Mount Charlotte Thistle Hotels Retirement Benefits Scheme Implementation Statement – 30 April 2026

Why have we produced this Statement?

The Trustees of the Mount Charlotte Thistle Hotels Retirement Benefits Scheme have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustees have complied with the voting and engagement policies detailed in the Scheme's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustees' investment objectives and investment strategy.

It also explains how and why the Trustees delegate certain responsibilities to third parties and the risks the Scheme faces and the mitigated responses.

The Trustees last reviewed the SIP in January 2024.

What is the purpose of this Statement?

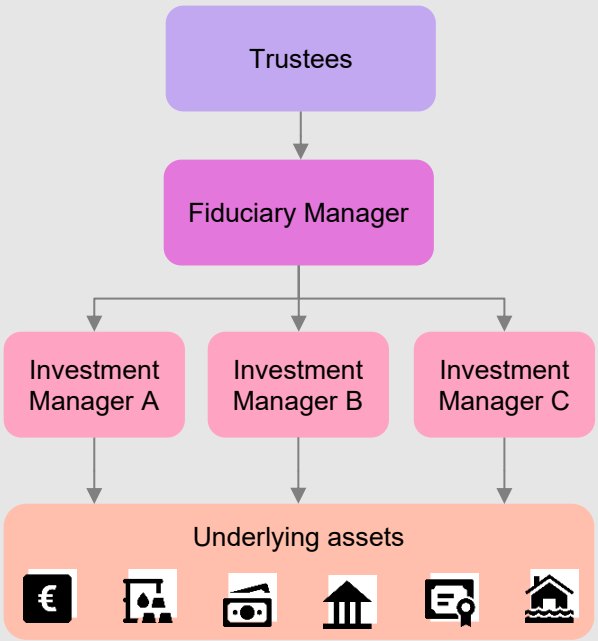
1. To explain how the Trustees' engagement policy has been applied over the year.

2. To describe the voting rights attached to the Scheme's assets have been exercised over the year.

What changes have we made to the SIP?

No changes to the SIP were made over the year.

How are the Scheme's investments managed?



Trustees - The Trustees' key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustees retain overall responsibility for the Scheme's investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (WTW) – The Trustees employ a Fiduciary Manager to implement the Trustees' investment strategy. The Fiduciary Manager allocates the Scheme's assets between asset classes and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate, where these assets are held directly in the Scheme's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate eg shares in a company or government bonds.

Why does the Trustees believe voting and engagement is important?

The Trustees' view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustees further believe that voting and engagement are important tools to influence these issues.

The Trustees have appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement in its processes.

The Trustees incorporate an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What are the Trustees' voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustees expect investment managers to address broad ESG considerations, but have identified climate change, biodiversity and diversity, equity and inclusion as key areas of focus for the Trustees.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustees expect investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustees expect the Fiduciary Manager to engage with investment managers to improve their processes.

What are the Fiduciary Manager's policies?

Climate change and net zero goal

The Trustees believe Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2025 include:

- 859 companies engaged across regions on 3,849 issues and objectives
- 73 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 131,979 resolutions at 13,516 meetings, including 63% of meetings with one or more resolutions against management
- 55 consultation responses or a proactive equivalent made
- 181 discussions were held with relevant regulators and stakeholders

Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: https://www.wtwco.com/en-gb/solutions/services/sustainable-investment.

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. Over the course of 2025, the Fiduciary Manager researched 80 sustainability-themed strategies and engaged with over 50 external asset managers across more than 90 products.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis.

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Examples of engagements carried out over the year

Equity manager

Environment – climate change issue

Issue: The manager will exit Net Zero Asset Managers Initiative (NZAMi) and CA100+ to adopt an independent, in-house climate research model. The shift reflects a focus on fiduciary duty and a preference for a more tailored, rigorous approach to sustainable investing. The Fiduciary Manager discussed these changes with the stakeholders, covering implications, rationale, and potential future developments.

Outcome: Based on the Fiduciary Manager's assessment, the manager's climate approach is credible and well-articulated, with a clear emphasis on bottom-up research, targeted engagement, and capital allocation toward genuine transition leaders. Relative to peers, the manager has demonstrated consistently strong alignment with sustainability principles over time, even where this is not fully reflected in standard emissions metrics.

Alternative credit manager

Climate change – Data coverage issue

Issue: This external high yield debt asset manager had not submitted data to our climate questionnaire, leaving only ~5% of the fund's carbon footprint covered by third party data. The Fiduciary Manager's engagement objective was to secure full carbon footprint data to improve transparency and support climate risk management in the solution where this external asset manager is used.

Outcome: After the external asset manager failed to provide questionnaire data, the Fiduciary Manager identified a major coverage gap and contacted their Investor Relations team to request the missing information. A follow-up call was arranged to stress the importance of full disclosure and to support their submission process. The manager agreed to complete the questionnaire and committed to improving emissions reporting going forward.

