

Babtie Group Ltd Superannuation and Life  
Assurance Scheme

**Annual Implementation  
Statement – Scheme year  
ending 31 March 2025**

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## 1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the Babcie Group Ltd Superannuation and Life Assurance Scheme (“the Scheme”) covering the scheme year (“the Year”) to 31 March 2025.

The purpose of this statement is to:

1. Set out how, and the extent to which, in the opinion of the Trustee, the Scheme’s engagement policy (required under regulation 23c of the Occupational Pension Schemes Investment Regulations 2005) has been followed during the Year; and
2. Describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the Year and state any use of services of a proxy voter during that Year.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the Statement of Investment Principles (“SIP”) are intended to be applied in aggregate and proportionately, focusing on areas of maximum impact.

In order to ensure that the investment policies set out in the SIP are undertaken only by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates some responsibilities. In particular, the Trustee has appointed a Fiduciary Manager, Towers Watson Limited, to manage the Scheme’s assets on a discretionary basis. The Fiduciary Manager’s discretion is subject to guidelines and restrictions set by the Trustee. So far as is practicable, the Fiduciary Manager considers the policies and principles set out in the Trustee’s SIP.

The version of the SIP in place at the start of the Scheme year was dated March 2023 and was reviewed and updated in June 2024 which is the version most relevant to this statement.

A copy of this implementation statement has been made available on the following website:  
<https://halcrow.com/>

## 2. Voting and engagement

As set out above, the Trustee has delegated responsibility to the Fiduciary Manager to implement the Trustee's agreed investment strategy, including making certain decisions about investments (including asset allocation and manager selection/deselection) in compliance with Sections 34 and 36 of the Pensions Act.

The Fiduciary Manager is therefore responsible for managing the sustainability of the portfolio and how Environmental, Social and Governance ("ESG") factors are allowed for in the portfolio.

The Trustee's view is that ESG factors can impact investment returns, particularly over the long term. As a result, the Trustee believes that the incorporation of ESG factors is in the best long-term financial interests of its members. The Trustee has appointed a Fiduciary Manager who shares this view and has sought to embed the consideration of ESG factors 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.

The Trustee has identified climate change and human and labour rights as its current priority areas for engagement in public policy, and with investment managers and corporates. The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. The Fiduciary Manager believes that the trajectory is important, and is therefore aiming to approximately halve emissions per amount invested by 2030. More information on the Fiduciary Manager's net zero goal can be found [here](#).

The Fiduciary Manager's process for selecting, monitoring and de-selecting managers explicitly and formally includes an assessment of a manager's approach to Sustainable Investments ("SI") (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the Fiduciary Manager engages with investment managers to improve their processes.

### Manager level engagement undertaken by the Fiduciary Manager

Engaging with asset managers is one of the Fiduciary Manager's key stewardship activities. The three main priorities that currently define their asset manager engagement are:

- Sustainable investing, including climate
- Culture
- Diversity, equity and inclusion

Consistent with the Fiduciary Manager's net zero commitment, climate risk management has been a key topic during the year, working with investment managers to communicate expectations re the need to

- be able to measure, report and manage climate risk, and
- use their influence to undertake stewardship that supports a Paris aligned climate transition

The following case study discusses the engagement which WTW took with one of the underlying managers in the Scheme's equity portfolio during the year.

Engagement Issue	Key Issue	Outcome/Progress/Actions
Environment – Climate issue	The Fiduciary Manager engaged with the manager to understand and assess their framework for analyzing the risks and opportunities associated with Net Zero alignment in the companies they invest in. The discussion aimed to gain insights into their strategic approach and evaluation criteria for achieving sustainability goals.	The Fiduciary Manager discussed integrating executive compensation and ESG metrics into the manager's investment strategy. Specific company examples were reviewed to illustrate the manager's approach. Additionally, the assessment of climate-related risks, particularly concerning high-risk issues in the energy sector, was a key topic of discussion.  This remains an area requiring ongoing monitoring and engagement.

As mentioned in the SIP, the Fiduciary Manager has partnered with EOS at Federated Hermes (EOS) for a number of years to enhance its stewardship activities. This includes engagement with investment managers, companies and public policy level engagement, in addition to guidance on voting for some of the Scheme's equity managers.

