BABCOCK WANSON UK PENSION SCHEME
IMPLEMENTATION STATEMENT

This statement is intended to promote greater transparency and to show how the Scheme's investment actions have lived up to their agreed principles, in particular with regards to voting and engagement behaviours, as set out in the Scheme's Statement of Investment Principles ("SIP") which is available online. The latest version of the SIP has been in effect since 1 June 2023.

Given significant improvements in the Scheme's funding position, the Trustees have realigned their assets to be invested in only corporate bond and index-linked gilt funds to better match the liabilities of the Scheme.

In order to put the investment principles into effect, the Trustees have appointed Legal & General Investment Management (LGIM) as their fund manager. LGIM are remunerated on the basis of a fee charged as a percentage of the assets they manage in line with the Trustees' policies (including medium and long-term financial and non-financial performance).

All the funds are index funds i.e. those managed to track an appropriate investment index. The Trustees receive quarterly reports on the performance of the funds. Performance is measured against these indices and unsatisfactory performance may lead to LGIM being replaced. The agreement with LGIM has an indefinite term but can be terminated by the Trustees on any dealing date available for the funds held.

The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment manager, who will exercise these rights in accordance with their published corporate governance policies. The Trustees are satisfied that the investment manager's policies with regards to financially material risks and social, environmental and ethical factors with respect to their selection of investments, as well as their voting actions, are consistent with Trustees' beliefs and the long-term financial interests of the Scheme and its members.

From the Scheme Accounts, year ending 31 July 2025