

Implementation Statement

PDSA Retirement Benefits Plan

Purpose of this statement

This implementation statement has been produced by the Trustee of the PDSA Retirement Benefits Plan (“the Plan”) to set out the following information over the year to 31 December 2025:

- how the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- the voting activity undertaken by the Plan’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force as at 31 December 2025 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2023 and has been made available online here: [Statement of Investment Principles \(pdsarbp.co.uk\)](https://pdsarbp.co.uk).

The Plan’s Sponsor, PDSA, has a policy in place to only work with companies and individuals who are demonstrably reputable and whose activities are not in conflict with PDSA’s values or objectives. Explicitly, but exclusively, PDSA makes a conscious decision and effort to not work with companies or individuals involved in 1) invasive testing on animals for cosmetic and other non-medical purposes or 2) any aspect of the fur trade. PDSA recognises the impact that its purchasing activities can have on reducing modern slavery in the UK and around the world. In order to further develop their approach to modern slavery, a Project Group has been established by the Sponsor’s Executive Leadership Team. A copy of the Modern Slavery and Human Trafficking Statement can be found here: <https://www.pdsa.org.uk/terms-conditions/modern-slavery>.

Considering the above, the Trustee has set a policy on animal testing. This states that the Trustee wishes to avoid companies that carry out animal testing on cosmetic and non-pharmaceutical products within the Plan’s investment portfolio. The Trustee acknowledges that there are some constraints in implementing this within pooled funds. However, the Trustee is committed to actively engaging with the Plan’s investment managers, through their investment advisors, in order to gain insight into the underlying holdings and encourage them not to invest in companies which carry out testing on animals where possible.

For the Plan’s holdings in the BlackRock ACS World Equity Fund, the Trustee has chosen to implement a Socially Responsible Investment (“SRI”) focused third party proxy voting policy and votes are cast in accordance with this policy using BlackRock’s voting infrastructure. This allows the Plan to incorporate a pre-defined voting policy that better reflects the Trustee’s beliefs.

At this time, the Trustee has not set any formal stewardship priorities within the investment portfolio, noting that it has a separate Ethical Policy. The Trustee will review this decision on a regular basis, in line with its consideration of the Plan’s other risks. The Trustee understands that they are constrained by the policies of the managers.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Plan's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- The Trustee receives and reviews voting information and engagement policies from the asset managers at the end of each calendar year, which the Trustee reviews to ensure alignment with its own policies. This exercise is being undertaken via this Implementation Statement.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee uses ESG rating information provided by its investment consultant, to assess how the Plan's investment managers take account of ESG issues. The Trustee undertook their most recent review of the stewardship and engagement activities of the current managers at the meeting in March 2026, and were satisfied that their policies were reasonable, and no remedial action was required at that time.
- Having reviewed the above, the Trustee is comfortable that the actions of the fund managers are in alignment with the Plan's stewardship policies.

**Prepared by the Trustee of the PDSA Retirement Benefits Plan
April 2026**

Voting data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's growth portfolio on behalf of the Trustee over the year to 31 December 2025. The Insight credit, LDI and cash funds have no voting rights and there is limited ability to engage with key stakeholders given the nature of these mandates.

For the Plan's holdings in the BlackRock ACS World Equity Fund, the Trustee has chosen to implement a Socially Responsible Investment ("SRI") focused third party proxy voting policy. BlackRock have provided voting information for this Fund based on PDSA's chosen voting proxy, which is shown below. BlackRock have noted that for markets that do not support pass-through voting, client shares are voted according to BlackRock's voting policy.

Manager	BlackRock			Pictet	Janus Henderson
Fund name	Dynamic Diversified Growth Fund	ACS World ESG Equity Tracker Fund	iShares Emerging Market Index Fund	Dynamic Asset Allocation Fund	Multi-Asset Credit Fund
Structure	Pooled				
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour. For the BlackRock ACS Equity Fund, the Trustee has influenced voting behaviour by choosing to implement a Socially Responsible Investment proxy voting policy.				
No. of eligible meetings	559	469	2,530	471	1
No. of eligible votes	7,268	7,309	22,542	7,113	2
% of resolutions voted	94%	93%	99%	99%	100%
% of resolutions abstained	0%	0.3%	3%	1%	0%
% of resolutions voted with management¹	95%	84%	85%	92%	100%
% of resolutions voted against management¹	4%	9%	14%	7%	0%
% of resolutions voted against proxy voter recommendation	0%	n/a	0%	1%	n/a

Source: information provided by the managers over the year to 31 December 2025. The proportion of resolutions that were voted on or abstained from may not add up to 100%. This can be due to how investment managers or local jurisdictions define voting and abstentions. The Janus

¹ As a percentage of the total number of resolutions voted on

Henderson Fund invests in debt instruments rather than equity and therefore does not have voting rights attached because they are creditors, not owners, of the companies. Hence the voting figures provided are low for this fund.

