

# Wyko Group Retirement Benefit Scheme

## Implementation Statement – 30 April 2025

### Why have we produced this Statement?

The Trustee of the Wyko Group Retirement Benefit 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 Trustee has 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 Trustee's investment objectives and investment strategy.

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

The Trustee last revised the SIP in December 2023.

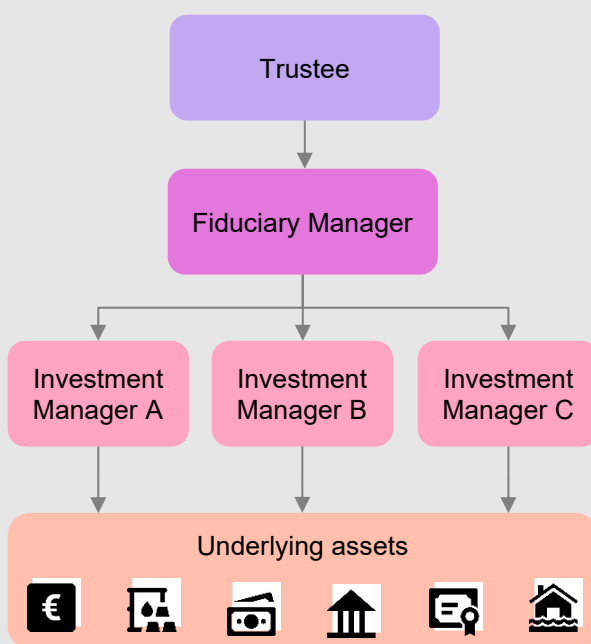
### What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.
2. To describe the voting rights attached the Scheme's assets have been exercised over the year.

### What changes have we made to the SIP?

There were no changes made on the SIP over the year.

### How are the Scheme's investments managed?



**Trustee** - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains 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 Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Scheme's assets between asset class 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 e.g. shares in a company or government bonds.

### Why does the Trustee believe voting and engagement is important?

The Trustee's 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 Trustee further believes that voting and engagement are important tools to influence these issues.

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

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

### What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate change and human and labour rights as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects 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 Trustee expects the Fiduciary Manager to engage with investment managers to improve their processes.

### What training have the Trustee received over the year?

The Trustee received training on a new diversified growth investment for the Scheme in July 2024.

## What are the Fiduciary Manager's policies?

### Climate change and net zero goal

The Trustee believes 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 2024 include:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

### 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. In 2024 the Fiduciary manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

**Investment manager monitoring** - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and

stewardship capabilities on an annual basis. These reports form part of the Trustee's portfolio monitoring. We have provided the Fiduciary Manager's ratings of the equity managers' ESG integration and stewardship capabilities in the later pages.

**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.

### Example of engagement carried out over the year

#### Secure Income Manager General ESG issue

**Issue:** Engagements have been conducted with the manager to provide feedback on their environment, social, and governance (ESG) process and share information on the latest best market practices. This collaboration aims to enhance their sustainability efforts and ensure alignment with current industry standards.

**Outcome:** The manager has made progress in various ESG initiatives, including providing Scope 3 emissions data and making their Inclusion & Diversity (I&D) policy publicly available. While they do not report on climate risk explicitly, it is included as part of their Task Force on Climate-Related Financial Disclosures (TCFD) reporting process, and they utilize the Climonomics platform to integrate climate and transition risks into a single output. However, they are not aligned with Global Real Estate Sustainability Benchmark (GRESB) and have no plans to implement it, nor are they considering other benchmark providers. Additionally, a formal carbon reduction policy is not yet in place. The Fiduciary Manager will continue to monitor the manager's ESG practices and engage with them to ensure ongoing improvements.

#### Japanese Equity Manager Environment – Climate issue

**Issue:** There has been good evidence of improvement from the manager over the year on key components previously engaged with. However, the focus of the engagement was on key outstanding issues, namely around impact, broader governance, and voting, where the strategy has returned neutral scores. Addressing these issues will be crucial for further progress and ensuring the effectiveness of the manager's overall strategy.

