

Implementation Statement (“IS”)

Spirit (Legacy) Pension Scheme (the “Scheme”)

Scheme Year End – 30 June 2025

The purpose of the Implementation Statement is for us, the Trustee of the Spirit (Legacy) Pension Scheme, to explain what we have done during the year ending 30 June 2025 to achieve our objectives and implement our policies as set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Scheme’s material DB investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of some of the Scheme’s DB assets to Aon Investments Limited (“AIL”). We believe the activities completed by AIL to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

At the time of writing, the Scheme’s DC investment manager did not provide us with all requested information to allow us to review the engagement activity carried out on our behalf.

Changes to the SIP during the year

We have a SIP that covers both the DB and DC Sections of the Scheme. We undertake a review of the SIP at least triennially or after any significant change in investment strategy.

The Scheme's latest SIP can be found here:

https://www.spiritpensioninfo.co.uk/media/qmph1ekm/spirit_legacy_pension_scheme_-_sip_september_2024_-_web_copy.pdf

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Joint DB and DC Policies

Environmental, Social and Governance ("ESG") considerations

During the year, we received Quarterly Investment Reports (QIRs) which included Aon's rating of the Scheme's investments. The monitoring included underlying ratings of sub-categories, such as ESG, which we reviewed and considered.

We are comfortable that the ESG policies and objectives have been met over the year.

Stewardship

We expect the Scheme's investment managers to, where appropriate, engage with investee companies and to exercise voting rights in relation to the Scheme's assets.

Via Aon, we have maintained an active dialogue with the Scheme's investment managers and have regularly reviewed the continuing suitability of their appointment. This review included consideration of stewardship matters and the managers' exercise of voting rights. We were supported in this review by Aon.

Details of the managers' stewardship activities over the year are provided at the end of this statement, including information on their voting behaviour, significant votes cast and the use of the services of a proxy voter.

Members views

In line with our policy, over the year, we have not explicitly taken into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters.

That said, we are mindful of developments in this area and review this position as appropriate. Where a member does make a decision to share their views with us, we will note, discuss and minute any subsequent course of action.

<p>Arrangements with asset managers</p>	<p>We are supported by Aon in monitoring the activity of its investments. As noted, we receive QIRs, which include Aon’s ratings of the investments.</p> <p>Aon is responsible for researching, rating and monitoring asset managers across all asset classes. This included some aspects of the manager’s alignment with our policies generally; for example, whether the manager is expected to achieve the performance objective and a review of their approach to ESG issues.</p> <p>For the DB arrangements, the investment sub-committee (ISC) aims to meet with each manager annually to receive an update on the investments’ performance, market outlook and positioning, ESG policies and how ESG is incorporated into the investment decision making process.</p> <p>We are comfortable that the investment strategy and decisions of the asset managers were aligned with our policies and that our policies in this area were adhered to over the year.</p>
<p>Costs, transparency and the monitoring of performance and remuneration</p>	<p>For the DB arrangements, we gathered cost information on our investments, to provide a consolidated summary of all the investment costs incurred. The cost report included a breakdown of the costs into their various component parts, including the costs of buying and selling assets (transaction costs) incurred by the underlying managers.</p> <p>During the year, Aon monitored portfolio turnover among the investment managers and had no material concerns. Additionally, the QIRs provided to us during the year considered the performance of the investment managers after costs and management fees costs; no concerns were identified by the Trustee during the year.</p> <p>For the DC arrangements, we provided cost information on our investments within the Chair’s Statement which was included in the Trustee Report & Accounts and published online. We reviewed the data which included both explicit and implicit costs and charges. Aon also reviewed the member borne costs and none appeared to be unreasonable in their view.</p>
<p>DB Specific Policies</p>	<p>Investment Risks</p> <p>During the year, we received QIRs from Aon, monitoring the valuation of all investments held, the funding level, the performance the Scheme, performance of the investments against their respective benchmarks. The QIRs included details of any significant issues with the investments that may impact their ability to meet the performance targets.</p> <p>We are comfortable this policy has been met over the year.</p>
<p>Flight Plan</p>	<p>During the year, we received QIRs from Aon, monitoring the Scheme’s funding level against the flight plan triggers. If a funding level trigger is achieved, a corresponding increase in the matching component allocation would be proposed at the meeting, or as soon as is reasonably practical thereafter.</p> <p>We continue to monitor the Scheme’s funding level on a quarterly basis and are currently working to agree a revised Flight Plan. As a result, the previous trigger framework has been suspended. We expect this revised plan to have been implemented by the next year end, although we recognise that it is a material piece of work which will require consultation with the sponsor.</p>