In addition to manager-specific engagement conversations, WTW also identifies common issues across groups of asset managers and engages with them in different ways, such as running group events and publishing papers. One example of this in 2024 was WTW's global series of Manager Ideas Exchange (MiX) events which served as an important mechanism for engaging with groups of managers at once. These events focused on a number of issues including engaging with managers on how the investment industry can better address the key systemic challenges/risks it faces with a view to delivering better outcomes for savers and putting a spotlight on WTW's approach and expectations in relation to climate change and DEI.

Company level engagement and rights attached to investments (including voting):

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager, and in turn to the Scheme's investment managers. The day-to-day integration of ESG considerations and stewardship activities (including consideration of all relevant matters, voting and engagement) are delegated to the Scheme's investment managers.

Through the engagement undertaken by the Fiduciary Manager, the Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital as applicable to their mandates. The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG and stewardship both at the appointment of a new manager and on an ongoing basis. The Fiduciary Manager engages with

managers to improve their practices where appropriate and may terminate a manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no managers were terminated on these grounds during the Year.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity managers (including listed infrastructure and real estate) as here there is a right to vote as an ultimate owner of a stock. Of the votes exercised by the investment managers, the ones deemed most significant by the Trustee have been shown below based on balancing the following criteria (not all criteria will apply for every significant vote identified):

- The manager deemed the vote to be notable
- The vote is in one of the stewardship priority areas identified by the Trustee (human and labour rights, and climate).
- 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 Trustee is at a proportionate level

Over the Year, the Scheme's equity exposures came predominantly from its investments in the following pooled funds:

- Towers Watson Investment Management ("TWIM") Partners Fund – a multi-asset growth fund managed by the Fiduciary Manager which invests in a number of underlying managers
- Towers Watson Investment Management ("TWIM") Global Equity Focus Fund - an active global equity fund managed by the Fiduciary Manager which invests in a number of underlying managers
- Manager A - a global active equity fund focused on equity related prime properties
- Manager B - a global active equity fund focused on listed infrastructure

The Scheme is invested in active equity funds, and the Trustee has decided not to publicly disclose the investment manager's names. This decision relates to Manager A, Manager B, and the underlying investment managers in the TWIM Global Equity Focus Fund and the TWIM Partners Fund. Given the nature of these investments, the Trustee believes that publicly disclosing the names of the Scheme's investment managers, together with information on their underlying holdings via the voting disclosures below could impact on the investment manager's ability to generate the best investment outcome for the Scheme and ultimately, the Scheme's members.

WTW's assessment of Manager A's sustainable investment approach is one of strength. ESG considerations, particularly corporate governance, is a very strong focus of the firm and they have provided examples of selling down stock where management has not acted in the best interests of shareholders. The firm has integrated ESG considerations well through the hiring of dedicated resources and integration of ESG analysis into the investment process. The portfolio is therefore influenced by these considerations. Manager A also demonstrates a strong stewardship approach through its policy disclosure, engagement practices and voting framework, particularly in relation to remuneration and Boards of Directors. The firm considers the exercise of proxy voting key to their role as an active investor. Company engagement is a critical part of their investment process. As active owners, engagement provides their investment team the opportunity to share their philosophy and corporate governance values and make a positive contribution to investee companies.

WTW's views Manager B's sustainable investment approach as satisfactory. The firm's approach to responsible investment has been embedded in a range of governance functions within the organization

including an independent Investment Governance Board and a Climate Advisory Board, both of which provide the firm with significant additional expertise and oversight. The firm has committed to achieving net zero emissions across all its investments by 2050 and has set an interim 2030 target to align with this goal. Engagement relating to ESG factors forms part of the research and investment due diligence undertaken by the relevant sector teams. The firm believes in a deep understanding of, and frequent engagement with, portfolio company management teams and Boards provides one of the best forms of risk management and return optimization, and that it is also possible to create value by working collaboratively with management teams to implement strategies at the asset level which are consistent and aligned with the interests of their clients.

The Trustee delegates the exercise of voting rights to its investment managers. Voting activity is undertaken in line with the voting policy of the investment managers.

