/or selling assets), and where possible, performance objectives for investment managers were set on a net basis. In this way, managers were incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives. The Trustees also receive and review annual MiFID II cost & charges statement and CMA Statements, which provides the detail of costs incurred by the Plan's assets.

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

The quarterly investment reporting and ad-hoc investment updates were reviewed by the Trustees and discussed at Trustee meetings. The reports include financial metrics and Mercer Manager Research Ratings for the underlying asset managers that comprise the Mercer Funds over the medium and longer term.

The Mercer Research Rating includes a Manager Rating that indicates Mercer's view on the likelihood of a manager to achieve their performance objective and an ESG Rating that gives an indication of the extent to which ESG considerations are incorporated into the managers' investment process. Where underlying asset managers are not meeting expectations, MGIE is expected to engage with these managers. This has led to changes to the underlying asset managers within the Mercer funds over the year.

The Trustees relies on Mercer to renegotiate underlying asset manager fees on new and existing appointments.

The duration of the arrangements with asset managers

The Trustees are a long-term investor and do not seek to change the investment arrangements on a frequent basis. Mercer has been appointed as a fiduciary management partner to assist the Trustees in achieving the Plan's long-term objectives. In that role, there is an expectation of a longer-term relationship until the journey is completed. This will be reviewed periodically as noted by the annual review of Mercer against the Plan's Investment Objectives. MGIE provide ongoing oversight of all underlying asset managers and will ensure the asset managers' continued appropriateness. As such there is no set duration for manager appointments.

7. Strategic Asset Allocation

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

DB section Policy

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

- Investment Objectives (SIP Section 3)
- Investment Strategy (SIP Section 5)

How has this policy been met over the Plan Year?

The Trustees have decided to delegate the implementation of the desired investment strategy to Mercer, that included pre-agreed funding level de-risking triggers that prompt action being taken by Mercer to progressively de-risk the Plan's investment strategy being monitored on a daily basis. As at 31 March 2024, the total target allocation to growth assets was 20% and all de-risking triggers have been met.

Over the Plan Year, the assets have delivered a return of 0.4%, gross of fees, which was greater than the drop in the present value of liabilities of -3.7%. Since inception of the de-risking mandate (24 October 2019), the assets have returned -6.0% p.a. to outperform the change in value of liabilities of -7.4% p.a. to 31 March 2024, resulting in an increasing funding level against the backdrop of a high gilt yield environment.

As a result of the Investment Strategy Recalibration, the Trustees, in consultation with the Company, de-risked the Growth Allocation from 29.4% to 20%, with a general increase in income-generating credit assets, alongside a complete disinvestment from Low Volatility Equity and a reduction in the Plan's property allocation.

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

DB section Policy

The Trustees recognise a number of risks involved in the investment of the assets of the Plan and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under Section 4 (Risk Management) of the SIP.

How has this policy been met over the Plan Year?

As detailed in Section 4 of the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies and evaluating Mercer and MGIE's actions relating to the strategic asset allocation, dynamic asset allocations within the Matching Portfolio and choice of sub-investment managers and asset classes.

The investment strategy report is reviewed by the Trustees on a quarterly basis. This report includes the overall funding level risk, and more recently Value at Risk ("VaR") – i.e. how much the deficit could increase by, or more, in a 1 in 20 downside event for the Plan – alongside appropriate comments on the other risks to which the Plan is exposed. The funding level volatility measure provided in these reports has been broadly stable over the Plan Year at c. 2.5% p.a. following the de-risking steps taken in October 2023.

The approximately annual reviews of the investment strategy provide the Trustees with an opportunity to consider their long-term objectives and assess the VaR, which is considered a primary measure for assessing the mismatch between the Plan's assets and liabilities and the Company's ability to support it. The one year VaR of the investment strategy analysed as at 31 March 2024 was £10.1m, suggesting that the deficit on the low risk basis could worsen by this amount or more over the next one-year period in the worst 5% of outcomes.

8. Voting Activity During the Plan Year

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's 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:** In order 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 ultimately 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 invested 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 voted¹ in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting 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.

Set out overleaf is a summary of the voting activity for a range of Mercer Funds in which the Plan's assets are invested in is provided for the year ending 31 March 2024. 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.

