

Engagement Policy Implementation Statement (“EPIS”)

The Wilts Wholesale Electrical Company Limited Retirement Benefits Scheme (the “Scheme”)

Scheme Year End – 05 April 2025

The purpose of the EPIS is for us, the Trustee of the Wilts Wholesale Electrical Company Limited Retirement Benefits Scheme, to explain what we have done during the year ending 05 April 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Scheme’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

Our investment manager provided us with high-quality engagement information that was sufficient for us to deduce that the policies in our SIP had been implemented effectively. As per Engagement Action Plan, we will continue to review and monitor our investment managers.

How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Scheme year and in our view, the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("AIL"). In particular, we received quarterly ESG ratings from AIL for the funds the Scheme is invested in where available.

Each year, we review the voting and engagement policies of the Scheme's investment managers to ensure they align with our own policies for the Scheme and help us to achieve them.

The Scheme's stewardship policy can be found in the SIP:
<https://pensioninformation.aon.com/wilts>

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following step over the next 12 months:

1. We will continue to undertake regular ESG monitoring of our managers, engaging with them where required.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our manager's voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the Scheme's material fund with voting rights for the year to 31 March 2025. Managers collate voting information on a quarterly basis which broadly matches the Scheme year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal & General Asset Management (L&G) - All World Equity Index Fund (Hedged and Unhedged)	63,689	99.8%	19.0%	1.5%

Source: L&G. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's manager uses proxy voting advisory services.

Managers	Description of use of proxy voting adviser (in the manager's own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Source: L&G

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's investment manager to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Insight - Bonds Plus Fund	76		Environment - Climate Change, Natural resource use/impact, Pollution, Waste Governance - Board effectiveness - Independence or Oversight, Shareholder rights Social - Human capital management, Human and labour rights Strategy, Financial & Reporting - Strategy/Purpose, Financial Performance, Reporting, Capital Allocation
		1,922	Environment* - Climate Change, Natural resource use/impact, Pollution, Waste Governance* - Board effectiveness - Independence or Oversight, Remuneration, Shareholder rights Social* - Conduct, culture and ethics, Human capital management, Human and labour rights, Human capital management, Inequality, Public health Strategy, Financial & Reporting* - Strategy/Purpose, Financial Performance, Reporting, Capital Allocation, Risk management
Insight - Synthetic Global Credit Fund	Not provided		
L&G - All World Equity Index (Hedged and Unhedged)	2,256	4,399	Environment - Climate Change, Natural resource use/impact, Pollution, Waste Social - Human and labour rights, Human capital management Governance - Remuneration, Board effectiveness – Diversity, Independence or Oversight Strategy, Financial & Reporting - Financial Performance, Strategy/Purpose Other - Green Bonds, Methane Measurement

Source: Investment managers.

*Insight did not provide fund level themes for its Synthetic Global Credit Fund; themes provided are at a firm-level.

Data limitations

At the time of writing, L&G has provided complete engagement information. However, we note that the total number of engagements above refers specifically to the total number of interactions L&G held with individual companies as opposed to the number of engagements on specific engagement themes. As such, each interaction may cover multiple themes.

Insight did not provide any fund level engagement information for the Synthetic Global Credit Fund. This is expected due to the nature of the asset class.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Scheme’s manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the example below, in the manager’s own words:

L&G - All World Equity Index (Hedged and Unhedged)	Company name	Microsoft Corporation
	Date of vote	10 December 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.9
	Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Source: L&G