The Fiduciary Manager has assessed the investment manager's voting approach for example voting activity, policies as part of its overall assessment of the investment manager's capabilities. The Fiduciary Manager considers the approach to be appropriate, and consistent with the Trustee's policies and objectives and ultimately, therefore in the best financial interests of the members. Additional oversight on the implementation of these policies is provided in certain areas through the Fiduciary Manager's partnership with EOS at Federated Hermes (EOS), who the Fiduciary Manager has engaged to provide corporate level engagement and voting recommendations in relation to the TWIM Global Equity Focus Fund, and some sub-managers in some of the Scheme's other TWIM fund holdings.

Where EOS is employed in the mandate, they also monitor voting against their guidance. They engage with or challenge the underlying asset manager where necessary. Throughout this process the Fiduciary Manager paid particular attention to ESG related resolutions especially on the topic of climate given this is identified as a key topic for the Fiduciary Manager. For example, the asset level engagement conducted by EOS in respect of the Global Equity Focus Fund (GEFF). The managers exercise active stewardship in respect of stocks they own to enhance or protect the value of those securities, and this is supplemented by engagement carried out by EOS. EOS measures and monitors progress on all engagements, setting clear objectives and specific milestones for more intensive engagements. In selecting companies for engagement, EOS takes account of their ESG risks, their ability to create long-term shareholder value and the prospects for engagement success. Intensity of engagement with companies is escalated over time, depending on the nature of the challenges the companies face and the attitude of the relevant Board towards dialogue. Engagements vary in length, some involving one or two meetings, while others entail multiple meetings over several years. In 2024, EOS engaged on 549 issues and objectives with companies held in the GEFF portfolio, covering a range of ESG, strategy, risk and communication issues and objectives.

#### Example of EOS engagement with managers within GEFF

As an example of some of this work, WTW through their partnership with EOS engaged with an underlying manager in the TWIM Global Equity Focus Fund in relation to concerns around the company's human and labour rights. EOS highlighted that the manager had lacked sufficient evidence that it was collecting and using forward-looking data and qualitative techniques to reduce workforce health and safety incidents. Across multiple engagement meetings, EOS encouraged the company to perform a human rights impact assessment (HRIA) to identify its most salient human rights risks and demonstrate that it planned to manage them. EOS also requested meaningful evidence that the company is complying with its commitment to respect freedom of association. Since EOS started engaging with the manager, the manager disclosed continued improvement of its total recordable incident rate (TRIR), which has improved by 30% over the past four years, and its lost time incident rate (LTIR), which has improved by 60% over the past four years. Further, the manager performed human rights impact assessments covering some but not all of its operations and its supply chain

## Partners Fund

<b>Manager and strategy</b>	<b>Voting activity (as at March 2025)</b>
<b>Towers Watson Investment Management Partners Fund</b>	<p>Number of meetings at which the manager was eligible to vote: 1,881  Number of resolutions on which manager was eligible to vote: 26,345  Percentage of eligible votes cast: 98.9%  Percentage of votes cast with management: 87.0%  Percentage of votes cast against management: 12.0%  Percentage of votes cast abstained from: 0.9%  Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 61.0%  Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3.4%</p>
<b>Use of proxy voting</b>	<p>For the TW Partners Fund, the equity exposure comes from four main areas:</p> <ul style="list-style-type: none"> <li>• The manager's global equity portfolio where EOS provides voting recommendations to enhance engagement and help achieve responsible ownership. EOS's voting recommendations are informed by its extensive research and experience in the area of stewardship as well as its long-term engagement activities with companies. The underlying managers must provide an explanation and note their rationale when they choose to vote differently to the recommendation. The underlying managers in this portfolio use ISS's 'ProxyExchange' electronic voting platform to facilitate voting.</li> <li>• The China equity manager uses Glass Lewis service where they have created a bespoke policy</li> <li>• The emerging markets equity managers use ISS, Glass Lewis, SES and Broadridge Proxy Edge platforms for information and to facilitate voting</li> <li>• The long-short equity managers use ISS to provide corporate research and to facilitate the voting process.</li> </ul>
<b>Size of holding with Partners Fund</b>	<b>Most significant votes cast</b>
<b>0.9%</b>	<p>Company: Meta Platforms, Inc.  <b>Date of vote: 29 May 2024</b>  <b>Resolution:</b> Report on framework to assess company lobbying alignment with climate goals  <b>Relevant stewardship priority:</b> Climate change  <b>How the manager voted:</b> For shareholder resolution, against management recommendation</p>

