Mitchells & Butlers Pension Plan: Defined Contribution Section

Implementation Statement for the Plan year ending 31 March 2026

Introduction

This Implementation Statement has been prepared by Mitchells & Butlers Pensions Limited ("the Trustee") and relates to the defined contribution (DC) section ("the DC Section") of Mitchells & Butlers Pension Plan ("the Plan"). It covers the Plan year 1 April 2025 to 31 March 2026 and provides information on:

- The extent to which the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the Plan year.
- A summary of the voting activity undertaken by the DC Section's pooled fund manager on behalf of the Trustee over the Plan year, including information regarding the most significant votes.
- A summary of changes (if any) to the Statement of Investment Principles (SIP) over the Plan year.
- The extent to which, in the opinion of the Trustee, the DC Section of the Plan's SIP has been followed during the Plan year.

A copy of this Implementation Statement will be made available on the following website: https://www.mbplcpensions.com/dc-choice/library.

Delegation of responsibilities

To ensure that decisions on implementing the investment policies set out in the SIP are taken by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates certain responsibilities to the DC Committee and, in respect of the DC Section, its bundled pension provider Legal & General ("L&G").

- **DC Committee:** assists the Trustee with developing an appropriate investment strategy for the DC Section, the ongoing monitoring of the investment strategy and reviewing the activity and performance of L&G.
- **L&G:** the DC Section's Default Option is structured as a 'governed' investment solution which is designed and implemented by L&G. L&G is responsible for the appointment and removal of the underlying investment managers used by the Default Option as well as the ongoing relationships with the investment managers.

Review of, and changes to, the DC Section of the SIP

The Trustee did not update the SIP over the year. The last update was in November 2023 to reflect the Trustee's review of their investment beliefs and their policies relating to illiquid assets.

How the SIP has been followed over the year

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

- **Review of the Default Option.** There was no formal review of the investment arrangements over the year to 31 March 2026. A strategic review of the DC Section's default investment arrangement was last

completed in November 2023. This review concluded that the default strategy remains appropriate, and no changes were made. The next strategic review is due to begin in 2026.

- **An appropriate range of self-select options.** The last formal review of the range of self-select options was completed in November 2023. This review concluded that the range remains appropriate, and no changes were made. The next formal review of the range of self-select options is due to be completed by November 2026.

- **Quarterly monitoring of the investment options.** The DC Committee undertakes quarterly monitoring of the range of investment options offered through the DC Section using quarterly investment reports provided by the Trustee's professional advisers. The quarterly monitoring ensures that the investment options are meeting their stated objectives and compares performance against relevant long-term inflation measures. No issues were identified over the Plan year.

- **Reviewing the investment managers' policies on responsible investing, stewardship, and sustainability.** The DC Committee, on behalf of the Trustee, considers the responsible investment policies and practices of L&G, as the pooled investment manager to the DC Section. This includes the degree to which ESG factors are integrated through the range of investment options provided through the DC Section. Over the period, the DC Committee considered the sustainability of investments, and the alignment of the investment manager's sustainability policies with the Committee's and sponsoring employer's own sustainability policies. The DC Committee remained of the view that the policies of L&G are reasonable and are not out of line with the Trustee's own policies described in the SIP.

- **Member views.** In line with the policies outlined in the SIP, the Trustee did not incorporate member views into its ESG policy over the Plan year.

- **Communicating ESG and stewardship with DC Section members**. The Trustee expects that the annual communication to members regarding ESG and stewardship will be addressed in the annual Implementation Statement. This document is a statutory report and will be produced on an annual basis for inclusion in the Plan's Annual Reports and Accounts, as well as being made available online.

- **Reviewing the costs and charges applied through the DC Section.** The DC Committee, supported by the Trustee's professional advisers, complete an annual assessment of the charges (Total Expense Ratios) and transaction costs levied by L&G, which are benchmarked by the Trustee's professional advisers. Such costs are reported to members in the Chair's Statement on DC governance (https://www.mbplcpensions.com/dc-choice/library). Based on external advice, the Trustee believes that the charges and transaction costs applied to the DC Section's range of investment options are competitive, taking into account the size and investment strategy of the DC Section.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in November 2023 and has been made available online here: https://www.mbplcpensions.com/dc-choice/library. There were no changes made to the Trustee's stewardship policy over the Plan year.