Proxy advisory services

As noted above, for the Plan's holdings in the BlackRock ACS World Equity Fund votes are cast according to the SRI proxy voting policy, where pass-through voting is both legally and operationally viable. For the Plan's holdings in the BlackRock Dynamic Diversified Growth Fund, BlackRock iShares Emerging Market Index Fund, Pictet Dynamic Asset Allocation Fund and Janus Henderson Multi Asset Credit Fund, the managers use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

In certain markets, BlackRock work with proxy research firms who apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision.

Pictet's proxy voting policy is based on generally accepted standards of best practice in corporate governance including board compensation, executive remuneration, risk management and shareholder rights.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities. As noted earlier, the Trustee has implemented a voting policy for the BlackRock ACS World ESG Equity Tracker Fund holdings and has also engaged with the investment managers to communicate its policy on animal testing. However, the Plan does not have any agreed stewardship priorities so for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote".

BlackRock and Pictet have provided a selection of votes which they believe to be significant. To represent the most significant votes, the votes of the largest holdings from the selection of significant votes provided by the managers are shown below. Where information on the size of the holdings was not made available (as was the case for the BlackRock funds), the votes shown have been selected to represent a variety of themes. Janus Henderson, Arcmont, Barings and Insight were not able to provide significant votes due to not having a formal voting policy or process to track voting activities, or proxy voting not being applicable to the funds due to the nature of the respective asset classes.

A summary of the significant votes provided is set out below.

BlackRock Funds

	Dynamic Diversified Growth Fund	iShares Emerging Market Index Fund	ACS World ESG Equity Tracker
Company name	SIG Plc	PT Bank Central Asia Tbk	Citigroup Inc.
Date of vote	May 2025	March 2025	April 2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided	
Summary of the resolution	Re-elect Alan Lovell as Director	Approve changes in the boards of the Company	Disclose board oversight regarding material risks associated with animal welfare

	Dynamic Diversified Growth Fund	iShares Emerging Market Index Fund	ACS World ESG Equity Tracker
How the manager voted	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	BlackRock endeavour to communicate to companies when they intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.		n/a
Rationale for the voting decision	BlackRock voted against the re-election of Alan Lovell to the board due to failure to adequately account for diversity on the board.	BlackRock believe that greater climate-related disclosure, including relevant metrics and targets, would enable investors to better assess climate-related investment risks and opportunities.	BlackRock voted for this as additional disclosure would help strengthen the company's stated animal welfare policies and practices. In addition, the disclosure would enable shareholders to better assess the effectiveness of the company's animal welfare efforts and its management and oversight of related risks.
Outcome of the vote	The resolution passed	The resolution passed	Data not provided
Implications of the outcome	BlackRock do not see engagement as one conversation. They claim to have ongoing direct dialogue with companies to explain their views and how they evaluate their actions on relevant ESG issues over time. Where concerns are raised either through voting or during engagement, BlackRock monitor developments and assess whether the company has addressed their concerns.		Data not provided
Criteria on which the vote is considered "significant"	BlackRock publish Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions.		The vote was considered significant by the Trustee given the Trustee's policy on animal welfare.