	<p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Trustee rationale for voting decision:</b> Shareholder proposal promotes better management of ESG opportunities and risks</p> <p><b>Rationale for being considered a significant vote:</b> Climate change is one of its stewardship priorities. Vote against management recommendation</p> <p><b>Outcome of the vote:</b> Failed the resolution</p> <p><b>Implication of the outcome e.g. lessons learned / further activity or escalation expected:</b> None to report</p>
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Size of holding within Partners Fund	Most significant votes cast
0.8%	<p><b><u>Company: Alphabet</u></b></p> <p><b>Date of vote:</b> 7 June 2024</p> <p><b>Resolution:</b> Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies</p> <p><b>Relevant stewardship priority:</b> Human rights</p> <p><b>How the manager voted:</b> "For" the shareholder proposal (Against Management)</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for voting decision:</b> Shareholder proposal promotes better management of ESG opportunities and risks</p> <p><b>Trustee rationale for being considered a significant vote:</b> Human and labour rights is a priority for the Trustee's stewardship activities</p> <p><b>Outcome of the vote:</b> Failed</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> The Manager was disappointed in the vote outcome, but expects similar proposals in the future, which they will vote FOR.</p>
1.1%	<p><b><u>Company: Amazon</u></b></p> <p><b>Date of vote:</b> 8 May 2024</p> <p><b>Resolution:</b> Commission a Third Party Audit on Working Conditions</p> <p><b>Relevant stewardship priority:</b> Human and labour rights</p> <p><b>How the manager voted:</b> "For" the shareholder proposal (Against Management)</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for voting decision:</b> Promotes transparency on warehouse working conditions.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Human and labour rights is a stewardship priority of the Trustee. Vote against management.</p> <p><b>Outcome of the vote:</b> Failed</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> The Manager considers worker safety to be an important element of company performance as well as reputation.</p>

0.5%	<p><b>Company: <u>Eli Lilly and Company</u></b>  <b>Date of vote:</b> 6 May 2024</p> <p><b>Resolution:</b> Adopting a comprehensive human rights policy</p> <p><b>Relevant stewardship priority: Human rights</b>  <b>How the manager voted:</b> For shareholder proposal, against management recommendation</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for voting decision:</b> Shareholder proposal promotes better management of social, environmental and ethical opportunities and risks.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Human and labour rights is one of the stewardship priorities. It is also a vote against management.</p> <p><b>Outcome of the vote:</b> Failed the resolution</p> <p><b>Implication of the outcome e.g. lessons learned / further activity or escalation expected:</b> None to report</p>
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## Partners Fund - Engagement case study

Engagement Issue	Key Issue	Outcome/Progress/Actions
General ESG	The Fiduciary Manager provided feedback on the Sustainable Investment report for one of the infrastructure managers, 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.	<p>A discussion was held regarding the best practices being made by peers, understanding the timeline for setting the net zero target as well as improving ESG reporting.</p> <p>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 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.</p>

## Global Equity Focus Fund

Manager and strategy	Voting activity (as at March 2025)
<b>Towers Watson Investment Management Global Equity Focus Fund</b>	<p>Number of meetings at which the manager was eligible to vote: 162</p> <p>Number of resolutions on which manager was eligible to vote: 3,181</p> <p>Percentage of eligible votes cast: 99.3%</p> <p>Of the votes cast, percentage of votes with management: 87.5%</p> <p>Of the votes cast, percentage of votes against management: 12.2%</p> <p>Of the votes cast, percentage of votes abstained from: 0.3%</p> <p>Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 56.8%</p> <p>Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 9.6%</p>
<b>Use of proxy voting</b>	<p>For the TW Global Equity Focus Fund, EOS provides voting recommendations to enhance engagement and help achieve responsible ownership. EOS's voting recommendations are informed by its extensive research and experience in the area of stewardship as well as its long-term engagement activities with companies. The underlying managers use ISS's 'ProxyExchange' electronic voting platform to electronically vote on clients' shares. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation.</p>

