# Implementation Statement

# A.S. Watson (Health & Beauty UK) Pension Plan

This Implementation Statement has been prepared by the Trustee of the A.S. Watson (Health & Beauty UK) Pension Plan ("the Plan") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 March 2026.

## Trustee policies on voting and engagement

The Trustee's Statement of Investment Principles (SIP) in force during March 2026 describes the Trustee's policy on the exercise of rights (including voting rights) and engagement activities as follows:

- "The Trustee believes that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns. The Trustee delegates responsibility for stewardship activities attaching to the Plan's investments to its investment managers. Managers are expected to exercise voting powers with the objective of preserving and enhancing long term shareholder value. In addition to the exercise of voting rights, managers are expected to engage with key stakeholders (which may include issuers of debt or equity, corporate management, regulators and governance bodies) relating to their investments in order to improve corporate behaviours and governance, improve performance, improve social and environmental impact and to mitigate financial risks."

The Trustee's SIP was last reviewed in June 2026 and is made available online here:

Statement of Investment Principles (superdrug.com)

The Trustee decided not to set stewardship priorities for the Plan because the Plan solely invests through pooled investment vehicles where the Plan's assets only represent a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers. As a result, the Trustee decided not to set stewardship priorities. However, the Trustee takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually.

## How voting and engagement policies have been followed

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 has taken into consideration the Financial Reporting Council's UK Stewardship Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee holds assets in pooled funds. This is due to the nature of these investments. The Trustee receives reporting on the voting and engagement policies of the fund managers and considers these as part of manager appointment and review processes.

The Trustee believes that ESG factors are financially material – that is, they have the potential to impact the value of the investments from time to time.

The Trustee monitors the ESG performance of its managers on a regular basis.

The Trustee considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Plan.

The Trustee was satisfied that the managers' policies were reasonable and no further remedial action was required during the period. Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Plan's stewardship policies.

**Prepared by the Trustee of the A.S. Watson (Health & Beauty UK) Pension Plan**
**September 2026**

## Voting Data

Voting only applies to funds that hold equities in their portfolio. The Plan's equity investments were all held through pooled funds during the year and as such the investment managers for these funds vote on behalf of the Trustee.

The equity investments were managed by Aberdeen during the year. The Plan disinvested its holdings in the Aberdeen Vanguard FTSE Developed World Hedged Pension Fund and Vanguard FTSE Developed World ex UK Equity Index over October and November 2025. As such, the voting and engagement data for these funds are provided for the year to 31 December 2025.

| Manager | Aberdeen | Aberdeen |
|---|---|---|
| **Fund name** | Vanguard FTSE Developed World Hedged Pension Fund | Vanguard FTSE Developed World ex UK Equity Index |
| **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. | |
| **Number of company meetings the manager was eligible to vote at over the year** | 2,085 | 1,984 |
| **Number of resolutions the manager was eligible to vote on over the year** | 27,642 | 25,487 |
| **% of resolutions the manager voted on** | 99.3% | 99.3% |
| **% of resolutions the manager abstained from** | 0.7% | 0.7% |
| **% of resolutions voted *with* management** | 97.2% | 96.9% |
| **% of resolutions voted *against* management** | 2.8% | 3.1% |
| **% of resolutions voted contrary to the recommendation of the proxy advisor** | 0.3% | 0.0% |

## 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 / themes. The Trustee has decided not to set stewardship priorities / themes for the Plan. For this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote".

| | Vote 1 | Vote 2 | Vote 3 |
|---|---|---|---|
| **Funds affected** | | Both Vanguard funds | |
| **Company name** | Air Products and Chemicals, Inc. | Duke Energy Corporation | Alphabet Inc. |
| **Date of vote** | 23/01/2025 | 01/05/2025 | 06/06/2025 |
| **Summary of the resolution** | Elect Management Nominee Director Tonit M. Calaway | Adopt Simple Majority Vote | Approve Recapitalization Plan for all Stock to Have One-vote per Share |
| **How the manager voted** | For | For | Against |
| **If the vote was against management, did the manager communicate their intent to the company ahead of the vote?** | | This information was not provided | |
| **Rationale for the voting decision** | Support warranted based on the candidate's experience, independence, and/or qualifications. | Proposed practices and/or disclosures are sufficiently aligned with shareholders' interests. | Proposed practices and/or disclosures are sufficiently aligned with shareholders' interests. |
| **Outcome of the vote** | Pass | Pass | Fail |
| **Implications of the outcome** | | This information was not provided | |
| **Criteria on which the vote is considered "significant"** | The criteria that VCMIS uses to identify a "significant vote" is intended to meet the requirements set out in the Shareholder Rights Directive II (as amended by the relevant jurisdictions) for VAM, Vanguard Investments UK, Limited, and Vanguard Group (Ireland) Limited. These proposals are deemed "significant" because they (i) involved a vote at a company in which the Funds hold a meaningful ownership position, or (ii) conveyed the VCMIS perspective on an important governance topic that arose in connection with a shareholder vote. | | |

## Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. Whilst the Plan's credit holdings do not have any voting rights attaching to them, the Trustee focuses on how the investment process and profile of the managers is aligned with the Plan's ESG policies.

The table below provides a summary of the engagement activity undertaken by Aberdeen, Insight Investment Management ("Insight"), M&G and Royal London during the year.

| Manager | Insight | Aberdeen | M&G | Royal London |
|---|---|---|---|---|
| **Fund name** | Global ABS Fund | Both Vanguard funds | All Stocks Corporate Bond Fund | UK Corporate Bond 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** | 60 | This information was not provided. | 17 | 92 |
| **Number of engagements undertaken at a firm level in the year** | 2,762 | 1,698 | 465 | 658 |
| **Examples of engagements undertaken with holdings in the fund** | **OCP:** ESG practices | **Iberdrola:** Climate Environment Human Rights & Stakeholders<br><br>**CRH PLC:** Climate change | **Centrica:** Climate change<br><br>**Anglia Water:** Climate Environment | **Tesco Plc**: Human Rights<br><br>**Barclays Plc:** Climate transition planning |