Mercer considers that votes exercised against management can indicate a thoughtful and active approach, particularly when votes are exercised to escalate engagement objectives.

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⁾	15	15	100%	0%	0%	0%	0%	100%	0%	5	0%
Mercer Passive Global Equity CCF (Hedged and Unhedged)	21,341	18,067	73%	9%	0%	15%	2%	85%	15%	1466	65%

⁽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.

- “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 Global 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).

None of the votes within the Mercer Multi-Asset Credit Fund related to Engagement Priority topics and thus did not constitute significant votes to be reported.

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 Global Equity CCF	Alphabet Inc (2.7%)	02/06/2023: Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	For (No - A vote FOR this proposal is warranted because an independent human rights assessment would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices.)	18% Support Proposal did not pass. (Support for this resolution at 20% was lower than last year, however still high enough to indicate some investors feel this is a significant unaddressed risk for Alphabet. The manager will continue to support resolutions and initiatives aimed at social media companies to ensure action is taken to mitigate this significant systemic risk.)
Mercer Passive	Alphabet Inc (2.7%)	02/06/2023: Shareholder Proposal Regarding Lobbying	For (No - A vote FOR this proposal is warranted, as shareholders would	14% Support Proposal did not pass.

Global Equity CCF		Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)	benefit from greater transparency of the company's framework for addressing misalignments between its climate goals and direct and indirect lobbying, and how the company would plan to mitigate any risks that might be identified.)	(Paris Agreement-aligned lobbying is one of the managers' engagement and voting priorities for ensuring their portfolios reach Net Zero. The manager will continue monitoring the company's reporting developments.)
Mercer Passive Global Equity CCF	Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	Against (N/A - Apple provides shareholders with sufficient disclosure through its Supplier Code of Conduct and Supplier Responsibility Standards and Transparency Report, among other available documents, to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns and how the company aligns with its mission to protect human rights raised by the proponent. As such, shareholder support for the proposal is not warranted at this time.)	1.6% Support Proposal did not pass. (None to report)
Mercer Passive Global Equity CCF	Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (N/A - The company's EEO policy states Apple's commitment to equal employment opportunity, diversity, and inclusion. Its Business Code of Conduct states that it does not tolerate discrimination or harassment. The company discloses detailed information on its diversity and inclusion initiatives and metrics. The company appears to be providing shareholders with sufficient disclosure to evaluate its diversity and inclusion efforts and non-discrimination policies, and including ideology and viewpoint in EEO policies does not appear to be a standard industry or market practice at this time. As such, shareholder support for this proposal is not warranted.)	1.3% Support Proposal did not pass. (None to report)
Mercer Passive Global Equity CCF	Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No - Apple does not publish for its U.S. or global workforce the same gender pay gap statistic as it publishes in the UK. The median pay gap statistic provides benefits such as transparency and comparability across time and organizations and serves as one measure of representation of women and racial and ethnic minorities in senior positions. Because it is expressing a gap, it also carries an implied goal of eliminating the gap. As the company discloses for its U.K. workforce, investors would benefit from a report concerning the median pay gap data for its U.S. or its global workforce as a means of allowing them to better gauge how well the company is advancing opportunities for women globally and racial and ethnic minorities in the U.S. and mitigating risks relating to increasing public scrutiny on gender and racial/ethnic pay equity issues. Therefore, shareholder support for this proposal is warranted.)	30.9% Support Proposal did not pass. (Manager will continue to support reasonable shareholder resolutions that request increased disclosure in terms of gender and racial pay equity, particularly if this is a practice already carried out by Apple in one of their jurisdictions.)
Mercer Passive Global Equity CCF	Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (N/a - A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. The company's EEO Policy prohibits discrimination on the basis of	1% Support Proposal did not pass. (This was an example of a shareholder proposal with clear political intention but without any material evidence for the alleged political discrimination inside the company. The current EEO policy currently prohibits