Pictet Dynamic Asset Allocation Fund

	Vote 1	Vote 2	Vote 3
Company name	Bank Hapoalim BM	Amazon.com, Inc.	Chubb Ltd
Date of vote	August 2025	April 2025	May 2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.01%	0.01%	0.01%
Summary of the resolution	Elect Claudio Yarza as External Director	Adopt a mandatory policy separating the roles of CEO and Board Chair	Report on GHG emissions associated with underwriting, insuring, and investment activities
How the manager voted	Abstain	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	Considering that only one candidate may be elected to serve on the board, and without providing a negative assessment of the candidate's skills and qualifications, or his ability to effectively serve as a director, Pictet abstained from voting.	Pictet voted for this resolution as they believe that shareholders would benefit from a policy requiring more independent oversight of management in the form of an independent chairman.	Pictet voted for this resolution, because it would help shareholders better understand the company's climate-related risks from its underwriting, investment, and insurance activities.
Outcome of the vote	The resolution was rejected	The resolution was rejected	The resolution was rejected
Implications of the outcome	Pictet noted the outcome of the vote. Where they believe the subject of the vote could present a material concern from an ESG perspective, they will continue to monitor and engage with the company. If warranted, Pictet will consider actions as part of their escalation strategy, including future voting decisions.		
Criteria on which the vote is considered "significant"	Pictet consider a vote to be significant due to the subject matter of the vote. For example, a vote against management, if the company is one of the largest holdings in the portfolio, and/or they hold an important stake in the company.		

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Insight LDI and cash holdings due to the nature of the underlying holdings. Engagement information for these assets has therefore not been shown.

Manager	BlackRock		Pictet	
Fund name	Dynamic Diversified Growth Fund	ACS World ESG Equity Tracker Fund	iShares Emerging Market Index Fund	Dynamic Asset Allocation Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	1,060	428	146	292
Number of engagements undertaken at a firm level in the year		2,362		578

Manager	Insight			Arcmont	Barings		Janus Henderson
Fund name	Global ABS Fund	Bonds Plus Fund	Liquid ABS Fund	Direct Lending Fund III	Global Special Situations Credit Fund 3	Global Special Situations Credit Fund 4	Multi Asset Credit Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	c.70	58	c.70	4 engagements to date (2 active engagements) *	1**		32
Number of engagements undertaken at a firm level in the year		954		Data not provided*	394		540

*As a private debt asset manager Arcmont has limited influence over portfolio companies. To overcome this, in April 2021 Arcmont began offering new primary borrowers margin discounts to meet specific pre-agreed sustainability performance targets ('sustainability-linked margin ratchets'). The engagement data provided by Arcmont are therefore specifically in relation to the sustainability-linked margin ratchets that have been agreed and documented with portfolio companies. Data was not provided at the firm level.

**The Global Capital Solutions ('GCS') market can be characterised as having a lower level of available ESG data than some asset classes, so Barings' GCS team typically targets improved ESG-related disclosure in its engagements. The GCS team records engagements and progress in Barings' ESG systems. The manager's engagement platform is available for analysts to record their previous engagements with investee companies. Therefore, the number of engagements reported may be updated if analysts log or alter additional engagements on the platform after the report is published.

Examples of engagement activity undertaken over the year to 31 December 2025

Manager and Fund(s)	Engagement themes and examples of engagements undertaken with holdings in the Fund
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BlackRock's main engagement topics have remained broadly consistent throughout 2025. Their Investment Stewardship Engagement Priorities include the following:

- Board quality and effectiveness
- Climate and natural capital
- Strategy, purpose and financial resilience
- Incentives aligned with financial value creation
- Company impacts on people

Shell plc (Shell) is an energy company headquartered in the UK, with operations in more than 70 countries around the world.

Shell noted that global demand for liquified natural gas (LNG) is expected to rise by approximately 60% by 2040, driven by economic growth in Asia, emissions reductions in heavy industry and transport, and the impact of artificial intelligence. Shell has stated its ambition to deliver more value with fewer emissions as it works to become a net zero emissions business by 2050.

BlackRock engaged with members of the company's board and management in November 2024 and April 2025 to better understand Shell's approach to managing climate-related risks and opportunities. The team sought further clarity on the company's strategy and, in particular, Shell's assumptions around LNG, given its increased strategic emphasis on integrated gas and LNG as a driver of long-term growth.

On the agenda at Shell's May 2025 AGM was a shareholder proposal requesting that Shell discloses "whether and how its demand forecast for liquified natural gas (LNG); LNG production and sales targets; and new capital expenditure in natural gas assets; are consistent with its climate commitments, including its target to reach net zero emissions by 2050."