The Trustee delegates the exercise of rights attaching to the DC Section's investments, including voting rights and undertaking engagement activities, to the Plan's investment manager.

How voting and engagement policies have been followed

The DC Section invests in L&G's range of Target Date Funds (TDFs) which are managed exclusively by Legal & General Asset Management (L&G). The TDFs use a blend of underlying pooled funds, also managed by L&G, and target five-year retirement windows (referred to as vintages). As pooled investment funds, the Trustee delegates responsibility for carrying out voting and engagement activities to L&G.

The Trustee understands the importance of carrying out periodic reviews of the voting and engagement information of its investment managers to ensure they align with its own policies. Training on ESG matters has been provided at Trustee and DC Committee meetings to ensure a good understanding of how ESG factors including climate change could impact the Plan and its investments.

The DC Committee, on behalf of the Trustee, have previously challenged L&G on their stewardship and engagement activities and were satisfied that L&G's policies were reasonable, and no remedial action was required at that time. Annually the Trustee receives information on voting and engagement activity from L&G, and this is reviewed by the DC Committee and the Trustee's investment advisers. A review of the information was completed as part of the process of preparing this Statement.

Having reviewed the above in accordance with its policies, the Trustee is comfortable the actions of the fund manager are in alignment with the Trustee's own policies.

Voting Data

Due to the composition of the TDFs, it is not uncommon for the allocation to the underlying investment funds to be consistent across a number of the TDF variants (vintages). For this reason, the voting information will also be the same. The following table provides details of the voting activity for each of the DC Section's TDF variants, with the information grouped together where the underlying investment funds are the same:

TDF variant	Workplace TDF	Cash TDF	Workplace TDF	Workplace TDF
TDF date range	**2020 – 2035**	**2020 - 2030**	**2035 – 2040**	**2040 – 2075**
Structure	Pooled	Pooled	Pooled	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	10,838	9,753	10,226	10,228
Number of resolutions the manager was eligible to vote on over the year	110,613	100,317	104,003	104,018
Percentage of resolutions the manager voted on	99.91%	99.90%	99.90%	99.90%
Percentage of resolutions the manager abstained from	0.88 %	0.82 %	0.80%	0.80%
Percentage of resolutions voted *with* management, as a percentage of the total	75.72%	75.47%	75.39%	75.39%

TDF variant	Workplace TDF	Cash TDF	Workplace TDF	Workplace TDF
TDF date range	**2020 – 2035**	**2020 - 2030**	**2035 – 2040**	**2040 – 2075**
number of resolutions voted on				
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	23.41%	23.70%	23.81%	23.81%
Proxy voting advisor employed	Institutional Shareholder Services ("ISS")			
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	13.54%	13.95%	13.81%	13.81%

*L&G have not produced data for the annuity targeting funds. Total members in these funds was 12 at 31 March 2026, with only 3 members in TDF's targeting retirement before 2040. The annuity targeting funds post 2040 have the same strategy as the drawdown targeting TDF's.

In the table above, the proportion of resolutions that were voted on and abstained from may not sum to 100%. This can be due to how the investment manager or local jurisdictions define abstentions or classify a formal vote or abstentions as opposed to not returning a voting form or choosing to nominate a proxy. Data has only been provided data for the TDFs in which members are invested.

There are no voting rights attached to the other assets held by the DC Section and therefore there is no voting information shown above for these assets.

Use of proxy voting services

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and L&G does not outsource any part of the strategic decisions. To ensure L&G's proxy provider votes in accordance with its position on ESG, L&G has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G consider are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows L&G to apply a qualitative overlay to its voting judgement. L&G has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform L&G of rejected votes which require further action.

Significant votes

As with last year, for this year's implementation statements the Trustee has delegated to the investment manager(s) to define what a "significant vote" is. L&G is continuing to evolve its approach to provide clients with access to significant vote information, however at present L&G's Investment Stewardship team takes into account the criteria provided by the Pensions UK guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G's annual Stakeholder roundtable event, or where L&G notes a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and,
- Vote linked to an L&G engagement campaign, in line with L&G global stewardship themes.

L&G publicly discloses its vote instructions on its website at: https://vds.issgovernance.com/vds/#/MjU2NQ==/

Significant vote information

As the TDFs use a common range of underlying funds, the significant votes data provided by L&G were broadly the same across the TDF variants. A total of over 2,000 significant votes were included in the reporting by L&G, and it is not practical to include information on all votes in this Statement. As such, in the tables below the Trustee has reported on a selection of six of these votes covering the broad spectrum of Environmental, Social and Governance considerations.