			political affiliation and there do not seem to be allegations of workforce discrimination. A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint.)	discrimination on the basis of political affiliation, therefore the request of the resolution was redundant.)
Mercer Passive Global Equity CCF	Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social)	Against (No - The proponent is requesting that the company publish a report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care. The proponent argues that by providing women employees travel and lodging reimbursements to receive abortion procedures the company is subsidizing women who opt to have abortions with a subsidy and disincentivizing those that opt to raise their children by providing no subsidy. Microsoft discloses information on its pay equity analysis and data. It also discloses its median unadjusted pay analysis and data. The company also provides information on the health and wellness related benefits it offers employees. These benefits include leave for new parents and family caregiver leave, adoption assistance, parenting classes and family support programs, as well as subsidized and discounted childcare and back-up care for children, adults, and elders. In contrast to the proponent's assertions, the company seems to provide significant support to women employees that opt to raise children. Overall, the company appears to provide sufficient information for investors to be able to gauge how the company is managing pay equity and health and wellness benefits related risks. Therefore, support for this proposal is not warranted at this time.)	1% Support Proposal did not pass. (None to report.)
Mercer Passive Global Equity CCF	Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	For (No - A vote in favour of this resolution was warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them. The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.)	9% Support Proposal did not pass. (While the resolution received relatively low support, the manager believes the proposal would have allowed the company to better align with their climate change commitments. The managers seek consistency between the operations and activities of companies and their climate commitments in a number of areas such as lobbying and capital expenditure. For this reason, this report could have aided the company's climate efforts.)

Engagement Policy Implementation Statement for the Year Ended 31 March 2024

ADM UK Pension Plan (“the Plan”) – Defined Contribution (DC) section

Introduction

This Implementation Statement sets out how, and the extent to which, the Statements of Investment Principles (‘SIPs’) produced by the Trustees for the **Defined Contribution (DC)** section of the Plan have been followed during the year to 31 March 2024. 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 2018 as amended and the Pensions Regulator’s guidance.

Within the **DC section**, the Trustees have appointed Mercer Workplace Savings (“MWS”) for the provision of services related to the corporate investment platform where the Scheme’s assets are invested. The Trustees have delegated the ongoing governance and monitoring of Scottish Widows Limited (“Scottish Widows”), as the provider of the corporate investment platform, to MWS which aims to ensure it remains a market leading corporate investment platform and to ensure it provides access to a range of investment strategies. The investment strategies on the corporate investment platform include funds (“Mercer funds”) whose investment manager selection and monitoring has been delegated to Mercer Limited, through the MWS Investment Governance Committee (“MWS IGC”), with underlying investment managers being selected for the management of the underlying assets. These underlying investment managers are MGIE and investment managers with fund strategies that are highly rated by Mercer Limited (“externally managed funds”).

The purpose of this statement is to:

- detail any reviews of the Plan’s SIPs that the Trustees have undertaken, and any changes made to the SIPs over the year as a result of the review.
- set out how and the extent to which, in the opinion of the Trustees, the policies in the Plan’s SIPs have been followed during the year.
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

1. Review of, and changes to, the SIPs

Over the past 12 month to 31 March 2024, no changes were made to the SIP. The SIP is available on request and is also publicly available on:

https://be.v3.merceroneview.co.uk/resources/files/ADM_DC%20SIP_July%202022_final_clean.pdf

2. Policy on ESG, Stewardship and Climate Change

The Plan's SIPs include the Trustees' policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. This was last reviewed during September 2020.

DC section:

The Trustees consider how ESG, climate change and stewardship are integrated within the Plan's DC funds.

During the period of the Statement, the Trustees continued to give appointed investment managers full discretion in evaluating ESG factors, including climate change considerations. Appointed investment managers continued to be given full discretion in exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

These policies were considered in the investment strategy review undertaken in November 2023 and ESG ratings assigned by Mercer (and its affiliates') global manager research team are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustees.

3. How the policies in the SIPs have been followed for the year to 31 March 2024

DC Section:

The information provided in the following section highlights the work undertaken by the Trustees during the Plan year to 31 March 2024 and sets out how this work followed the Trustees' policies in the SIP in regards to the DC section. In summary, it is the Trustees' view that the policies in the SIP have been followed during the Plan year to 31 March 2024.

Investment Strategy Review

The Plan's three default investment options are reviewed at least triennially as part of the Trustees' investment strategy review. The last strategy review of the default investment options was undertaken in November 2023, following which the Trustees agreed that the default investment options remained appropriate given the member circumstances, demographics, projected pot sizes at retirement and wider industry trends, and no changes were made. The next triennial review is due to take place during 2026.