At the time of the meeting, funds and SMAs that directed BlackRock to apply the Guidelines to their holdings collectively held less than 1% of the company's total shares available for voting. The dedicated team supported the shareholder proposal. Engagement discussions and BlackRock's proprietary insights informed the team's assessment of how the company's business model and LNG assumptions aligned with its climate commitments. The team concluded that enhanced transparency would help investors better understand the relationship between Shell's LNG outlook and its net zero commitments. The shareholder proposal received approximately 21% support.

BlackRock
Passive Equity Funds and
Dynamic Diversified Growth
Fund

Pictet engaged with DSM Firmenich to enhance the monitoring and disclosure of biodiversity restoration and regeneration projects via the Restor platform. The company hosted its ESG Expert Investor Day in March 2025, where Pictet had multiple opportunities to engage one-on-one with key decision-makers on improving their reporting and assessment of biodiversity restoration projects using the Restor platform. This is particularly relevant as the company's ESG leaders have agreed to reignite discussions on this topic following a constructive engagement dialogue.

Pictet used this engagement to finalise questions for DSM Firmenich on navigating challenges, integrating sustainability, implementing Corporate Sustainability Reporting Directive (CSRD), addressing materiality and assurance, and discussing industry classification changes.

In May 2025, through the Nature & Biodiversity Peer Group (400 members) Pictet introduced Restor to the company, insisting on the importance to enhance biodiversity reporting and earning recognition for restoration efforts.

In December 2025, Pictet held a call with the company on their nature program, biodiversity targets, climate mitigation, lifecycle assessment challenges and (Taskforce on Nature-related Financial Disclosures) TNFD reporting. Pictet suggested a further call to discuss compensation and ESG target integration in detail, meanwhile emphasising that they will monitor their progress with TNFD reporting, biodiversity metrics development, RSPO certification coverage and look forward to their next integrated report.

Pictet
Dynamic Asset Allocation Fund

Pictet will continue to monitor the company's next round of social impact disclosures to see if depth-based impact metrics will be included on top of scale-based metrics.

Arcmont

Direct Lending Fund III

Arcmont maintain an active engagement with Kids Planet, a leading nursery group for children 0-4 years old. The engagement objective is to encourage the company to reduce its greenhouse gas (GHG) emissions intensity per child, in line with the Paris Agreement.

Arcmont's Responsible Investment Policy states: "ESG factors have the potential to impact financial performance. They are sources of investment risk and drivers of investment value. Therefore, understanding, and minimising ESG risks and promoting better ESG performance is essential to delivering absolute risk-adjusted returns to our investors." Hence Arcmont believe climate change is a systemic issue affecting every business and GHG emissions are relevant, core and material to every company. With climate-related regulations increasingly coming into force, appropriately managing, and reducing emissions is of high strategic significance to every company's current and future operations.

Discussions began in January 2022, which included a direct dialogue with the portfolio company and sponsor and a collaborative process involving a number of emails and calls. A sustainability linked-ratchet was agreed in October 2022 and was documented in December 2022.

To date, the company has met its FY23, FY24 and FY25 targets. Therefore, it has been awarded a 0.075% margin discount. To achieve the discount the company acknowledged the concern as a serious matter worthy of a response; developed a credible strategy to achieve the engagement objective or stretching targets were set to address the concern; and implemented a strategy or measures to address the concern. Arcmont will continue to monitor the company's progress towards achieving the targets set.

Barings

Global Special Situations Credit
Fund 3 & 4

Barings invested in the Baking Company in April 2024 and the funding was used to refinance existing indebtedness and support the business after a fire destroyed one of its sites. The Company is a family owned and managed business that had grown successfully pre-fire into a ~£200mm revenue operation; however, it was clear as part of the underwrite that governance needed to be bolstered. Barings worked closely with the management team to arrive at an appropriate Board / Governance structure that included the following:

- inclusion of Non-Executive Director (NED) chosen by Barings, who carried the deciding vote on any Reserved Matters,
- hiring of a finance director to support the existing CFO, and;
- enhanced reporting that covered, inter alia, Health & Safety, site KPIs, and other operational metrics.

The engagement started prior to completing funding as it involved educating the existing management team on the benefits of the enhanced governance and reporting regime. Shortly after completion, Barings interviewed a series of NED candidates and quickly chose an appropriate candidate who they felt could drive behavioural change. This process involved active engagement with the CEO & CFO. The Barings deal team also worked closely with the CFO and new Finance Director to finalise the new reporting packs & procedures for how this should be disseminated to the Board & Barings.

