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 2024:

- 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 2024 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)]().

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. However, the Trustee will consider the extent to which it wishes to do so in due course, in line with its consideration of the Plan's other risks. The Trustees understand 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 their February 2025 meeting, 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 2025

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 2024. The credit, LDI funds and cash holdings with Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

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
Fund name	Dynamic Diversified Growth Fund	ACS World ESG Equity Tracker Fund	iShares Emerging Market Index Fund	Dynamic Asset Allocation 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	523	448	2,695	6
No. of eligible votes	6,705	7,383	22,933	107
% of resolutions voted	94%	89%	99%	100%
% of resolutions abstained	1%	0%	3%	0%
% of resolutions voted with management[1]	94%	73%	88%	66%
% of resolutions voted against management[1]	5%	17%	11%	34%
% of resolutions voted against proxy voter recommendation	0%	n/a	0%	0%

Source: information provided by the managers over the year to 31 December 2023. 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.

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, iShares Emerging Market Index Fund and Pictet Dynamic Asset Allocation Fund, BlackRock and Pictet use Institutional Shareholder Services' (ISS) electronic platform to

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

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 via email 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. In the absence of agreed stewardship priorities, and in the interest of concise reporting, the Trustee has opted to show three votes from each manager. To represent the most significant votes, the votes of the largest holdings from the selection of significant votes provided 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. For the ACS World ESG Equity Tracker Fund, a vote that has to do with animal welfare has been chosen as significant, given the Trustee's policy on animal welfare. 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	Tesla, Inc.	CSPC Pharmaceutical Group Limited	Target Corporation
Date of vote	June 2024	May 2024	June 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided		
Summary of the resolution	Declassify the Board of Directors	Approve grant of options under the Share Option Scheme	Report on animal pain management (Shareholders asked Target to disclose its progress implementing its "Pain Management" commitment for animals in its food supply. This proposal involved disclosing each painful procedure, the percent of Target's supply chain free of that procedure, and, for the remainder,

	Dynamic Diversified Growth Fund	iShares Emerging Market Index Fund	ACS World ESG Equity Tracker
			the percent where animals are provided pain management)
How the manager voted	For	Against	Against
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.		Vote was with management
Rationale for the voting decision	BlackRock believe that directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board.	BlackRock believe that incentive arrangements do not support the long-term economic interests of shareholders.	The request is either not clearly defined, too prescriptive, not in the purview of shareholders, or unduly constraining on the company.
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	Apple Inc.	Amazon.com, Inc.	Meta Platforms, Inc.
Date of vote	February 2024	May 2024	May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.2%	1.2%	0.6%
Summary of the resolution	Report on use of Artificial Intelligence ("AI")	Commission a third party assessment on the Company's commitment to freedom of association and collective bargaining	Approve recapitalisation plan for all stock to have one-vote per share
How the manager voted	For	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	Pictet voted for this resolution, as they believe that the company's lack of disclosure regarding AI limits shareholders' ability to evaluate the risks associated with the use of AI or the actions the company is potentially taking to mitigate those risks. Pictet note that improved transparency and the disclosure of an ethical guideline may alleviate shareholder concerns.	Pictet voted for this resolution as they believe that shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks, particularly regarding freedom of association and collective bargaining rights.	Pictet voted for this resolution, as it would convey to the board non-affiliated shareholders' preference for a capital structure in which the levels of economic ownership and voting power are aligned.
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 Plan's LDI and cash holdings with Insight due to the nature of the underlying holdings. Engagement information for these assets have 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	2,138	569	321	235

Manager	BlackRock	Pictet
Number of engagements undertaken at a firm level in the year	3,384	654

Manager	Insight			Arcmont	Barings	
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
Does the manager perform engagement on behalf of the holdings of the fund	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*	
Number of engagements undertaken on behalf of the holdings in this fund in the year	c.40	76	c.40	*5 engagements to date (3 active engagements)**	2**	
Number of engagements undertaken at a firm level in the year		1,922		*Data not provided**	311	

**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 2024

Manager and Fund(s)	Engagement themes and examples of engagements undertaken with holdings in the Fund