Policy Requirements over the year to 31 March 2024

	Requirement	Policy	In the year to 31 March 2024
1	Securing compliance with the legal requirements	<i>The Trustees obtain advice from their investment adviser, who can provide expert advice enabling the Trustees to choose investment vehicles that can fulfil the Plan's</i>	The Trustees undertook the triennial default strategy review, which took place in November 2023. The self-select review took place on July 2024, after the Plan year.

	about choosing investments	<i>investment objectives. In the Trustees' opinion, this is consistent with the requirements of Section 36 of the Pensions Act 1995.</i>	The performance of the Plan's investment strategy was monitored quarterly, with the Trustees reviewing reports from Mercer at Trustees meetings to ensure the net of fees returns are consistent with the aims of the strategy. No changes to the investments held by the Trustees were implemented during the Plan year to 31 March 2024.
2	Kinds of investments to be held	<i>The default investment options are strategies that manage investment and other risks through diversified strategic asset allocation consisting of traditional and alternative assets.</i> <i>Assets are invested mainly on regulated markets (those that are not must be kept to prudent levels).</i> <i>The growth phase structure of the default investment options invests in equities and other growth-seeking assets to provide growth with some downside protection and some protection against inflation erosion.</i> <i>As a member's pot grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustees believe that default options that seek to reduce investment risk as members approach retirement is appropriate.</i> <i>Self-select funds range:</i> <i>All three lifestyle strategies are available for members to select. The growth phase (i.e. ADM High Growth Fund) is the same for all three lifestyle strategies.</i> <i>The Trustees believe, having taken expert advice, that it is appropriate to offer a range of funds providing a different balance between risk and reward, actively and passively</i>	The default investment option is reviewed at least triennially. It was subject to its latest formal triennial review during the Plan year, in November 2023. The investments (fund type, management style and asset allocations) used in the default investment option were reviewed as part of this exercise. No changes were made following this review and the kinds of investment held in the default investment options are consistent with the SIP. As part of the triennial review, the Trustees also undertook a review of the alternative lifestyles available to members. The Trustees concluded that the available range of funds/types of investments available to members continued to be appropriate and provided members options across the risk/return spectrum. A range of different asset class funds has been made available, including: developed market equities, emerging market equities, small capitalisation equities, low volatility equities, real estate, money market investments, gilts, index-linked gilts, corporate bonds, diversified growth funds and pre-retirement funds. The Trustees also reviewed their self-select fund range after the Plan year, in July 2024, and as a result agreed to consider including a passively managed alternative to the current Sustainable Global Equity fund. Further details will be shared in next year's implementation statement, once finalised. Based on the strategy review and quarterly performance monitoring undertaken during the course of the Plan year, it is the Trustees' view that the strategies underpinning the defaults and self-select investment options, and types of investments made available to members, remain consistent with the policy stated in the SIP.

		<i>managed, to allow members to tailor their own investment strategy.</i> <i>Each fund offers a different balance between long-term capital growth and short-term capital preservation.</i>	
3	The balance between different kinds of investments	<i>Members can combine the investment funds in any proportion in order to achieve the desired level of return and risk in line with their own attitude towards and tolerance of risk.</i> <i>Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.</i>	The strategic asset allocations of the default investment options are reviewed on a triennial basis, or earlier if deemed necessary. The date of the last review was November 2023. The self-select review took place after the Plan year, in July 2024. The Trustees agreed that the default investment options and self-select fund range remained appropriate given the member circumstances, demographics, projected pot sizes at retirement/and wider industry trends, and no changes were made. The Trustees reviewed performance monitoring reports from Mercer at their quarterly meetings, which monitored the risk and return of the default investment options and the performance of the Plan's additional investment fund choices.
4	Risks, including the ways in which risks are to be measured and managed	<i>The Trustees recognise risk (both investment and operational) from a number of perspectives. The list of risks shown in the Section 5.2 of the SIP is not exhaustive but covers the main risks that the Trustees consider and how they are managed.</i>	As detailed in section 5.2 of the SIP, the Trustees considered both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation and the choice of investment managers / funds / asset classes. During the year, the Trustees considered the majority of these risks by regularly monitoring performance delivered by the investment arrangements by way of quarterly performance reporting. A number of key investment-related risks (including volatility, capital losses and mismatch risk) to members were also considered, as part of the default investment option strategy review undertaken in November 2023. The Trustees maintain a risk register of the key risks, including market risks and investment manager risks. This rates the impact and likelihood of the risks

