

Williams Motor Co. (Holdings) Limited

Retirement Benefits Plan

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2019, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated September 2020 have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 1 July 2024 to 30 June 2025.

Investment objectives of the Plan

DB Section

- The primary investment objective for the DB section of the Plan is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Plan.

DC Section

- In relation to the DC section, the Trustees aim to provide suitable investment options that are aligned to the needs of their members that will optimise the return on investments in order to build up a savings pot which will be used in retirement.

Stewardship policy

The Trustees, in conjunction with their advisers, will monitor the performance, strategy, risks, ESG policies and corporate governance of the investment managers. In particular, the Trustees will:

- Monitor the performance of the investment manager/fund relative to its stated performance objective(s).
- Monitor the performance of the overall strategy relative to the investment objective.
- Monitor the level of risk on a regular basis to ensure that the Plan is not undertaking an excessive level of risk and that these risks are balanced appropriately.
- Review the ESG and Stewardship policies of the underlying investment manager on a regular basis.

Review of the SIP and Investment Strategy

The Trustees last reviewed the SIP in September 2020.

The Trustees have a policy on financially material considerations relating to Environmental, Social and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out below and are detailed in the Trustees' SIP.

Over the year, there were no changes made to the SIP or to the Plan's investment strategy.

Investment managers and funds in use

The investment arrangements used for both the DB Section and DC Section are set out in the tables below:

DB Section

The Trustees have invested the assets of the DB section via the Mobius Life Platform.

Asset Class	Manager	Fund
Diversified Growth Funds	Pictet	Dynamic Asset Allocation Fund
	Columbia Threadneedle	Thread Life Multi Asset Fund
Government Bonds	Legal & General	All Stocks Gilts Index Fund
	Legal & General	Over 5 Year Index Linked Gilts Index Fund
	Columbia Threadneedle	UK Equity-Linked Gilt Fund

DB Section – Additional Voluntary Contributions (AVCs)

The Trustees also make available a facility to members of the Defined Benefit section of the Plan to pay in additional contributions to boost their benefits. The facility is provided by Prudential.

Asset Class	Manager	Fund
Additional Voluntary Contributions (AVCs)	Prudential	With-Profits Fund

DC Section

The DC assets are held on the Scottish Widows platform.

Asset Class	Manager	Fund
Diversified Growth Funds	Scottish Widows	Mixed Fund
Fixed Income (mainly Investment Grade Corporate Bonds)	Scottish Widows	Pension Protector Fund
Cash	Scottish Widows	Cash Fund

The default investment strategy is primarily used by members invested in the DC Section who wish to take 25% of their fund value as a tax-free lump sum and use the remainder for targeting the purchase of an annuity in retirement. The strategy is set out below:

DC Section – Default Lifestyle Strategy

Period prior to member's normal retirement age	Investment Default Approach
Up to 5 years prior to chosen retirement age	Members are initially invested 100% in a growth fund, namely the Scottish Widows Mixed Fund.
From 5 years before chosen retirement age	Members' assets begin to switch monthly so that when the member reaches retirement they are 75% invested in the Scottish Widows Pension Protector Fund and 25% in the Scottish Widows Cash Fund.

Investment Governance

Governance arrangements, in terms of the constitution of the Trustee board, service level agreements with providers, processing of core financial transactions, costs and charges and investment arrangements, are detailed in the Trustees' Chair Statement.

The Trustee board is responsible for making investment decisions and seeks advice from Broadstone Corporate Benefits Limited ("Broadstone"), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Plan to help form their policies set out in the SIP.

Trustee Knowledge and Understanding

The Trustee board has the appropriate knowledge and understanding to ensure its policies on financially and non-financially material considerations, as well as engagement and voting activities, are and remain appropriate for the Plan. The Trustees have developed their knowledge and understanding over the year, and further details are set out in the Chair's Statement.

Trustee Policies

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	<p>The Trustees recognise that there are various risks that the Plan is exposed to and recognise that these risks may be financially material to the Plan. The Trustees have received training on Responsible Investment and recognise that environmental, social and corporate governance (ESG) factors, including but not limited to climate change, can influence the investment risk and return of the Plan's portfolio. It is therefore in the Plan's (and members') best interests that these factors are taken into account within the investment process.</p> <p>The Trustees have determined that the financial interests of the Plan's members are the first priority when choosing investments. They have therefore decided not to consider non-financial considerations, such as member views, when setting the Plan's investment strategy.</p>	No deviation from this policy over the year to 30 June 2025
Voting Rights and Engagement	<p>The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies. These policies which are provided to the Trustees from time to time, take into account the financial interests of the shareholders and should be for the Plan's benefit.</p> <p>Where the Trustees are specifically invited to vote on a matter relating to corporate policy, the Trustees will exercise their right in</p>	No deviation from this policy over the year to 30 June 2025

	accordance with what they believe to be the best interests of the majority of the Plan's membership.	
Additional Voluntary Contributions	The Trustees hold assets invested separately from the main fund with The Prudential Assurance Company securing additional voluntary contributions on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in these arrangements each receive an annual statement confirming the amounts held to their account and the movements in the year.	No deviation from this policy over the year to 30 June 2025

Financially and non-financially material considerations

The Plan's assets are invested in pooled funds. Therefore, The Trustees have limited ability to influence the ESG policies and practices of the companies in which their managers invest. The Trustees will therefore rely on the policies and judgement of their investment managers.

The Trustees note that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustees are satisfied that the funds which the Plan currently invest in are managed in accordance with their views on financially material considerations, as set out above, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustees have access to updates on governance and engagement activities by the investment managers and input from their investment advisor on ESG matters. These views are also taken into account when appointing and reviewing investment managers.

