

The Panavision Europe Pension and Life Assurance Scheme

Implementation Statement for Year Ended
30 June 2025

December 2025



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Section 1

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees of the Panavision Europe Pension and Life Assurance Scheme (the “Scheme”) has been followed during the year running from 1 July 2024 to 30 June 2025 (the “Scheme Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, as amended, and the statutory guidance on reporting on stewardship.

This statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Scheme Year, which was the SIP dated June 2024.

Section 2 of this statement sets out the investment objectives of the Scheme and changes which have been made to the SIP during the Scheme Year, respectively. It also sets out how, and the extent to which, the policies in the SIP have been followed. **The Trustees can confirm that it is their view that all policies in the SIP have been followed during the Scheme Year.**

A copy of the SIP is available here: <https://www.panavision.com/legal>

Section 3 includes information on the engagement and key voting activities of the underlying investment managers within the Scheme.

Section 2

Statement of Investment Principles

Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the objectives they have set. The Trustees recognise that members have differing investment needs and that these may change during the course of members' working lives. The Trustees also recognise that members have different attitudes to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances.

The Trustees' principal objectives are to:

- Make available a range of investment funds that should enable members to tailor their own investment strategy to meet their own personal and financial circumstances.
- Offer funds which facilitate diversification and long term capital growth (i.e. in excess of price and wage inflation) so that the value of members' assets at retirement can be maximised.
- Offer funds that enable members to reduce risk in their investments as they approach retirement. Specifically, make available investments that provide protection for members' accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased.
- Restrict the number of funds to avoid unnecessarily complicating members' investment decisions.
- Provide a default investment option for members who do not make their own investment decisions that is broadly suitable having regard to the likely needs of the membership.

Review of the SIP

The SIP is reviewed no less frequently than triennially. No SIP review was required during the Scheme Year covered by this Statement as there were no changes to the investment strategy or SIP policies. The SIP was last reviewed and amended by the Trustees in June 2024, after taking formal advice from its investment consultant.

Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustees during the Scheme Year and sets out how this work followed the Trustees' policies in the SIP dated June 2024.

In summary, it is the Trustees' view that the policies in the SIP have been followed during the Scheme Year.

Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

As required by legislation, the Trustees consult a suitably qualified person when making investment selections by obtaining written advice from its investment consultant. The policy is detailed in Sections 1, 3 and 4 of the SIP.



How has this policy been met over the Scheme Year?

There were no investment selections made during the year.

Following the Scheme Year end, in September 2025, the Trustees completed their triennial review of the Scheme's investment strategy which included the Scheme's default investment option, alternative Lifestyle options and the self-select fund range available to members. The review concluded that the current default investment strategy remained suitable for the membership and no further changes to the investment strategy were recommended. The Trustees also agreed that additional self-select fund options were not required, especially given the low take-up of existing self-select funds and the lack of take-up of the sustainable investment focused fund that was launched in 2022 after engaging with members to get their views.

The next triennial review of the investment strategy is due by September 2028. The Trustees would review the strategy prior to this date should there be a material change in the membership or the Scheme's circumstances.

Realisation of Investments

Policy

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise. To avoid this, the assets are invested in relatively liquid investments. The Trustees have considered the realisation of investments when formulating the default investment option. As the delegated investment manager, Mercer have discretion in the timing of realisation of investments.

Policy

Further details are set out in the following sections of the SIP:

- Investment Policy (SIP Section 2.1)
- Investment Strategy (SIP Section 3)
- Realisation of Investments (SIP Section 5)

How has this policy been met over the Scheme Year?

The Trustees receive administration reports on a quarterly basis to ensure that core financial transactions are processed within service level agreements and regulatory timelines. As confirmed in the Chair's Statement, the Trustees are satisfied that all requirements were met throughout the year.

There were no changes during the year to the liquidity of the funds used by the Scheme. All funds are daily dealt pooled investment vehicles, accessed through an insurance policy.

The funds used by the Scheme are accessed via an investment platform and are held through a long-term insurance policy issued by Scottish Widows. The investment funds are blended investment vehicles with the underlying funds managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are managed by the respective investment managers in line with the mandates of the funds. There were no liquidity issues over the year.

Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Scheme’s SIP outlines the Trustees’ beliefs on ESG factors (including climate change). Further details are included in Section 7 of the SIP. The Trustees keep their policies under regular review.



How has this policy been met over the Scheme Year?

The Scheme’s SIP includes the Trustees’ policy on ESG factors, stewardship and climate change. This policy sets out the Trustees’ beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. To establish these beliefs and produce this policy, the Trustees have undertaken relevant investment training on ESG considerations.

Mercer Workplace Savings (“MWS”) are expected to consider all financially material considerations as part of their delegated investment oversight and governance activities. The Trustees monitor MWS in this regard and review the annual MWS Sustainability report which was released in October 2024 and discussed at the subsequent Trustee meeting.

The investment performance report is reviewed by the Trustees on a quarterly basis and discussed at the quarterly Trustee meetings – this includes the investment consultant’s manager research ratings, which take into account ESG issues, and how each investment manager is delivering against their specific mandates. Most of the managers remained highly rated in relation to ESG integration throughout the Scheme year.

MWS views ESG considerations as an important factor in the overall design of the investment strategy and the selection and retention of investment managers. Where managers are not highly rated from an ESG perspective, MWS will engage with those managers to improve ESG practices or may review these managers with a view to replacing with an alternative more highly rated manager.

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustees' would monitor and engage with relevant persons about relevant matters).

Policy

The Trustees' policy is to delegate the exercising of voting rights to MWS who in turn delegates responsibility for the investment of the assets to a range of underlying investment managers. These investment managers are exercising voting rights in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

Further details are set out in Section 7 (Responsible Investment and Corporate Governance (Voting and Engagement)) of the SIP. In addition, it is the Trustees' policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

How has this policy been met over the Scheme Year?

The Trustees do not use the direct services of a proxy voter. MWS and the underlying fund managers have discretion over exercising voting rights and stewardship obligations. The exercising of voting rights is delegated to MWS, who in turn delegate to the underlying investment manager. MWS has a responsible investment framework in place and reviews the underlying investment managers and funds in line with this framework on an annual basis. Where underlying investment managers are not meeting expectations, MWS is expected to engage with these managers. Actions are again delegated to MWS with the Trustees oversight.

We have set out a summary of voting and engagement activity for the Scheme Year in the next section including the Trustees approach to determining significant votes. The Trustees have not actively challenged managers on voting activity during the Scheme Year.

Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustees' policies

Policy

The Trustees' policy is set out in Section 9 (Implementation and Engagement Policy) of the SIP.

How has this policy been met over the Scheme Year?

The Trustees are responsible for selecting the funds made available to members and their ongoing suitability. Whilst MWS are responsible for appointing underlying investment managers and setting the asset allocation within the Mercer funds.

Over the Scheme Year, the Trustees have continued to monitor the performance of the investment managers against their stated objectives / benchmarks on a quarterly basis. The quarterly performance report also includes changes to the investment adviser's manager research rating and notes any other relevant developments at the underlying investment managers. Based on this ongoing monitoring, the Trustees are comfortable that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long term financial and non-financial performance.

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustees' policy is set out in Section 9 (Implementation and Engagement Policy) of the SIP.

The Trustees' focus is on longer term performance but shorter term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustees review both absolute and relative performance against a portfolio or underlying investment manager's benchmark on a quarterly basis, including assessments of both shorter and longer time horizons. The remuneration for investment managers used by the Scheme is based on assets under management; the levels of these fees are reviewed annually as part of the annual value for money assessment to ensure they continue to represent value for members.

How has this policy been met over the Scheme Year?

During the Scheme Year, the Trustees received performance reports from MWS on a quarterly basis. The Trustees reviewed both the absolute performance and the relative performance against a suitable index used as the benchmark, on a net of fees basis, and remained satisfied with the performance of the investment funds.

Over the Scheme Year, there were no changes to the remuneration arrangements with any of the Scheme's investment managers. The charges that members pay are reviewed annually as part of the value for members assessment. The assessment covering the Scheme Year determined that members are receiving reasonable value.