			and summarises existing mitigations and additional actions. The risk register was last reviewed by the Trustees in the meeting held on 14 September 2023.
5	Expected return on investments	<i>Underlying investment managers are appointed by the Trustees in the case of non-delegated funds and by MGIE for delegated funds based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.</i> <i>In designing the default, the Trustees have explicitly considered the trade-off between risk and expected returns. The growth phase structure of the default investment options invests in equities and other growth-seeking assets to provide growth with some downside protection and some protection against inflation erosion.</i>	There was no change to this policy over the Plan year. The investment performance reports were reviewed by the Trustees on a quarterly basis – including the risk and return characteristics of the default, relative to its benchmark and inflation, and additional investment fund choices. The investment performance reports included how each investment manager delivered against their specific mandates. During the Plan year, an assessment of the value for members provided by the Plan was carried out and considered by the Trustees. During the default investment options strategy review undertaken in November 2023, the Trustees considered the trade-off between risk and expected returns of the strategies.
6	Realisation of investments	<i>The Trustees have delegated the responsibility for buying and selling investments to investment managers. The DC Section assets are invested in daily priced pooled funds.</i>	All of the Plan's investment fund choices are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice in response to member demand. The funds used by the Plan are accessed via an investment platform and are held through a long-term insurance policy issued by Scottish Widows. The investment funds are blended investment vehicles that are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are managed by the respective investment managers in line with the mandates of the funds. No known liquidity issues arose over the Plan year ending 31 March 2024.
7	Financially material considerations over the	<i>The Trustees consider financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including</i>	Investment performance reports were reviewed by the Trustees on a quarterly basis – these included research ratings (both general and specific ESG) from the investment adviser.

	appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<i>environmental, social and governance factors, are managed by the underlying investment manager.</i>	Where the managers of the Mercer Funds held by the Trustees are not highly rated by the Mercer Manager Research Team from an ESG perspective, Mercer Limited, via the MWS IGC, will engage with those investment managers to improve ESG practices or replace these investment managers with more highly rated ESG investment managers. This is in line with Mercer's Sustainable Investment Policy.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<i>Member views are not taken into account in the selection, retention and realisation of investments. However, if the Trustees were formally approached by members expressing such views, these would be considered on their merits.</i>	No member views were received over the Plan year and therefore member views were not considered in the selection, retention and realisation of investments.
9	The exercise of the rights (including voting rights) attaching to the investments	<i>Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</i>	The Trustees have delegated their voting rights to the investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Trustees receive an annual ESG report from the MWS IGC, which includes details on the investment managers' voting policies and significant votes undertaken over the previous year. Once appointed, the Trustees give its appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and

10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, Trustees would monitor and engage with relevant persons about relevant matters)	<i>Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.</i>	current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Within the DC Section, The Trustees have equity exposure through the following funds (underlying manager shown in brackets): • ADM High Growth Fund (Mercer) • ADM Moderate Growth (Mercer) • Mercer Multi Asset Growth (Mercer) • Mercer Diversified Retirement Fund (Mercer) • ADM Emerging Markets Equity Fund (Mercer) • Mercer Sustainable Global Equity (Mercer) • HSBC Islamic Global Equity Fund (HSBC) • ADM UK Equity Fund (BlackRock) • ADM Overseas Equity Fund (BlackRock) The Trustees have delegated the ESG, climate change and stewardship considerations to the MWS IGC and investment managers of the Plan's funds, alongside other investment responsibilities. The Trustees believe that the MWS IGC and the investment managers, have the necessary expertise and framework in place to effectively manage and monitor investments in line with these areas, and this is implemented through their four-pillar framework: integration, stewardship, thematic investment and screening. The Mercer funds incorporate these four-pillars as far as is practical. The MWS IGC, is expected to provide reporting on a regular basis, at least annually, on the ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon foot printing for equities and/or climate scenario analysis for diversified portfolios. Key voting information for each of these funds is provided in a separate table following this section. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The reports are reviewed by the Trustees to ensure that they align with the Trustees' policy.
11	How the arrangements with	<i>In line with section 5 of the SIP, managers are chosen based on their capabilities and,</i>	In the year to 31 March 2024, the Trustees considered the continued appointment of investment managers as part of its regular on-going monitoring