The external asset manager has subsequently provided 100% carbon footprint coverage. They acknowledged the engagement as the catalyst for this improvement. With full emissions data now available, the Fiduciary Manager can more effectively assess climate related risks within the strategy. This outcome directly supports our climate risk management efforts.

Going forward the Fiduciary Manager plans to seek additional attribution analysis to understand emissions drivers across holdings and sectors and to monitor progress.

Core diversified manager
General ESG issue

Issue: The Fiduciary Manager engaged with this external asset manager regarding a gap in their ESG practices: the lack of any engagement reporting for their money market (cash) funds. One of the funds in which their clients invest did not produce engagement reports at the strategy or capability level. The objective was to raise the reporting standards of this external asset manager to develop and share regular engagement reports for its cash funds, improving transparency and accountability for how it engages with issuers on behalf of clients. Enhanced reporting would allow the Fiduciary Manager (and their clients) to understand what financially material ESG issues the external asset manager is raising with counterparties and to confirm their stewardship activities are sufficient.

Outcome: Throughout 2025, the Fiduciary Manager held discussions with the external asset manager's team. The Fiduciary Manager communicated their concern on this issue, referencing peer firms that have had such reporting in place for some time. The Fiduciary Manager emphasised that comprehensive engagement transparency is our expectation. In response to the feedback, the manager tentatively agreed to develop a sample engagement report for its cash funds, proposing to use the ICSWG (Investment Consultants Sustainability Working Group) template, which helped to develop a guide.

As at the time of writing, this engagement was still in progress. The external asset manager acknowledged the concerns and has taken the first step by agreeing to produce a sample engagement report for our review. Until the Fiduciary Manager receives and evaluates this report, the outcome remains uncertain. This engagement is a potential candidate for further escalation (e.g., raising their concerns with higher level management at the external asset manager) if the report is not provided in a timely manner or fails to meet expectations.

What are the voting statistics we provide?

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity investment managers.

Responses received are provided in the following pages. The Trustees used the following criteria to determine the most significant votes:

- The manager deems the vote to be notable for the scheme or of significant size,
- The vote is in one of the stewardship priority areas identified by the Trustees (climate change, biodiversity and diversity, equity and inclusion)
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustees are at a proportionate level

The Scheme is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds. The Trustees have decided not to publicly disclose active investment manager names as the Trustees believe this could impact the investment manager's ability to generate the best investment outcome.

How have our Investment Managers voted over the last 12 months?

Pooled multi-manager equity fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	187
Number of resolutions on which manager was eligible to vote:	3,615
Percentage of eligible votes cast:	97.5%
Of the votes cast, percentage of votes	
with management:	89.2%
against management:	10.5%
abstained from:	0.3%
% of meetings, where the manager voted and there was at least once against management:	43.9%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	9.3%

What is this manager's voting policy?

As the manager manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all of their underlying managers who hold equities over a reasonable timeframe to exercise their voting rights on all shares held. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all of our clients. In addition, EOS is expanding the remit of engagement activity they perform on our behalf beyond public equity markets, which will enhance stewardship practices over time.

The underlying managers use Institutional Shareholder Services (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation.

Which of these votes do we think were significant?

Company:	**Microsoft Corp.**
Resolution:	**Report on risks of using artificial intelligence and machine learning tools for oil and gas development and production**
Allocation in manager portfolio:	4.6%
Date of vote:	5 December 2025
How manager voted:	"Against" the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The company is a global leader in developing advanced technology platforms that facilitate new oil and gas production projects, including artificial intelligence (“AI”), machine learning, Internet of Things, cloud computing, and high-performance computing (collectively, “advanced technology”). This shareholder resolution requests that the company report on the climate and financial risks to the company associated with providing advanced technology, to facilitate oil and gas development and production. The manager's vote against this proposal reflects Scope 3 emissions considerations. The underlying Scope 3 emissions data and methodologies remain rather simplistic and hard to appropriately attribute their effects to companies across value chains. That’s why the manager focuses their analyses on Scope 1+2 emissions where the data quality is better (not perfect), methodologies are clearer, and these emissions remain under company control.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (climate change) and size of the position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	While the manager typically prefers more investor-useful disclosure, this proposal, they believe is not well timed as reliable underlying data is not available and Scope 3 attribution methodologies are not robust.

Company:	**Alphabet**
Resolution:	**Shareholder proposal to publish a human rights impact assessment of artificial intelligence (AI) driven targeted advertising**
Allocation in manager portfolio:	3.3%
Date of vote:	29 May 2025
How manager voted:	"For" the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The manager voted in favour of the proposal requesting an independent report to assess potential human rights impact from

	artificial intelligence (AI) targeted advertising. Similar to last year, the Responsible Investment (RI) Committee voted against management and was aligned with the recommendations of Equity Ownership Services (EOS) and Institutional Shareholder Services (ISS). Given targeted advertising is central to the company's business, a third-party assessment could provide better transparency on related risks. The proposal addresses an emerging area of concern, AI-targeted ads, with significant implications from a regulatory, legal and reputational perspective to the company's business. While the company believes it has sufficient oversight and disclosure, the RI Committee believes an independent human rights assessment will better address legal and regulatory concerns. It is the manager's view, given the scale of the company's ad business and its leadership position in AI development, transparency on the associated impacts will better manage longer term risks.
Trustee rationale for significance:	The manager also voted against management recommendation and size of the position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager was disappointed with the vote outcome, but expects similar proposals in the future, which they will support.