Size of holding within GEFF	Most significant votes cast
5.5%	<p><b><u>Company: Alphabet</u></b></p> <p><b>Date of vote: 7 June 2024</b></p> <p><b>Resolution:</b> Adopt targets evaluating YouTube child safety policies</p> <p><b>Relevant stewardship priority:</b> Human rights</p> <p><b>How the manager voted:</b> For shareholder proposal, against management recommendations</p> <p><b>Where vote was against management, was it communicated in advance:</b> The voting decision was communicated to management.</p> <p><b>Rationale for the voting decision:</b> The company has come under scrutiny for harmful content on YouTube. The proponent cites various legislation that will affect how the company monitors content. The request for additional annual information on how the company is managing risks related to child safety does not appear to be overly burdensome and would provide shareholders with additional information on its management of related risks.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Consistent with the Trustee's stated stewardship priorities, the manager voted against management recommendations, and size of the position</p> <p><b>Outcome of the vote:</b> Resolution failed to pass</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> The manager expressed disappointment in the vote outcome and expects to vote for similar proposals in the future.</p>
3.2%	<p><b><u>Company: Amazon</u></b></p> <p><b>Date of vote: 22 May 2024</b></p> <p><b>Resolution:</b> Commission a third-party audit on working conditions</p> <p><b>Relevant stewardship priority:</b> Human and labour rights</p> <p><b>How the manager voted:</b> For shareholder proposal, against management recommendation</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> Promotes transparency on warehouse working conditions</p> <p><b>Trustee rationale for being considered a significant vote:</b> Human and labour rights is one of the stewardship priorities. It is also a vote against management and size of position.</p> <p><b>Outcome of the vote:</b> Resolution failed to pass</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> The manager will continue to consider proposals on worker safety environment.</p>
2.8%	<p><b><u>Company: Meta Platforms, Inc.</u></b></p> <p><b>Date of vote: 15 May 2024</b></p> <p><b>Resolution:</b> Report on child safety and harm reduction</p> <p><b>Relevant stewardship priority:</b> Human rights</p>

	<p><b>How the manager voted:</b> For shareholder proposal, against management recommendation</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> The manager supported the enhanced disclosure regarding how the company measures and monitors key metrics related to child safety and harm reduction across its platforms. Increased transparency in these areas would enable shareholders—and society at large—to better assess the company’s approach to managing these risks.</p> <p><b>Rationale for being considered a significant vote:</b> The manager voted against the management recommendations and size of position</p> <p><b>Outcome of the vote:</b> Failed the resolution</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> The manager expressed disappointment in the voting outcome. In their view, child safety and self-harm are areas of particularly acute controversy where greater transparency would serve to build confidence in the company’s efforts to better manage these areas of concern. As proposed, an annual report would provide quantitative metrics whereby the company’s performance could be measured. The manager will vote FOR similar proposals in the future.</p>
1.2%	<p><b>Company:</b> <u>HCA Healthcare, Inc.</u></p> <p><b>Date of vote:</b> 25 April 2024</p> <p><b>Resolution:</b> Report on maternal health outcomes</p> <p><b>Relevant stewardship priority:</b> Human rights</p> <p><b>How the manager voted:</b> For shareholder proposal, against management recommendation</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> The manager voted in favour of regular reporting to shareholders regarding the company’s progress in reducing maternal morbidities and eliminating racial and ethnic disparities in pregnancy-related outcomes</p> <p><b>Trustee rationale for being considered a significant vote:</b> Consistent with the Trustee’s stated stewardship priorities. The manager voted against management recommendation and size of the position</p> <p><b>Outcome of the vote:</b> Resolution failed to pass</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> The manager will share these best practices with other portfolio companies</p>
0.9%	<p><b>Company:</b> <u>Berkshire Hathaway</u></p> <p><b>Date of vote:</b> 4 May 2024</p> <p><b>Resolution:</b> Report on efforts to measure, disclose and reduce greenhouse gas emissions associated with underwriting, insuring, and investing</p> <p><b>Relevant stewardship priority:</b> Climate change</p> <p><b>How the manager voted:</b> For shareholder proposal, against management recommendation</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> The manager voted in favour of climate risk disclosure, prioritizing leadership on the issue despite minor compliance costs.</p>