	the asset managers incentivises the asset managers to align investment strategies and decisions with the Trustees' policies	<i>therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for. As the Trustees invest in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.</i>	of performance and within the triennial strategy review. In respect of the Plan's default investment options, the Trustees remained comfortable that the arrangements in place with their appointment investment managers were consistent with their long-term objectives and no changes were made. Over the Plan year to 31 March 2024, the Trustees remained comfortable that the appointments with its investment managers were consistent with their long-term objectives and no changes were made. The Trustees access the Investment Manager's products (or funds) through the Scottish Widows insurance platform. MGIE, appoints underlying investment managers for the majority of the Plan's funds, while Mercer Limited (via the MWS IGC) remain responsible for the appointment of investment managers for the white-labelled "Mercer" Funds. Mercer Limited's manager research rating reflects Mercer's forward-looking assessment of an investment manager's ability to meet or exceed their objectives.
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<i>The Trustees and MGIE (for the applicable funds) may also challenge decisions made including voting history and engagement activity of the underlying investment managers with issuers of debt or equity securities held, to try to ensure the best performance over the medium to long term. If the Trustees and Mercer (where applicable) are not satisfied with the answers provided by the manager or progress made in this regard they may seek to review the appointment of the investment manager.</i>	
13	How the method (and time horizon) of the evaluation of the asset managers' performance and the remuneration	<i>The Trustees recognise they have a long-term time horizon as set out in the SIP. As such managers are assumed to be held for a suitably long time. Managers' performance, net of fees, is therefore reviewed over both short and long time horizons. Remuneration is</i>	The Trustees have reviewed both short term and longer term investment performance on a quarterly basis during the Plan year ending 31 March 2024; no performance concerns were raised.

	for asset management services are in line with the Trustees' policies	<i>agreed upon prior to manager appointment and is reviewed on a regular basis.</i>	
14	How the Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<i>The Trustees monitor portfolio turnover costs, which are incorporated in the annual costs and charges, on an annual basis as part of its annual DC value for members' assessment. Though the Trustees do not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken. Where funds are delegated to MGIE it is expected that MGIE set these ranges and will do this on behalf of the Trustees.</i>	Transaction costs, using the 'slippage cost methodology' (as defined in COBS 19.8 of the FCA Handbook), are disclosed in the annual Chair's Statement and were part of the Value for Members ("VfM") assessment carried out for the year to 31 March 2023. The Trustees considered these costs at the Trustees meeting held in July 2023. The costs for the year to 31 March 2024 will be considered as part of the VfM completed during 2024. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Plan invests in, there is not as yet any "industry standard" or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Trustees will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.
15	The duration of the arrangement with the asset manager	<i>There is no set duration for the manager appointment. However, appointments are regularly reviewed as to its continued suitability and could be terminated either because the Trustees are dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustees.</i>	The delegated Investment manager is aware that its continued appointment is based on their success in delivering against the mandate that they have been appointed for. The underlying managers, in turn, are also aware of this. Over the year to 31 March 2024, there were no changes to manager appointments. There remains no set durations for the funds used by the Plan.

4. Voting Activity

DC section

The Trustees' voting rights are managed by the underlying investment managers. The Trustees do not use the direct services of a proxy voter.

The majority of voting activity will arise in public equity funds. However, voting opportunities may arise in other asset classes such as certain bonds, property, private equity and multi-asset funds. However, the Trustees have only received information relating to public equity funds this year. Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 31 March 2024 is summarised in the pages that follow. Where fund managers have not been included this is due to information not being available at the time of finalising this report.