**Outcome:** The manager has made significant progress in several areas, including Task Force on Climate-Related Financial Disclosures (TCFD) alignment, where they now report in line with the TCFD framework and provide climate-related metrics at the fund level. They have further developed their sustainability policy, planning to track carbon reduction objectives from 2025 and improving coverage across most strategies. In terms of voting, the manager has implemented a new process to track every vote and its rationale, along with a new voting policy. Additionally, they have developed a firmwide ESG data tool for immediate access to ESG/Sustainable Investment research for analysts. However, the manager still faces challenges in implementing a modern slavery policy and impact measurements due to difficulties in obtaining disclosures in the Japanese market. They are working to track progress in this area, and it will be closely monitored. Engagement on the Governance/Stewardship policy review process has also taken place, with a preference for annual reviews. A follow-up meeting is scheduled to review the strategy and check progress on these points.

#### Unlisted Infrastructure Manager General ESG issue

**Issue:** The Fiduciary Manager provided feedback on the Sustainable Investment report, including setting a firm-level net zero target, considering ESG factors at the exit stage of investments, providing ESG training to employees, and measuring physical and other climate-related risks

**Outcome:** A discussion was made regarding the best practices being done by peers, understood timeline for setting the net zero target as well as improving on ESG reporting.

The manager has not yet set interim net zero targets as they are working to understand the current status before setting these targets. Physical risk is considered in the investment process with a threshold for excluding investments. The analysis of ESG and climate-related risks uses scenario analysis but not across varying degrees of scenarios. Water, waste, and embodied carbon of assets are not measured yet, as the focus is more on emissions, with water usage specific to biomass. The manager will also look to improve reporting to ensure other ESG performance and initiatives are provided to investors.

### 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 Trustee used the following criteria to determine the most significant votes:

- Trustee stewardship priorities (climate change and human and labour rights)
- Financial outcome for members, including size of holding
- High profile vote, including votes not supporting company management

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 Trustee has decided not to publicly disclose active investment manager names as the Trustee believes this could impact the investment manager's ability to generate the best investment outcome.

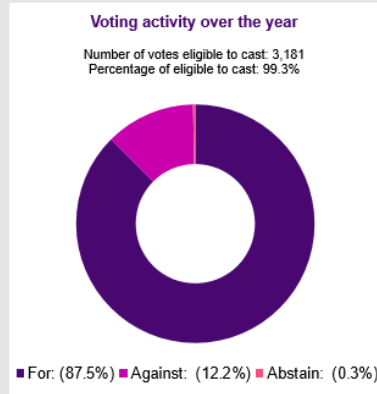
The Trustee has also included the Fiduciary Managers assessment of the investment managers ESG integration and stewardship (including voting and engagement) capabilities.

### In conclusion...

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

# Global Equity Focus Fund

## Voting activity over the year



### Significant vote

**Company:** HCA Healthcare, Inc.

**% Fund:** 1.2%

**Vote topic:** Report on maternal health outcomes

**Issue:** The manager voted in favor of regular reporting to shareholders regarding the company's progress in reducing maternal morbidities and eliminating racial and ethnic disparities in pregnancy-related outcomes

**Voting instruction:** For shareholder proposal, against management recommendation

**Prior communication of against vote:** No

**Outcome:** Failed the resolution

**Why a significant vote?** Human and labour rights is one of the stewardship priorities. It is also a vote against management.

**Next steps:** The manager will share these best practices with other portfolio companies.

### Significant vote

**Company:** Berkshire Hathaway

**% Fund:** 0.9%

**Vote topic:** Report on efforts to measure, disclose and reduce greenhouse gas emissions associated with underwriting, insuring, and investing

**Issue:** The manager voted in favor of climate risk disclosure, prioritizing leadership on the issue despite minor compliance costs. Given the company's 90% emissions disclosure and strong ethical reputation, the manager deemed waiting for SEC guidance an inadequate delay.