	<p>Given the company's 90% emissions disclosure and strong ethical reputation, the manager deemed waiting for SEC guidance an inadequate delay.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Consistent with the Trustee's stated stewardship priorities. The manager voted against management recommendation</p> <p><b>Outcome of the vote:</b> Resolution failed to pass</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> 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.</p>
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**Global Equity Focus Fund - Engagement case study**

Engagement Issue	Key Issue	Outcome/Progress/Actions
Environment - Climate	<p>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.</p>	<p>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 firm-wide 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.</p>

**Manager A - a global active equity fund focused on equity related prime properties**

<b>Manager and strategy</b>	<b>Voting activity (as at March 2025)</b>
<b>Manager A</b>	<p>Number of meetings at which the manager was eligible to vote: 50          Number of resolutions on which manager was eligible to vote: 641          Percentage of eligible votes cast: 100.0%          Percentage of votes cast with management: 96.4%          Percentage of votes cast against management: 3.6%          Percentage of votes cast abstained from: 0.0%          Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 24.0%          Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A</p>
<b>Use of proxy voting</b>	The manager submits their proxy votes via ISS Proxy Exchange portal.

<b>Size of holding within fund</b>	<b>Most significant votes cast</b>
<b>5.1%</b>	<p><b><u>Company: Prologis</u></b>  <b>Date of vote: 9 May 2024</b>  <b>Resolution:</b> Reduce supermajority vote requirement  <b>Relevant stewardship priority:</b> Not directly related to Trustee’s stewardship priorities but enhances shareholder rights  <b>How the manager voted:</b> For shareholder proposal  <b>Where vote was against management, was it communicated in advance:</b> N/A  <b>Rationale for the voting decision:</b> The manager voted in favor of a shareholder proposal to remove supermajority voting provisions, which would enhance shareholder rights by lowering the voting threshold.</p>

	<p><b>Trustee rationale for being considered a significant vote:</b> Size of position</p> <p><b>Outcome of the vote:</b> Failed the resolution</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> While the shareholder proposal did not pass, the accompanying management resolutions proposing the same outcome did pass, so there are no further actions to take on this issue.</p>
3.7%	<p><b>Company:</b> <u>Ventas</u></p> <p><b>Date of vote:</b> 14 May 2024</p> <p><b>Resolution:</b> Advisory Vote to Ratify Named Executive Officers' Compensation</p> <p><b>Relevant stewardship priority:</b> n/a</p> <p><b>How the manager voted:</b> Against management resolution</p> <p><b>Where vote was against management, was it communicated in advance:</b> Yes</p> <p><b>Rationale for the voting decision:</b> View of the CFO's performance, poor disclosure of performance metrics and unambitious targets in the Long Term Incentive. In terms of the executive remuneration resolution, a lack of disclosure of the performance thresholds for the capital structure positioning and Diversity and Inclusion metrics mean they cannot evaluate the effectiveness of these performance measures. The company is targeting median performance compared to the FTSE NAREIT Health Care Index and to the MSCI U.S. REIT Index, with the threshold for payment being 5% below median performance</p> <p><b>Rationale for being considered a significant vote:</b> The manager voted against management resolution and size of the position.</p> <p><b>Outcome of the vote:</b> Resolution Passed</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> Communicated with the company on their views of why they voted against this compensation resolution and are in regular discussions with the company's management.</p>
2.2%	<p><b>Company:</b> <u>Sun Hung Kai Properties</u></p> <p><b>Date of vote:</b> 7 November 2024</p> <p><b>Resolution:</b> Approve issuance of equity or equity-linked securities without pre-emptive rights and authorize reissuance of repurchased shares</p> <p><b>Relevant stewardship priority:</b> n/a</p> <p><b>How the manager voted:</b> Against management resolution</p> <p><b>Where vote was against management, was it communicated in advance:</b> Yes</p> <p><b>Rationale for the voting decision:</b> Voted against resolutions that would authorise the company to issue new shares and reissue bought back shares. Sun Hung Kai had proposed to issue capital without pre-emptive rights and did not disclose the discounted price or the specific use of the funds. Hong Kong listing rules allows companies to issue equity at a maximum discount to market prices of 20%. Since there was no specified discount limit for this issuance, as well as having no proportion of the issuance with pre-emptive rights, they voted against this resolution. Also voted against the resolution to reissue shares that had been repurchased by the company. This would cause the aggregate share issuance without pre-emptive rights to exceed the recommended limit of 10% at 20% of total issued shares.</p>