The Barings deal team have frequent interactions with management, including an in-person meeting at Barings' offices in February 2026, and regular calls to discuss operational improvements. Additionally, Barings receives minutes from these minutes so that it can track and test management on progress vis-à-vis capex & cost-out plans.

Following the constructive engagement over the past 18 months, Barings continues to see improvements in the Company's governance. In addition, reporting standards have increased significantly. With the support of Barings, the finance function of the company has been able to expand monthly reporting to track KPIs around individual sites regarding productivity and efficiency. Barings continues to further refine governance through improvement in reporting, further bolstering

of the finance function, and incorporation of a new Steering Committee and a stronger executive team. The Company, as suggested by Barings, has also engaged a third-party financial advisor, Interpath, to assist with an assessment of strategic options which will ultimately give the Board more options in the future. Regarding next steps, Barings have a call arranged with Interpath and Management at the end of February to discuss forward looking performance.

Insight engaged with Pepper, a significant issuer in Australian markets, on ESG considerations in their loan origination and underwriting process. ESG had previously not formed part of their loan origination process, so Insight identified them as an issuer to engage with to raise this as an area of concern.

Engagement first occurred in Q4 2022, in a meeting between Insight and the Deputy Head of Treasury at Pepper. Subsequent engagement was held in Q2 2023 relating to a new product range and EPC data analysis, resulting in the Issuer now showing borrowers the potential EPC improvements they can make to their properties and linking into new business. Engagement continued in Q4 2024, Q1 2025 and Q4 2025 surrounding new issuance patterns and the progress of lending patterns into the Iberian market. Further discussions were also held surrounding their inaugural CMBS issuance, focus on governance.

Insight

Bonds Plus Fund
Global ABS Fund
Liquid ABS Fund

Pepper confirmed that ESG considerations were not a significant part of their loan origination and underwriting processes. Furthermore, ESG had not, to date, been part of their disclosures at either a corporate or issuer level. Insight raised this as an area of concern and Pepper agreed that disclosures needed to improve and would be looking to build on a number of ESG metrics in their annual reports. Insight also raised the issue of loan origination practices and Pepper agreed that this was something they were reviewing, although had no immediate plans to amend their origination policies. Insight finds the outcome as positive in terms of disclosures, however note that loan level disclosures and loan practices need continued engagement.

Beauparc is an Irish waste management and resource recovery company, with a footprint in the UK and the Netherlands. The company manages over 4.3 million tonnes of waste annually and has a 95% recycling and recovery rate. Beauparc has a 2040 net zero target, which we feel is sufficiently detailed with intermittent targets.

Janus Henderson asked Beauparc about the challenges it faces in improving the circularity of the business. The company is well positioned to play a crucial role in harvesting and processing materials for return to the circular economy. However, management explained that progress was being hindered by a lack of legislation around the eco-design of some products and packaging. Many materials are not technically recyclable, or the costs involved in recycling far exceed the costs of producing equivalent products from raw materials. Janus Henderson discussed the need for engagement with regulatory bodies to address these issues to ensure that recycling outputs have stable and sufficient end markets. Janus Henderson also explored the specific issues around textile waste; here, circularity is hindered by the mass presence of polymers in the supply chains of textile manufacturers. As a result, significant investment in specialised equipment is needed.

Janus Henderson

Multi Asset Credit Fund

Janus Henderson views Beauparc's continued investment in recycling technologies positively, for example, the firm recently invested in a plastic mining facility at one of its flagship sites. The goal was to separate plastics effectively from the waste stream to maximise recycling efficiency and minimise landfill use. Nevertheless, management explained that overcoming the economic hurdles involved in recycling is more of a challenge than technological advancement.

Beauparc was acquired by Macquarie Asset Management in 2021. Janus Henderson were pleased to hear that Macquarie has played an integral part in Beauparc's ESG strategy since the acquisition. Most notably, Macquarie's sustainability team has been instrumental in the planning and execution of Beauparc's commitment to achieving net zero by 2040.

This engagement confirmed Janus Henderson's impression that the company has a strategy to address both circularity and carbon emissions and were encouraged to hear of Beauparc's strong working relationship with Macquarie.