	Vote 1: Shell Plc	Vote 2: Mastercard Incorporated	Vote 3: PepsiCo, Inc.
Date of vote	20 May 2025	24 June 2025	7 May 2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	TDF variant dependent	TDF variant dependent	TDF variant dependent
Summary of the resolution	Resolution 22: Request company disclose: Whether demand forecast for Liquid Natural Gas ("LNG"); LNG production and sales targets; and new capital expenditure in natural gas assets; are consistent with climate commitments, including target to reach net zero emissions by 2025	Resolution 7: Oversee and Report on a Racial Equity Audit	Resolution 5: Report on Third-Party Racial Equity Audit
How the manager voted	Against	For	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	*Shareholder resolution - Climate change*: While L&G recognise the intent behind Resolution 22, they have decided to vote against it following careful consideration. This decision follows a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience related to its LNG operations. L&G acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate-related risks. In light of these developments, L&G believe the resolution's key objectives are being addressed through ongoing company actions.	*Shareholder Resolution Diversity*: A vote in favour is applied as L&G support such information and risk management approach to Diversity.	*Shareholder Resolution - Diversity:* A vote in favour is applied as L&G supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	*Pre-declaration*: L&G recognise the underlying merit of this resolution, after careful	*Thematic* - Diversity: L&G's Asset Management business views diversity as a financially	*Thematic* - Diversity: L&G's Asset Management business views diversity as a financially

	consideration, they have made the decision to vote against. This decision is underpinned by a series of direct and constructive engagements with Shell's leadership. Through these discussions, they received clear commitments that the company will enhance its reporting in line with L&G's expectations specifically, providing detailed disclosures on stranded asset risks and financial resilience related to Shell's growing exposure to liquefied natural gas (˜LNG"). These gaps were key reasons L&G were unable to support the company's climate transition strategy at its 2024 AGM. Following a detailed analysis of the company's disclosures, they believe Shell's current reporting provides a basis for investors to consider alignment with various climate outcomes, contributing to the broader objectives of the resolution.	material issue for their clients, with implications for the assets they manage on their behalf.	material issue for their clients, with implications for the assets they manage on their behalf.

	Vote 4: Starbucks Corporation	Vote 5: Deere & Company	Vote 6: Rio Tinto Plc
Date of vote	25 March 2025	25 February 2026	3 April 2025
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	TDF variant dependent	TDF variant dependent	TDF variant dependent
Summary of the resolution	Resolution 5: Adopt Mandatory Policy Separating the Roles of CEO and Board Chair	Resolution 4: Report on Expected Return on Investment of Companys Emissions Reduction Goals	Resolution 19: Approve Climate Action Plan
How the manager voted	For	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Rationale for the voting decision	*Shareholder Resolution - Joint Chair/CEO*: A vote in favour is applied as L&G expects companies to establish the role of independent Board Chair	*Shareholder Resolution - Climate change*: L&G expects companies to be taking sufficient action on the key issue of climate change. While	*Climate Change*: The mining and diversified metals sector produces minerals that are essential to the energy transition. L&G believe that