Monitoring portfolio turnover costs

Policy

The Trustees' policy is set out in Section 9 (Implementation and Engagement Policy) of the SIP. Portfolio turnover costs for each of the funds are reviewed on an annual basis as part of the annual value for members assessment. The ability to assess the appropriateness of these costs is limited by the availability of data. The Trustees will monitor industry developments in how to assess these costs and incorporate this in future value for members assessments. Importantly, performance is reviewed net of portfolio turnover costs.

How has this policy been met over the Scheme Year?

Transaction costs for each of the funds are considered on an annual basis as part of the Value for Members assessment and are disclosed in the annual Chair's Statement available here <https://www.panavision.com/legal>. However, an agreed approach to assessing these costs against the wider industry has not been established. The Trustees will continue to monitor industry developments on how to assess these costs and will incorporate this in future assessments as appropriate.

The duration of the arrangements with asset managers

Policy

The Trustees are long term investors; all funds are open-ended and therefore there is no set duration for manager appointments. Further details of the Trustees' policy are set out in Section 9 (Implementation and Engagement Policy) of the SIP.

The Delegated Investment Manager is responsible for the selection, appointment, monitoring and removal of the underlying investment managers. The Trustees are responsible for the selection, appointment and removal of the externally managed funds.

The Trustees may also choose to remove a fund from the fund range, if no longer considered appropriate, and the fund range reviewed on at least a triennial basis.

How has this policy been met over the Scheme Year?

The Trustees are long-term investors and there is no set duration for manager appointments. However, investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. The selection of managers underlying the Mercer funds is delegated to Mercer. The Trustees or Mercer may terminate manager appointments if they are dissatisfied with the managers' ongoing ability to deliver specific target.

Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

Policy

The Trustees' policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Investment Policy (SIP Section 2.1)
- Investment Strategy (SIP Section 3)
- Expected Return (SIP Section 6)
- Responsible Investment and Corporate Governance (Voting and Engagement) (SIP Section 7)
- Investment Restrictions (SIP Section 8)
- Implementation and Engagement Policy (SIP Section 9)
- Default Investment Strategy – Default Investment Option, Expected Return (SIP Sections 3.3, 6)

How has this policy been met over the Scheme Year?

There were no changes to the kinds of investments to be held, the balance between them, or the expected return on the investments during the Scheme Year.

After Scheme Year end, the Trustees completed their triennial review of the Scheme's investment strategy in September 2025 which included the Scheme's default investment option, alternative lifestyle options and the self-select fund range available to members. The review concluded that the current default investment strategy remained suitable for the membership and no changes were recommended. The Trustees also agreed that additional self-select fund options were not required, especially given the low take-up of existing self-select funds and the lack of take-up of the sustainable investment focused fund that was launched in 2022 after engaging with members to get their views.



The next triennial review of the investment strategy is due by September 2028. The Trustees will review the strategy prior to this date should there be a material change in the membership or the Scheme's circumstances.

Elements of the investment strategy, including setting strategic asset allocation and selection of underlying investment managers has been delegated to MWS. MWS carries out an annual review of the investment strategy to ensure its ongoing suitability and identify any potential improvements.

The Trustees offer a range of investment options, including lifestyle strategies and self-select investment funds, to enable members to tailor their investment strategy to meet their individual circumstances.

Maintaining an appropriate balance between different types of investments within the Mercer Funds has been delegated to MWS.

The Trustees monitor the performance of the funds against their stated objectives and/or benchmarks. This is done on a quarterly basis. The performance report also includes changes to the investment advisor's manager research rating and notes any relevant developments at the underlying investment managers. Part of the rating process is to consider risk management. The Scheme's quarterly investment performance reports are reviewed at each Trustee meeting. The selection of the underlying investment managers is the responsibility of Mercer.

Performance was measured against comparator arrangements as part of the annual Value for Members assessment and was determined as reasonable.

Risks, including the ways in which risk are to be measured and managed

Policy

The Trustees' policy on risks can be found under the following sections of the SIP:

- Investment Policy (SIP Section 2.1)
- Risk (SIP Section 2.3)
- Investment Strategy (SIP Section 3)
- Expected Return (SIP Section 6)
- Responsible Investment and Corporate Governance (Voting and Engagement) (SIP Section 7)
- Investment Restrictions (SIP Section 8)
- Implementation and Engagement Policy (SIP Section 9)
- Default Investment Strategy – Default Investment Option, Expected Return (SIP Sections 3.3, 6)

In determining which investment options to make available the Trustees considers the investment risks associated with DC pension investment.