The ADM High Growth Fund forms the growth phase of the Plan's default investment options. The underlying allocation of the ADM High Growth Fund is the Mercer High Growth Fund, as well as being a self-select fund itself. We have been supplied with the following voting activity for this fund as well as for the following funds:

Fund	Investment Manager	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
ADM High Growth Fund/ ADM Moderate Growth Fund / Mercer Multi Asset Growth Fund*	Mercer Global Investments Europe Limited ("MGIE")	125,611	98%	84%	15%	<1%
Mercer Sustainable Global Equity	MGIE	6,381	100%	89%	11%	<1%
ADM UK Equity Fund	BlackRock	14,654	96%	96%	3%	1%

Mercer Diversified Retirement Fund**	MGIE	74,896	97%	84%	15%	1%
ADM Overseas Equity Fund	BlackRock	24,856	97%	93%	6%	<1%
ADM Emerging Market Equity Fund	MGIE	22,915	96%	81%	17%	1%
HSBC - Islamic Global Equity	HSBC	1,702	96%	76%	23%	<1%

*The Mercer Multi Asset Growth Fund is a component of the Mercer Target Drawdown Retirement Funds, Mercer Target Annuity Retirement Funds and Mercer Target Cash Retirement Funds.

**The Mercer Diversified Retirement Fund is a component of the Mercer Target Drawdown Retirement Funds.

Use of Proxy Voting by the Manager

Manager	Use of proxy voting
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team, which consists of three regional teams – Americas, Asia-Pacific, and Europe, Middle East and Africa. The analysts within each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines. BlackRock subscribes to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, as one among many inputs into their vote analysis process, and BlackRock state they do not blindly follow their recommendations on how to vote. BlackRock primarily use proxy research firms to synthesize corporate governance information and analysis into a concise, easily reviewable format so that their investment stewardship analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial; to manage client accounts in relation to voting and facilitate client reporting on voting. Other sources of information include the company's own reporting, engagement and voting history with the company, and the views of its active investors, public information and ESG research.
HSBC	HSBC use their voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. We review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.
MGIE	Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting as part of the selection process, ensuring alignment with Mercer's commitment to good governance and the integration of sustainability considerations. Mercer uses a number of underlying managers in its funds, some of whom may or may not use the services of proxy advisers.

Overview of MGIE approach to voting and engagement

MGIE's policy on consulting with clients before voting

The legal right to vote belongs to the relevant fund, as the owner of the securities. The voting activity is delegated to the external underlying investment managers as appointed by MGIE, as the investment manager for the investment vehicles in which clients are invested. MGIE expects underlying investment managers to comply with its Engagement Policy and will seek to ensure that obligations under this Engagement Policy are

discharged by the underlying investment managers. The Engagement Policy is available here: <https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html>

MGIE's process for deciding how to vote

MGIE 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. Mercer will provide a report on an annual basis which provides an overview of underlying investment manager engagement processes, significant votes, use of proxy advisers and engagement examples.

MGIE's proxy voting services

Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting as part of the selection process, ensuring alignment with Mercer's commitment to good governance and the integration of sustainability considerations. Mercer uses a number of underlying managers in its funds, some of whom may or may not use the services of proxy advisers.

MGIE's policy with respect to conflicts of interest

MGIE applies an effective written conflicts of interest policy and has put in place procedures and measures for the prevention or management of conflicts of interest including where such conflicts may arise due to how it engages with the companies it invests in. A conflicts of interest policy is published here: <https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html>

MGIE operates on a manager of managers basis, appointing underlying investment managers to its funds under management, and does not hold only securities directly on behalf of clients. The underlying investment managers manage the voting processes, therefore there is no conflict of interest involving MGIE as the investment manager.

MGIE's additional comments with respect to voting activities or processes

MGIE accepts that underlying investment managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled underlying investment managers to vote based on their own proxy-voting execution policy.

Source: MWS

Examples of Significant Votes

To ensure voting behaviour is consistent with the Plan's investment objectives and stewardship priorities, the Trustees have classified 'significant votes' as those which consider any one of the following factors with relevant (but not exhaustive) examples:

- Environmental factors – e.g. climate change, pollution etc.
- Social – Human rights, health etc.

- Governance – Inclusion, diversity, remuneration etc.

The Trustees have reviewed voting records from the managers in each of their priorities listed above.

Managers have provided significant votes across the funds previously noted as containing equity. Given the volume of voting activity across the funds, for the purpose of this statement, we have disclosed significant voting activity of funds used in the default investment option, where the majority of members' assets are invested, based on the largest holding size.