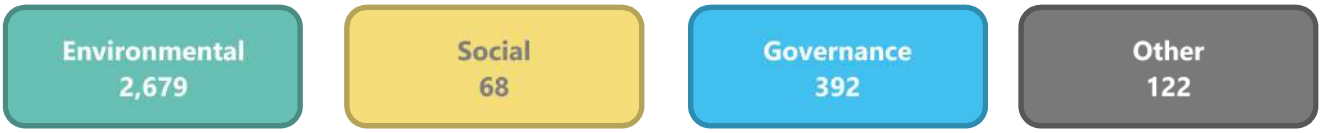
		they recognise the proponents stated intent to link emissions goals to financial performance, they do not believe this specific request would enhance investor understanding beyond Deeres existing disclosures and the commitments the company has already made. L&G have been engaging Deere on clearer, value linked sustainability reporting particularly around Scope 3 and how Deeres technologies improve resource efficiency and climate performance for customers. Deere has been receptive to their recommendations and has indicated willingness to enhance disclosure on these topics in their upcoming reporting. L&G believe this direction of travel aligns with their expectations and will provide investors with more robust insight than the prescriptive report requested in the proposal. Given this progress, and the risk that the resolution reframes decarbonisation as a narrow ROI accounting exercise rather than a strategic value driver, a vote against is applied.	long-term, responsible investors, such as L&G Asset Management, can support these companies as they decarbonise. Last year, L&G published their updated framework for assessing mining company climate transition plans. Rio Tinto is making significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through their constructive engagement, leading to substantial alignment of its Climate Action Plan with our framework. L&G especially welcomed Rio Tinto's enhanced disclosures on its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets. L&G Asset Management will therefore be supporting Rio Tinto's Climate Action Plan.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	L&G will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	*Thematic - Board Leadership*: L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	*Pre-declaration*: This shareholder resolution is considered significant due to its focus on climate-related disclosure and its implications for long-term value creation. While L&G support transparent, value-linked climate reporting and have been actively engaging Deere on enhanced disclosures, particularly on Scope 3 and customer outcomes, they do not believe this prescriptive proposal would meaningfully improve investor understanding and therefore will vote against Resolution 4.	*Pre-declaration*: This shareholder resolution is considered significant as L&G have been engaging in detailed and constructive discussions on this topic with the company since voting against its previous Climate Action Plan in 2022, aiming to bridge the remaining gaps, particularly regarding its approach to scope 3 emissions and customer decarbonisation. Following what they view as substantive progress by Rio Tinto in this area, primarily through enhanced disclosure of its plans to decarbonise its value chains, as well as the clear and quantified actions set out to meet its emission reduction targets, L&G believe the company's enhanced strategy

	closely aligns with their framework above, and should support its decarbonisation journey and the creation of long-term value as the climate transition unfolds.

Engagement activity

L&G did not supply engagement information at a fund level and instead provided firm level data which is published quarterly via its ESG Impact Reports. These reports can be found on the following website: https://am.landg.com/en-uk/adviser-wealth/responsible-investing/

Over the Plan year, L&G engaged 2,911 times with 2,801 investee companies across a wide spectrum of issues. These engagements have been broken down into the following broad categories.



(Source: L&G's ESG Impact Reports Q2 2025 – Q1 2026, an engagement can cover more than a single topic)

Of these engagements, the most frequent topics covered the following:

- Climate
- Climate Mitigation
- Deforestation
- Remuneration
- Strategy

Examples relating to L&G's engagement activity are provided in the below extracts which have been taken from its Q1 2026 ESG Impact Report.

Environmental – Shell Plc

L&G engaged with Shell regarding greater transparency in their liquefied natural gas ("LNG") business, specifically how its strategy was consistent with its climate commitments. Following initial discussions Shell created a series of mock up reporting frameworks, the two then worked together to develop this into a disclosure model that would be helpful to investor community.

Social – Diversity at board level

L&G did not provide a specific company engagement in relation to social engagements. They did cover a broad example of how they have engaged worked to raise awareness on antimicrobial resistance (AMR). L&G believes AMR to be a growing systemic risk that remains at the early stages of recognition compared to other stewardship themes and has therefore undertaken actions to raise awareness of this growing issue. They have primarily been doing this through roundtables.

In Q1 2026, they were invited by the Access to Medicine Foundation to attend the launch of the 2026 Antimicrobial Resistance Benchmark and participate in one of three expert panels. This inclusion recognised the growing importance of investors as critical stakeholders in addressing the AMR issues. At the event L&G were

also able to speak with many important stakeholders and they plan to continue to raise awareness on the growing issue.

Governance – Saba Capital Management LP

As included in last years Implementation Statement, Saba, a US hedge fund, has been looking to gain control of UK investment trusts. L&G have highlighted their continued effort in trying to gain board control of the Edinburgh Worldwide Investment Trust (EWIT).

Ahead of the January 2026 requisitioned meeting, L&G decided to pre-declare their vote intentions on Saba's ask to appoint three nominees to replace the full existing board of EWIT. L&G felt the proposal lacked sufficient detail regarding its future strategy for the trust which would be expected given the substantial restructure of the board and handover of power. The vote failed to pass and Saba announced that they would not put forward the same vote for the April 2026 AGM.

EWIT and its advisors have been engaging with investors, the Association of Investment Companies (AIC) and the regulators on the merit of such repeat proposals and potential consequences on shareholder rights in the UK investment trust market. L&G will continue to assess proposals on a case-by-case basis.

Jonathan Duck

1/10/2026