How has this policy been met over the Scheme Year?

As detailed in the risk section of the SIP, the Trustees consider both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.

The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions.

The Trustees also review the quarterly investment reports, which monitor the volatility of the investment strategy.

Section 3 – Engagement Activity and Voting Activity

Set out below is an example of engagement activity within the DC section's default investment arrangement.

Mercer appoints sub-investment managers, who are expected to adopt voting and engagement practices that include a focus on sustainability risks and other material Environmental, Social and Governance (ESG) themes and topics.

L&G Engagement Case Study: Darling Ingredients

Background: Darling Ingredients is a US-based, animal by-products rendering business. L&G's Active Investment team engaged with the company due to its weak 'health and safety' score within their ESG Active View proprietary research tool. It scored poorly on some associated metrics and had two staff fatalities – one in 2022 and one in 2023. Sustainalytics rated the company as a level 2 for controversy. In their engagement, L&G wanted to gauge whether this is a systemic issue for the company, and to understand the steps it had undertaken to improve standards.

Engagement: L&G first contacted Darling about this issue in September 2024, which led to a video conference call with a member of the investor relations team and the director of sustainability. From this meeting, we understood the company expanded during 2024, which led to the number of employee health and safety incidents recorded over the period exceeding the targeted goal.

Darling also indicated this number for the US was better than in the previous year, and that there is a meaningful difference if L&G separate the base business from the acquired one. The company has added a vice president of safety, refreshed its strategic safety operations plan, including implementing a stop work program – which allows for any employee to call for work to stop if they observe risky behaviour – and invested in safety management software.

Finally, the company shared that its executive compensation is linked to sustainability initiatives (which include health and safety). However, it did not explicitly disclose the breakdown of this compensation link and whether there are any ramifications if there is a fatality.

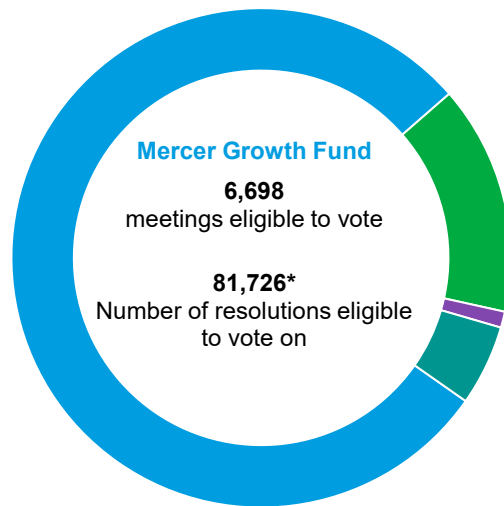
Outcome: L&G aim to follow up with the company in the third quarter of 2025 to track its progress towards improved metrics, examine the impact of hiring a safety manager, and see if there have been any further incidents.

Following their engagement, L&G were able to remove Darling from the restricted list for some ESG funds for two key reasons. Firstly, they saw an improvement in Darling's overall ESG score, which was the original trigger for the review. Secondly, following their conversations with the company, L&G are comfortable that its employee health and safety incident rates are not reflective of systemic issues. L&G understand that its acquisitions can skew the numbers and note the improvements it has made around dedicated personnel focused on the issue.

Source: L&G Active Ownership: 2024

Voting Activity during the Scheme year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the Scheme (figures may not sum due to rounding). Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below. All DC funds are governed by MWS, in accordance with their stewardship policy which forms part of their Sustainable Investment Policy. In particular, MWS expects all shares to be voted on by external investment managers in a manner deemed most likely to protect and enhance long-term value for investors.