BlackRock Passive Equity Funds and Dynamic Diversified Growth Fund	BlackRock's main engagement topics have remained broadly consistent throughout 2024. 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 BlackRock Investment Stewardship ('BIS') has had multiyear engagements with Boeing on various business-relevant risks and opportunities, including board composition, corporate strategy, executive compensation, and human capital management. BIS engaged extensively with Boeing following two fatal crashes in 2018 and 2019 involving the 737 MAX aircraft model that led to a worldwide grounding, and temporary suspension of production of the planes. While Boeing has made several changes to its management and oversight structure in recent years, a January 2024 equipment failure on one of its 737 MAX 9 aircraft operated by Alaska Airlines suggests more remains to be done. Subsequently, Boeing has faced further scrutiny from regulators, and considerable reputational and financial damage. In response, Boeing is conducting additional inspections throughout its build process; engaging a third party to independently assess its quality management system; proposing the acquisition of its largest supplier, Spirit AeroSystems;9 and changing its executive compensation program to emphasise operational performance, quality, and safety. Boeing also announced senior management changes, including CEO David Calhoun's departure by the end of 2024 and Board Chair Larry Kellner not standing for re-election at the 2024 Annual General Meeting. BIS engaged with Boeing's leadership following the Alaska Airlines incident to better understand the company's ongoing response, as well as its approach to the CEO succession planning process. BIS will continue to engage with members of the Committee and Boeing's executive leadership to understand how these issues are being rectified, and robust practices are being established to safeguard key stakeholders and advance the long-term financial interests of shareholders.
Pictet Dynamic Asset Allocation Fund	Pictet engaged with Zoetis Inc, an American drug company and subsidiary of Pfizer. Pictet's objective was to get more clarity and encourage greater disclosure on how Zoetis is addressing the risk of Antimicrobial Resistance ('AMR') through the value chain. Pictet met with the company to discuss progress to reduce the use of antibiotics over the past couple of years. The Medicated Feed Additives ('MFA') divestment brings the sales of antibiotics down from \$900m this year to \$650m. This compares to \$1.4bn sales related to antibiotics in previous year, so the exposure is effectively halved and sale of antibiotics are now non-strategic for the group (although monitoring remains a key priority). Pictet have asked Zoetis for additional disclosure regarding the proportion of their research and development budget that is geared towards vaccines and other alternative solutions to antibiotics. Pictet have also asked the group to keep disclosing the proportion of group sales derived from antibiotics, even if considered as non-strategic from now on.
Arcmont Direct Lending Fund III	Arcmont maintain an active engagement with Medisup, a provider of education services to prepare students for medicine entrance exams. The engagement objective is to encourage the company to: • Maintain a "high" overall customer satisfaction, • improve in its weakest material area - personal tutoring sessions and, • design a more robust management tool for performance monitoring and decision-making. Arcmont believe that product quality and safety is a key ESG issue for educational services. Student satisfaction is a direct reflection of Medisup's quality of service. Every semester, the company

	assesses its service quality via student satisfaction surveys. These are then aggregated to get annual results. The results were positive; however, Arcmont became aware that the surveys lacked consistency (themes and questions change) and had low participation rates. Year-on-year performance was therefore difficult to assess. Arcmont set milestones for Medisup based on the percentage of students responding within each relevant category and the students' reported satisfaction. The company will be rewarded by way of margin reductions based on its performance in a given year. To date, the company has not met the desired performance levels. It has therefore not been awarded a margin discount. The FY24 test date passed in November 2024, but Arcmont have not yet received the required documentation. Arcmont are currently engaging with the company on this to determine the best course of action. The next test date is November 2025.
Barings Global Special Situations Credit Fund 3 & 4	Barings invested in David Wood Baking ('DWB') in April 2024 – the funding was used to refinance existing indebtedness and support the business after a fire destroyed one of its sites. Barings worked closely with the Company's management team to arrive at an appropriate Board/Governance structure that included the following: (i) inclusion of non-executive directors chosen by Barings, who carried the deciding vote on any Reserved Matters, (ii) hiring of a finance director to support the existing CFO, and (iii) enhanced reporting that covered, inter alia, Health & Safety, site key performance indicators, and other operational metrics. These were strict conditions to Barings' funding, which outlines Barings clear focus on ensuring robust governance is in place. The engagement process involved active engagement with the CEO, CFO and new Finance Director to finalise the new reporting packs & procedures for how this should be disseminated to the Board & Barings. Over the past months, Barings has seen tangible benefits of the new governance structure including a positive conclusion to an ongoing insurance settlement process, resulting in DWB (and Barings) receiving significant funds following the aforementioned fire at one of its sites. Barings has also seen an improvement in decision making processes – e.g., approval of capex and large supplier payments are now being discussed at the Board, thereby resulting in better oversight over the usage of cash.
Insight Bonds Plus Fund Global ABS Fund Liquid ABS Fund	Insight engaged with Columbus Capital on energy efficiency in residential mortgage lending. A meeting was held to discuss the Company's proposal to provide residential financing to borrowers for construction, purchase or refinance of energy efficient homes subject to pre-specified eligibility criteria. In their dialogue regarding the issuer's green bond framework, Insight wanted to understand the eligibility criteria (e.g. minimum energy rating, construction year, etc.). The issuer intends to include loans that qualify as green mortgages in a future green bond issuance programme. Insight was supportive of this initiative and recommended that performance reporting on these loans against non-green ones would assist with the credit underwriting and market absorption of the Company's green bonds programme. Insight now has a better understanding of the Company's approach to energy efficient origination. The Company will work to build their green mortgage lending and will ensure Insight are provided appropriate notice to help provide feedback to issuance when they look to bring public bonds into this issuance.