	<p><b>Trustee rationale for being considered a significant vote:</b> Vote against management resolution and size of position. Illustrates breadth of voting issues</p> <p><b>Outcome of the vote:</b> Both resolutions were passed at the AGM. However, there were significant votes against both at approximately 21% for these resolutions.</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> Informed the management team of the reasoning for vote against this resolution.</p>
1.9%	<p><b>Company:</b> <u>British Land</u></p> <p><b>Date of vote:</b> 9 July 2024</p> <p><b>Resolution:</b> Approve Remuneration Report</p> <p><b>Relevant stewardship priority:</b> n/a</p> <p><b>How the manager voted:</b> Against management</p> <p><b>Where vote was against management, was it communicated in advance:</b> Yes</p> <p><b>Rationale for the voting decision:</b> Due to a poor alignment with shareholder returns in the Long Term Incentive (LTI) plan, as well as some duplication of performance metrics in the Short Term Incentive (STI) and LTI plans. Absence of a Total Shareholder Return performance metric, either as an absolute or relative measure, in the LTI. Another component is the use of the Total Property return metric in both the STI and LTI structures. Having the same metric as part of both the STI and LTI can lead to double counting where the CEO can be rewarded twice for the same outcome.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Vote against management resolution and size of position. Illustrates breadth of voting issues.</p> <p><b>Outcome of the vote:</b> Passed the resolution</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> Informed the management team of the reasoning for vote against this resolution.</p>
1.1%	<p><b>Company:</b> <u>Alexandria Real Estate Securities</u></p> <p><b>Date of vote:</b> 14 May 2024</p> <p><b>Resolution:</b> Elect Directors (James Cain, Maria Freire and Michael Woronoff)</p> <p><b>Relevant stewardship priority:</b> n/a</p> <p><b>How the manager voted:</b> Against management resolution</p> <p><b>Where vote was against management, was it communicated in advance:</b> Yes</p> <p><b>Rationale for the voting decision:</b> Due to the company's long running opposition to granting shareholders the ability to amend company by-laws, a fundamental shareholder right.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Vote against management resolution and size of position. Illustrates breadth of voting issues.</p> <p><b>Outcome of the vote:</b> Resolution Passed</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> Communicated their views on this aspect of shareholder rights at this company for a number of years, as has many other shareholders. Voted against the company's executive remuneration and can</p>

	escalate through other negative proxy votes in the future to advance this issue further.
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**Manager B - a global active equity fund focused on listed infrastructure**

<b>Manager and strategy</b>	<b>Voting activity (as at March 2025)</b>
<b>Manager B</b>	<p>Number of meetings at which the manager was eligible to vote: 20  Number of resolutions on which manager was eligible to vote: 314  Percentage of eligible votes cast: 100.0%  Percentage of votes cast with management: 98.1%  Percentage of votes cast against management: 1.6%  Percentage of votes cast abstained from: 0.3%  Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 15.0%  Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: N/A</p>
<b>Use of proxy voting</b>	<p>This manager does not use a proxy voting service. The manager believes that it should and can influence good corporate governance through the exercise of its legal rights for the benefit of its clients. Voting is an extension of, and an expression of, the investment process and the focus on delivering sustainable long-term returns. As such, responsibility for voting recommendations lies with the sector teams which undertake research on the companies. The Investment Committee has ultimate responsibility for final decisions on proxy votes submitted for a portfolio holding. This oversight provides consistency and ensures compliance with voting guidelines.</p>