DC Specific Policies

For members who do not wish to take an active role in managing their investment choices, three lifestyle strategies are available as low-involvement options targeting Income Drawdown, Annuity or Cash at retirement. The primary default strategy for members is the Drawdown Targeting Lifestyle Strategy.

The lifestyle strategies manage risk automatically by moving from higher to lower risk funds as members approach their selected retirement age.

In addition to the three lifestyle strategies, we made a range of self-select funds available to members which provided members with a diversified range of investment options covering the main asset classes, ranging from low to high risk / return options.

During the Scheme year, we conducted a review of the DC Section's membership as part of the triennial investment strategy review, which forms the basis of the Trustee's understanding of members' needs. This considered members age and term to retirement.

The Investment Strategy

Importantly, this analysis formed the basis of our decision to keep the Drawdown Targeting Lifestyle Strategy as our primary default strategy. We agreed to make a change to one of the funds underlying the default strategy and the implementation of this agreed change took place in May 2025.

The review of the Scheme's investment strategy, including the default arrangement, confirmed the Scheme continues to be appropriate given the Trustee's objectives and understanding. It also continues to be aligned with the policies related to the default strategy outlined in the SIP.

We agreed to continue to offer alternative lifestyles targeting cash and annuity purchase at retirement.

With the help of Aon, we agreed the triennial investment strategy review of the DC Section on 10 March 2025. **The next investment strategy review is due to take place by 10 March 2028.**

Based on the advice we received as part of the most recent strategy review and subsequent updates from Aon during the year, we remain comfortable that the Scheme provides a suitable range of investments, and the default strategies are aligned with our objectives and are expected to meet the needs of members.

Risks

Over the year, we have actively monitored the various key risks associated with DC investments through regular quarterly investment reporting (QIR), which assessed performance, compliance, and any emerging risks. In addition, we have undertaken an investment strategy review to ensure the investment approach remains aligned with the Trustee's objectives outlined in the SIP and responds to changes in the market environment. These ongoing processes provide us with assurance that risk management remains robust and effective within the Scheme.

Based on advice and updates provided by Aon, we are comfortable that the agreed investment strategy appropriately managed the various key risks associated with DC investments throughout this period.

Our fund of fund manager's engagement activity

We invest some of the Scheme's DB assets in AIL's Multi-Asset Credit Strategy and Diversified Liquid Credit Strategy. These are fund of funds arrangements, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 30 June 2025.

Section	Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DB	Legal and General Asset Management ("L&G") - Developed Factor Index Fund Hedged and Unhedged	12,071	100.0%	22.2%	0.4%
	Standard Life Investments - Vanguard Emerging Markets Stock Index Pension Fund	22,388	99.4%	3.7%	3.1%
DC	Standard Life Investments - Vanguard FTSE UK All Share Index Pension Fund	10,064	100.0%	0.6%	0.1%
	Standard Life Investments - Vanguard FTSE Developed World ex UK Pension Fund	25,599	99.2%	3.0%	0.2%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Vanguard	Vanguard Investment Stewardship utilises the ISS's ProxyExchange platform for the execution of our votes. We have developed a robust custom policy that ISS has implemented on our behalf along with rigorous controls and oversight mechanisms to ensure the accurate application of the Vanguard policy.
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Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds the Scheme invests in.