Mercer Global Investments Europe Limited ("MGIE")

MGIE determine significant votes based on its Engagement Priorities, as set out in the Beliefs, Materiality and Impact ("BMI") Framework in the MGIE Sustainable Investment Policy, which is available at: <https://investment-solutions.mercer.com/content/dam/merc-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Sustainability%20Policy.pdf>

The significant votes outlined below are votes relating to shareholder resolutions with a specific focus on Climate Change, Human rights & labour practices, Diversity, Equity & Inclusion (i.e. the engagement priority areas in the BMI framework) and / or votes relating to any of the top 20 holdings within the fund.

Significant votes undertaken by MGIE for the 12 months to 31 March 2024 were provided for the Mercer Multi Asset Growth Fund, which are the same for the ADM High Growth Fund and ADM Moderate Growth Fund.

Fund	Company	Size of Holding (%)*	Date	Summary of the resolution	How you voted	If against, was the intent communicated ahead of the vote?	Rationale for the voting decision	Final outcome	Priority Area
Mercer Multi Asset Growth / High Growth / Moderate Growth	Microsoft Corporation	0.8	07/12/2023	Shareholder Proposal Regarding Report on Climate Risk in Employee Retirement Options	Against	No	The company's retirement plan is managed by a management-level committee and employees who are looking for more climate-risk-free investments are offered a self-directed option.	Fail	Environmental factors
Mercer Diversified Retirement	Apple Inc.	0.3	28/02/2024	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	For	No	A vote in favour is applied as the manager expects companies to disclose meaningful information on its gender pay gap and the	Fail	Governance

							initiatives it is applying to close any stated gap.		
Mercer Sustainable Global Equity	Microsoft Corporation	4.0	07/12/2023	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	For	No	Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Fail	Social

Source: MGIE.

MGIE was not able to provide significant votes examples for the Mercer Emerging Markets Equity fund.

*Size of fund's holding, as at the date of the vote.

BlackRock

BlackRock Investment Stewardship (“BIS”) team prioritises its work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which BlackRock invests on behalf of their clients. BlackRock year-round engagements with clients to understand their focus areas and expectations, as well as BlackRock’s active participation in market-wide policy debates, help inform these priorities. The themes identified are reflected in the Global Principles, market-specific voting guidelines and engagement priorities, which underpin their stewardship activities and form the benchmark against which the sustainable long-term financial performance of investee companies is looked at.

Significant votes undertaken by BlackRock for the 12 months to 31 March 2024 were provided for the ADM UK Equity Fund and ADM Overseas Equity Fund, for which we show a sample of the most significant votes.

Fund	Company	Size of Holding (%)*	Date	Summary of the resolution	How you voted	If against, was the intent communicated ahead of the vote?	Rationale for the voting decision	Final outcome	Priority Area
BlackRock Overseas Equity Fund	Broadcom Inc.	1.0	03/04/2023	Amend Omnibus Stock Plan	For	-	The manager believes that although the proposal is potentially dilutive to shareholders, the company's use of equity plans to incentivise employees beyond the executive leadership team will allow the company to	Pass	Governance

							attract, motivate and retain top talent.		
BlackRock UK Equity Fund	Shell Plc	7.9	26/05/2023	Request to Align Existing 2030 Reduction Target Covering the Greenhouse Gas Emissions with the Paris Climate Agreement	Against	-	The manager believes that adhering to the proposal's ask would require Shell to reduce product sales or alter their business composition, which could impact the company's financial strength and unduly constrain management.	Fail	Environmental factors

Source: BlackRock.

*Size of fund's holding, as at the Scheme year end.

HSBC

HSBC regards the votes against management recommendation as the most significant. With regards to climate, in their engagement HSBC encourages companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. HSBC also generally supports shareholder resolutions calling for increased disclosure on climate-related issues.

Significant votes undertaken by HSBC for the 12 months to 31 March 2024 were provided for the HSBC Islamic Global Equity Fund, for which we show a sample of the most significant votes:

Fund	Company	Size of Holding (%)*	Date	Summary of the resolution	How you voted	If against, was the intent communicated ahead of the vote?	Rationale for the voting decision	Final outcome	Priority Area
HSBC Islamic Global Equity Fund	Apple Inc.	7.9	28/02/2024	Report on Median Gender/Racial Pay Gap	For	No	HSBC believe that the proposal would contribute to improving gender inequality.	Fail	Social

Source: HSBC.

*Size of fund's holding, as at the date of the vote.