Size of holding within fund	Most significant votes cast
7.8%	<p><b><u>Company: National Grid Plc</u></b></p> <p><b>Date of vote: 01 July 2024</b></p> <p><b>Resolution:</b> Authorise United Kingdom (UK) political donations and expenditure</p> <p><b>Relevant stewardship priority:</b> Not directly attributable but may allow for engagement on Trustee's stewardship priorities</p> <p><b>How the manager voted:</b> For management resolution</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> The manager have historically voted against this motion, however after the clarification from the company stating "The Company has no intention of changing its current practice of not making political donations or incurring political expenditure in the UK within the ordinary meaning of those words. The Directors consider, however, that it is in the best interests of shareholders for the Company to participate in public debate and opinion-forming on matters which affect its business." The manager has decided to vote in favour of this resolution.</p> <p><b>Trustee rationale for being considered a significant vote:</b> Size of holding</p> <p><b>Outcome of the vote:</b> Passed the resolution</p> <p><b>Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome:</b> It is in the best interests of shareholders for the Company to participate in public debate and opinion-forming on matters which affect its business.</p>
4.3%	<p><b><u>Company: SNAM S.P.A.</u></b></p> <p><b>Date of Vote: 24 April 2024</b></p> <p><b>Resolution:</b> Rewarding policy and emolument paid report 2024: Second section: report on the emolument paid (non-binding resolution)</p> <p><b>Relevant stewardship priority:</b> Climate change</p> <p><b>How the manager voted:</b> Against management resolution</p> <p><b>Where vote was against management, was it communicated in advance:</b> No</p> <p><b>Rationale for the voting decision:</b> As a result of the lack of action/acknowledgment, the manager has elected to vote against the remuneration related items. Since SNAM scenarios are still not aligned albeit in a better position than before. Engagement aside, the structure of the remuneration policy looks reasonable with notable weight given to climate transition and sustainability related items, the manager will vote against the 2 resolutions in line with last year.</p> <p><b>Rationale for being considered a significant vote:</b> The manager voted against management resolution, size of the position, climate is a stewardship priorities.</p> <p><b>Outcome of the vote:</b> Resolution Passed</p> <p><b>Implications of the outcome e.g. lessons learned / further activity or escalation expected:</b> The manager have an open engagement with SNAM</p>

### Industry wide / Public policy engagement

As mentioned in the SIP, the Fiduciary Manager has partnered with EOS at Federated Hermes (EOS) for a number of years to enhance its stewardship activities. One element of this partnership is undertaking public policy engagement on behalf of its clients (including the Trustee). This public policy and market best practice engagement is done with legislators, regulators, industry bodies and other standard-setters to shape capital markets and the environment in which companies and their investors operate, a key element of which is risk related to climate change. The Fiduciary Manager represents client policies/sentiment to EOS via the Client Advisory Council, of which its Head of Stewardship currently chairs. It applies EOS' services, from public policy engagement to corporate voting and engagement, to several of its funds. Some highlights from EOS' activities over 2024:

- 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

### Thematic engagement by EOS — biodiversity and natural resource stewardship

Over the year, nature-related issues remained an engagement priority across key sectors. In 2024, EOS's expectations of companies evolved to include addressing marine and terrestrial biodiversity loss across their value chains, in line with the Global Biodiversity Framework (GBF). They continued to encourage companies to assess and disclose their nature-related impacts, dependencies, risks and opportunities, as per the Taskforce on Nature-related Financial Disclosure (TNFD) recommendations. They emphasised the importance of supply chain oversight and governance of nature-related issues. Some highlights and positive outcomes from 2024 include:

- Responding to three TNFD sector guidance consultations for food and agriculture, beverage, and apparel, accessories and footwear.
- Raising the issue of water security — resulting in four food and beverage companies conducting water risk assessments, with one setting a goal to identify 100% of manufacturing sites located in water risk areas by 2030. Engagement on water security also resulted in progress on an agricultural commodity company's water restoration goal, and further discussions with other companies on the harms of plastic.
- Engaging on maintaining momentum towards deforestation goals with focus companies.
- Attending the Biodiversity COP16 in Colombia, as part of the Finance for Biodiversity Foundation delegation, where EOS co-chairs the Policy Advocacy Working Group.
- Strengthening engagement on biodiversity with French supermarket operator Carrefour, given its significant impacts and dependencies as a food retailer.

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>.

### **3. Conclusion**

The Trustee considers that all SIP policies and principles were adhered to during the year.