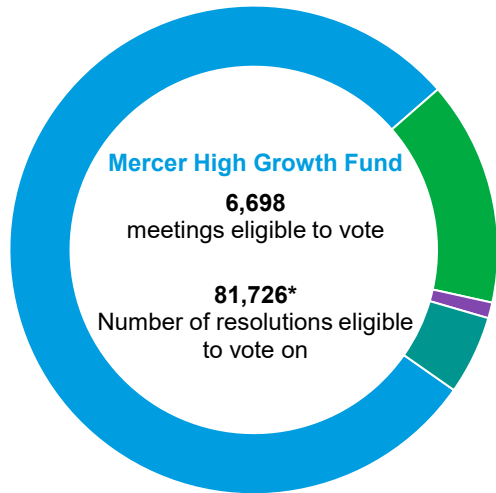


83% Votes **with** management

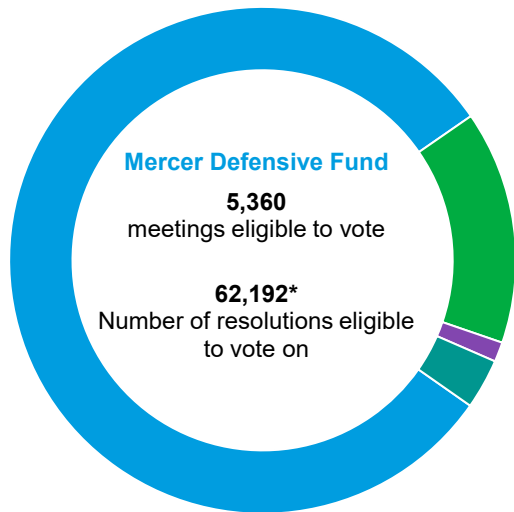
16% Votes **against** management

1% **Abstentions**

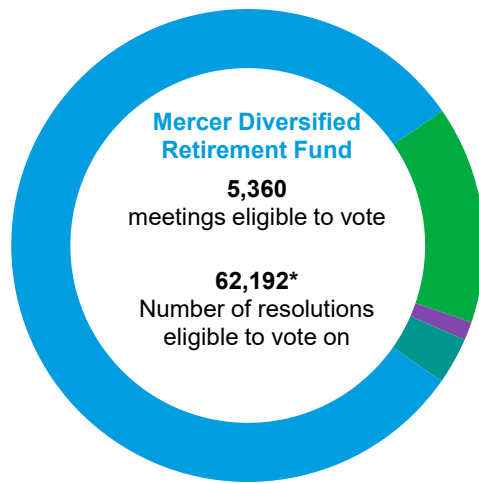
***94%** **Voted resolutions**
6% **Unvoted resolutions**



83% Votes **with** management
16% Votes **against** management
1% **Abstentions**
***94%** **Voted resolutions**
6% **Unvoted resolutions**



83% Votes **with** management
15% Votes **against** management
1% **Abstentions**
***97%** **Voted resolutions**
3% **Unvoted resolutions**



83%

Votes **with** management

15%

Votes **against** management

1%

Abstentions

***97%**
3%

Voted resolutions
Unvoted resolutions

Source: MWS as at 30 June 2025. Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Significant votes

A “Significant Vote” is defined, by the Trustees as one that relates to the Trustees’ following key stewardship priorities:

- **Environmental** – Climate change, pollution and natural resource degradation
- **Social** – Human rights (modern slavery, pay and safety in workforce and supply chains)
- **Governance** – Diversity, equity and inclusion

Trustee Boards are required to report on all votes determined to be significant. The significant votes, detailed below, are determined by the Trustees as those that include a material investment fund that holds more than 5% of Scheme assets. Due to the ‘fund of funds’ structure of the Mercer funds, it is not currently possible to aggregate all the fund holdings in each company. Therefore, the Trustees have chosen to disclose all votes which represent at least 0.25% of a material fund’s assets at the point of the vote. Noting this may lead to more than one disclosure of the same company and vote resolution where more than one underlying manager invests in the company and meets this minimum holding threshold.