Company:	**Meta Platforms**
Resolution:	**Disclose a climate transition plan resulting in new renewable energy capacity**
Allocation in manager portfolio:	3.1%
Date of vote:	28 May 2025
How manager voted:	"For" the shareholder resolution, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	Promotes transparency around environmental issues. The manager considers environmental factors to be an important consideration in assessing the long-term predictability and sustainability of a company's revenue and earnings growth.
Trustee rationale for significance:	Vote topic is one of the Trustee's stated stewardship priorities (climate change) and size of the position. The manager also voted against management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to consider proposals whether from management or shareholders which enhance transparency around environmental issues.

Pooled multi-asset growth fund

How many votes has this manager cast?

Number of meetings at which the manager was eligible to vote:	3,594
Number of resolutions on which manager was eligible to vote:	46,134
Percentage of eligible votes cast:	99.0%
Of the votes cast, percentage of votes	
with management:	88.1%
against management:	10.6%
abstained from:	1.1%
% of meetings, where the manager voted and there was at least once against management:	45.3%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	2.2%

Note: The total votes may not sum up to 100% due to rounding.

What is this manager's voting policy?

As the manager manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all their underlying managers who hold equities over a reasonable timeframe to vote for all shares they hold. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all their clients. In addition, EOS is expanding the remit of engagement activity they perform on the manager's behalf beyond public equity markets, which will enhance stewardship practices over time.

The underlying managers are required to provide a detailed explanation and rationale whenever their voting decisions diverge from the EOS recommendations. They also utilise Institutional Shareholder Services (ISS) for voting facilitation and research purposes. Additionally, their China equity manager employs the Glass Lewis service, utilising a bespoke policy.

Which of these votes do we think were significant?

Company:	**Apple Inc.**
Resolution:	**Report on risks related to operations in China**
Allocation in manager portfolio:	1.0%
Date of vote:	24 February 2026
How the manager voted:	"Against" the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	This proposal does not merit support as the company's disclosures related to operations in high-risk countries are reasonable.
Trustee rationale for significance:	The manager considered this to be a notable resolution and size of position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

Company:	**Samsung Electronics Co., Ltd.**
Resolution:	**Approve remuneration of executive directors and/or non-executive directors**
Allocation in manager portfolio:	0.6%
Date of vote:	18 March 2026
How the manager voted:	“For” the management resolution
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	A vote in favor of this item is warranted as the proposed remuneration limit is significantly higher than market norm, but the company has provided a reasonable justification for the proposed remuneration limit. The manager generally supports compensation programs that attract and retain strong leadership and that align management incentives with long-term shareholder interests. The manager favors pay structures that link rewards to sustained performance, incorporate meaningful performance metrics, and provide clear disclosure. The manager may oppose compensation proposals that appear misaligned with long-term results, lack transparency, or provide excessive discretion without sufficient accountability.
Trustee rationale for significance:	The manager considered this to be a notable resolution.
Outcome of the vote:	Resolution passed

Implications of the outcome:	As active managers, outcomes stemming from voting decisions and engagement are incorporated into investment process, further enhancing long-term value for clients and beneficiaries. The manager believes the most effective shareholder engagement is undertaken by analysts who can contextualise the information that arises from the dialogues which are reflected in their voting decisions and then incorporated into the manager's investment process. The manager engages with companies on a regular basis and in the case where they have voted against management they would typically follow up.

Company:	**Netflix Inc.**
Resolution:	**Shareholder proposal regarding climate transition plan**
Allocation in manager portfolio:	0.5%
Date of vote:	5 June 2025
How the manager voted:	“Against” the shareholder resolution, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The proposal requests the company to issue a climate transition plan “above and beyond existing disclosure,” describing how it intends to align its operations and full value chain emissions with existing science-based targets. However, the company has already adopted emissions targets that are aligned with the Paris Agreement and reports on progress toward these goals annually, in line with Task Force on Climate-related Financial Disclosures standards. The company has also published a long-term plan to achieve these targets, on par with industry peers. Given the current level of climate reporting by the company, the manager finds this proposal to be unnecessary and overly prescriptive and recommended voting against.
Trustee rationale for significance:	Vote topic is one of the Trustee’s stated stewardship priorities (climate change).
Outcome of the vote:	Resolution failed
Implications of the outcome:	The proposal did not pass, which is in line with the manager's decision to vote against.

In conclusion…

The Trustees are satisfied that over the year, all SIP policies and principles were adhered to and in particular, those relating to voting and engagement.