Section	Funds	Number of engagements		Themes engaged on at a firm/fund level
		Fund level	Firm level	
	Underlying managers of AIL's Multi-Asset Credit Strategy:			
	Aberdeen - Climate Transition Bond Fund	104	1,868	Environment - Climate; Other Environment Related Social - Human Rights & Stakeholders; Labour Management Governance - Corporate Governance; Corporate Behaviour
	L&G - Diversified Credit Fund	326	4,399	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration; Board Effectiveness - Diversity Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose
	Underlying managers of AIL's Diversified Liquid Credit Strategy:			
DB	Aegon Asset Management ("Aegon") - European ABS Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - General Disclosure
	AXA Investment Managers ("AXA") - Carbon Transition Global Short Duration Bond Fund	58	550	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management Governance - Board Effectiveness - Independence/Oversight; Remuneration
	L&G - Developed Factor Index Fund Hedged and Unhedged	682	4,399	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose Other - Multiple ESG Topics
DC	Standard Life Investments - Vanguard Emerging Markets Stock Index Pension Fund*	<i>Not provided</i>	1,931 ¹	Board composition and effectiveness Board oversight of strategy and risk Executive pay Shareholder rights
	Standard Life Investments - Vanguard UK Investment Grade Bond Index Pension Fund*	<i>Not provided</i>	1,931 ¹	Board composition and effectiveness Board oversight of strategy and risk Executive pay Shareholder rights
	Standard Life Investments - SLI Absolute Return Global Bond Strategies Pension Fund*	<i>Not provided</i>	1,868	Environment - Climate Change Social - Human Rights & Stakeholders; Labour Management Governance - Corporate Behaviour; Corporate Governance

Standard Life Investments - Vanguard FTSE UK All Share Index Pension Fund*	Not provided	1,931	Board composition and effectiveness Board oversight of strategy and risk Executive pay Shareholder rights
Standard Life Investments - Vanguard FTSE Developed World ex UK Pension Fund*	Not provided	1,931	Board composition and effectiveness Board oversight of strategy and risk Executive pay Shareholder rights

*Firm level engagements are the same for all Vanguard funds.

Source: Managers.

The following managers did not provide fund level themes; themes provided are at a firm-level:

- Standard Life Investments
- Vanguard

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- L&G has provided complete engagement information. We note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. Each interaction may cover multiple themes.
- Standard Life Investments did provide engagement information at a firm level but not specifically for the Scheme's DC funds. Additionally, the manager did not provide any significant voting examples for the Standard Life - Vanguard FTSE UK All Share Index Pension Fund.

This report does not include commentary on certain asset classes such as gilts or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below in the managers' own words:

L&G - Developed Factor Index Fund Hedged and Unhedged	Company name	Mastercard Incorporated
	Date of vote	24 June 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.6
	Summary of the resolution	Resolution 7: Oversee and Report on a Racial Equity Audit
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G's Asset Management business publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting ("AGM") as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution Diversity: A vote in favour is applied as we support such information and risk management approach to Diversity.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will	L&G's Asset Management business will continue to engage with our investee companies, publicly advocate

	you take in response to the outcome?	our position on this issue and monitor company and market-level progress.	
	On which criteria have you assessed this vote to be most significant?	Thematic - Diversity: L&G's Asset Management business views diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.	
Standard Life Investments - Vanguard Emerging Markets Stock Index Pension Fund	Company name	PDD Holdings Inc.	
	Date of vote	20 December 2024	
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>	
	Summary of the resolution	Elect Director Lei Chen	
	How you voted?	Vote against resolution	
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	<i>Not provided</i>	
	Rationale for the voting decision	Support not warranted.	
	Outcome of the vote	Pass	
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>	
	On which criteria have you assessed this vote to be most significant?	<i>Not provided</i>	
	Standard Life Investments - Vanguard FTSE Developed World ex UK Pension Fund	Company name	Duke Energy Corporation
		Date of vote	01 May 2025
		Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
Summary of the resolution		Adopt Simple Majority Vote	
How you voted?		Votes supporting resolution	
Where you voted against management, did you communicate your intent to the company ahead of the vote?		<i>Not provided</i>	
Rationale for the voting decision		Proposed practices and/or disclosures are sufficiently aligned with shareholders' interests.	
Outcome of the vote		Pass	
Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?		<i>Not provided</i>	
On which criteria have you assessed this vote to be most significant?		<i>Not provided</i>	

Source: Managers.