**Voting instruction:** For shareholder proposal, against management recommendation

**Prior communication of against vote:** No

**Outcome:** Failed the resolution

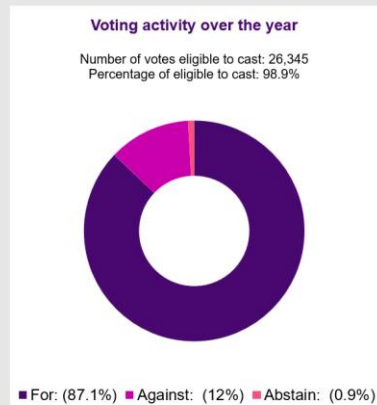
**Why a significant vote?** Climate change is one of the stewardship priorities.

**Next steps:** The manager expressed disappointment in the voting outcome and urged the CEO to prioritize climate risk transparency, advocating for proactive leadership rather than waiting for policy guidance.

**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 the Fund's underlying managers who hold equities over a reasonable timeframe to vote 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 the investors. In addition, EOS is expanding the remit of engagement activity they perform on the Fund's behalf beyond public equity markets, which will enhance stewardship practices over time.

# Partners Fund

## Voting activity over the year



### Significant vote

**Company:** Meta

**% Fund:** 0.9%

**Vote topic:** Report on framework to assess company lobbying alignment with climate goals

**Issue:** Shareholder proposal promotes better management of ESG opportunities and risks

**Voting instruction:** For the shareholders resolution, against management recommendation

**Prior communication of against vote:** No

**Outcome:** Failed the resolution

**Why a significant vote?** Climate change is one of the stewardship priorities

**Next steps:** None to report

### Significant vote

**Company:** Visa, Inc.

**% Fund:** 0.7%

**Vote topic:** A report on gender-based compensation and benefits inequities

**Issue:** The shareholder proposal advocates transparency in ensuring equal pay and benefits for equal work, irrespective of gender identity or other protected characteristics.

**Voting instruction:** Against the shareholder resolution, for management recommendation

**Outcome:** Failed the resolution

**Why a significant vote?** Human and labour rights is one of the stewardship priorities

**Next steps:** None to report

**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 vote 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 of 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.

# Multi-Asset Diversified Growth Sub-Fund

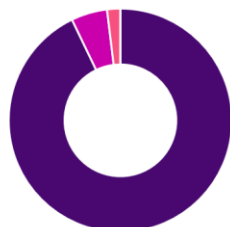
## Voting activity over the year



**Fiduciary Manager's  
assessment**

### Voting activity over the year

Number of votes eligible to cast: 6,510  
Percentage of eligible to cast: 100%



■ For: (92.9%) ■ Against: (5.2%) ■ Abstain: (1.9%)

### Significant vote

**Company:** Novo Nordisk A/S

**% Fund:** 0.2%

**Vote topic:** Approve proposal regarding regulated working conditions at construction sites

**Issue:** The proposal does not merit support as the company's disclosures related to facility safety are reasonable.

**Voting instruction:** Against shareholder resolution, for management recommendation

**Outcome:** Failed the resolution

**Why a significant vote?** Human and labour rights is one of the stewardship priorities.

**Next steps:** The manager will aim to continue the engagement with the major holdings on material risks and opportunities, including health and safety of the workforce.

### Significant vote

**Company:** Cintas Corporation

**% Fund:** 0.1%

**Vote topic:** Report on efforts to reduce greenhouse gas emissions in alignment with Paris agreement goal

**Issue:** There was no interim climate targets to accompany long-term climate ambitions

**Voting instruction:** For shareholder resolution, against management recommendation

**Prior communication of against vote:** No

**Outcome:** Failed the resolution

**Why a significant vote?** Climate change is one of the stewardship priorities.

**Next steps:** The manager will aim to continue the engagement with the major holdings on material risks and opportunities.

**Voting policy:** The manager have discretionary proxy voting authority over most of the client accounts. The manager will carefully vote these proxies in the manner that will protect and promote the long-term economic value of the clients' investments. The manager's Stewardship team activities are overseen by the ESG Committee who are responsible for reviewing the stewardship strategy, engagement priorities and proxy voting guidelines, and monitors the delivery of voting objectives. In addition, the ESG Committee provides oversight of the Stewardship team, reviews departures from the proxy voting guidelines, and reviews conflicts of interest involving proxy voting.