✗ Resolution not passed ✓ Resolution passed

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale for Manager vote	Final outcome following the vote	Significant Vote Theme & Next Steps
Mercer Growth Fund	3.4%	Apple Inc	25/02/2025	Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies	Against. (With management)	The proponent contends that the company's diversity, equity, and inclusion (DEI) initiatives pose litigation risks; however, it is clear that Apple has robust compliance measures and effective oversight of legal and regulatory risks. Furthermore, the company upholds clear non-discrimination policies and aligns its oversight with market standards. At the time of the AGM, there were no known controversies	✗	Governance – Diversity.
Mercer High Growth Fund	3.6%							
Mercer Diversified Retirement Fund	1.6%							

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale for Manager vote	Final outcome following the vote	Significant Vote Theme & Next Steps
						related to employee discrimination connected to Apple's DEI efforts.		
Mercer Growth Fund	1.6%	Meta Platforms Inc	28/05/2025	Shareholder Proposal Regarding Transition Plan and Renewable Energy	Against. (With management)	Meta's renewable energy strategy prioritises enabling new projects through the principle of "additionality," with less than 5% of its 2023 renewable energy purchases coming from short-term unbundled RECs, compared to over 50% at Amazon and Microsoft, while facing significant technical and data challenges. Meanwhile, the GHG Protocol is reviewing REC usage by developing "Quality Criteria" to ensure that energy attribute certificates (EACs) and RECs lead to genuine emissions reductions and support grid decarbonisation.	✗	Environmental - Climate Change.
Mercer High Growth Fund	1.8%							
Mercer Diversified Retirement Fund	0.8%							
Mercer Growth Fund	2.7%	Microsoft Corporation	10/12/2024	Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas	For. This was not communicated to Microsoft beforehand	Shareholders would benefit from additional disclosure related to the potential risks associated with the use of the company's artificial intelligence and machine learning tools for new oil and gas development and production.	✗	Environmental - ILIM engages with Microsoft on the topic of Net Zero, deployment of
Mercer High Growth Fund	3.0%							

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale for Manager vote	Final outcome following the vote	Significant Vote Theme & Next Steps
Mercer Diversified Retirement Fund	1.3%			Development and Production				advanced technology for the fossil fuel industry exposes it to material reputational, competitive, and operational risk. ILIM intends to continue to monitor the company's progress on the topic or any potential amendments.
Mercer Growth Fund	0.8%	Netflix Inc.	05/06/2025	Shareholder Proposal Regarding Climate Transition Plan	Against. (With management)	Netflix's current disclosures offer shareholders sufficient information to evaluate its climate strategy, targets, and progress, supported by a climate transition plan with SBTi-validated interim targets aiming for significant emission reductions by	✗	Environmental - Climate Change.
Mercer High Growth Fund	0.8%							

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale for Manager vote	Final outcome following the vote	Significant Vote Theme & Next Steps
Mercer Diversified Retirement Fund	0.4%					2030 from a 2019 baseline. While Netflix provides qualitative updates on its decarbonisation activities across several initiatives, it does not set sub-targets, and given that more material issues such as privacy, security, and content diversity exist, the proposal is considered unnecessary and overly burdensome at this time.		
Mercer Growth Fund	0.8%	Netflix Inc.	05/06/2025	Shareholder Proposal Regarding Amending Code of Ethics	Against. (With management)	In September 2023, Netflix's Board approved revisions to the Company's Code of Ethics, updating provisions on conflicts of interest, legal compliance, accountability, internal reporting, confidential information, and the work environment. Despite these updates, given Netflix's existing ethical conduct measures and oversight, the necessity of further amendments and publishing the requested report remains uncertain, especially as there are no significant or recurring DE&I controversies at the Company.	✗	Governance – Diversity.
Mercer High Growth Fund	0.8%							
Mercer Diversified Retirement Fund	0.4%							

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale for Manager vote	Final outcome following the vote	Significant Vote Theme & Next Steps
Mercer Growth Fund	0.8%	Netflix Inc.	05/06/2025	Shareholder Proposal Regarding Report on Affirmative Action Risks	Against. (With management)	Netflix provides comprehensive workforce metric disclosures, enforces a Code of Conduct that prohibits discrimination, and has a board committee overseeing its environmental, social, and governance policies. Its diversity and inclusion efforts focus on targeted hiring events, bias reduction, and employee training, without using hiring quotas or mandated demographic targets, and there are no known controversies related to discrimination arising from these initiatives.	✗	Governance – Diversity.
Mercer High Growth Fund	0.8%							
Mercer Diversified Retirement Fund	0.4%							

Source: MWS as at 30 June 2025