A summary of the Trustees' views for each asset class in which the Plan invests is outlined below.

Asset Class	Actively or Passively Managed?	Comments
Diversified Growth Funds	Active	The Trustees expect the investment managers to take financially material ESG factors into account, given the active management style of the fund and the ability of the managers to use their discretion to generate higher risk adjusted returns. The Trustees also expect the investment managers to engage with the underlying investee companies where possible, although they appreciate that fixed income assets within the portfolio do not typically attract voting rights.
Investment Grade Corporate Bonds	Active	The Trustees expect the investment manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustees also expect the investment manager to engage with investee companies where possible, although they appreciate that fixed income assets do not typically attract voting rights.

Government bonds	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

Voting rights and engagement activities

The Trustees currently invest in pooled investment funds with their investment managers, and they acknowledge that this limits their ability to directly influence the investment managers. In particular, all voting activities have been delegated to the investment manager, as the Trustees do not have any legal right to vote on the underlying holdings, given the pooled nature of the Plan's investments. The Trustees' stewardship policy is detailed at the start of this document although this has not been shared with the investment managers to influence what they believe to be the most significant votes.

The Trustees have employed Broadstone to assist them in monitoring the voting and engagement activity of their investment managers, and a summary of this activity is provided to the Trustees periodically. The Trustees, with the assistance of Broadstone, concluded that the voting and engagement activity of their investment managers is in line with their policy on voting and engagement.

Under the current investment arrangements, the diversified growth funds with Pictet, Columbia Threadneedle and Scottish Widows contain equity holdings, and therefore have voting rights attached to these underlying securities.

The Trustees have delegated engagement activities to their investment managers, and each investment manager reports to the Trustees on how they have voted on behalf of the Trustees for the underlying holdings.

A summary of the votes made by the investment managers on behalf of the Trustees is provided in the table below from 1 July 2024 to 30 June 2025, based on the latest information available from each investment manager.

Manager	Fund	Resolutions voted on	Total Resolutions Voted:		
			For	Against	Abstained
Pictet	Dynamic Asset Allocation Fund	8,888	92%	8%	0%
Columbia Threadneedle	Thread Life Multi Asset Fund	6,262	94%	5%	1%
Scottish Widows*	Mixed Fund	n/a	n/a	n/a	n/a

*Scottish Widows could not provide voting statistics aggregated at fund level. The voting statistics for the underlying fund can be made available upon request.

Information regarding proxy voting is detailed below:

- **Pictet** uses ISS to provide research and to execute the voting decisions at all relevant company meetings worldwide.

- **Columbia Threadneedle** has a specialist corporate governance team for more complex and sensitive votes, but uses ISS for casting routine votes.
- **Scottish Widows** - Scottish Widows did not provide this information at aggregate fund level. Proxy voting information for the underlying funds can be made available upon request.

Significant votes

The Trustees have requested details of the significant votes made on behalf of the Trustees by the investment managers. In determining significant votes, the investment managers will take into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an engagement campaign, in line with Investment Stewardship's 5-year ESG priority engagement themes.

The Trustees believe the following represent the significant votes undertaken on their behalf over the scheme year, for the investment managers that provided voting data:

SIGNIFICANT VOTE 1 – Pictet	
Company	Microsoft Corp
Date	10 December 2024
% of portfolio invested in firm	0.05% of Dynamic Asset Allocation Fund
Resolution	Report on Risks Related to AI Generated Misinformation and Disinformation
Why significant	A vote FOR this proposal is warranted. Increased disclosure and greater transparency regarding risks related to misinformation and disinformation, including from generative AI, would benefit shareholders on its potential business impacts and how the company is managing these risks.
How voted	VOTED FOR (against management).
Manager Comments	<i>We noted the outcome of the vote. Where we believe the subject of the vote could present a material concern from an ESG perspective, we will continue to monitor and engage with the company, and are doing so in this case. If warranted, we will consider actions as part of our escalation strategy, including future voting decisions.</i>
Vote outcome	REJECTED (36.2% against management).

SIGNIFICANT VOTE 2 – Columbia Threadneedle	
Company	PAL GROUP Holdings
Date	28 May 2025
% of portfolio invested in firm	0.05% of Thread Life Multi Asset Portfolio
Resolution	Elect Director Kiyoshi Miura
Why significant	Significant as it was a vote against management on certain environmental, social or governance proposals.
How voted	VOTED AGAINST (against management).
Manager Comments	<i>We opposed this director as we regard him as being affiliated to the company and not truly independent and have concerns about the low level of board independence.</i>
Vote outcome	Outcome not provided by Columbia Threadneedle

SIGNIFICANT VOTE 3 – Scottish Widows	
Company	Abbott Laboratories
Date	25 April 2025
% of portfolio invested in firm	Not disclosed by Scottish Widows.
Resolution	Elect Director Nancy McKinstry
Why significant	Significant as it was a vote against management.
How voted	VOTED AGAINST (against management).
Manager Comments	<i>Nominee serves on an excessive number of public company boards, which we believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.</i>
Vote outcome	Not disclosed by Scottish Widows.

Engagement activities

A notable engagement activity of the Investment Managers over the last 12 months is provided below:

- **Pictet** engaged with Fortune Brands Innovations Inc, an American home, security and digital products company, regarding their remuneration policy. In 2024, Pictet identified a discrepancy between executive compensation and company performance. Pictet then initiated its engagement with the firm to ensure transparency and accountability in their compensation practises as well as the alignment between executive compensation and company performance. In May 2024, Pictet sought specific clarification on the operational mechanics of their relative revenue growth governor in the context of long-term compensation, emphasizing the importance of understanding these mechanisms for fair and effective compensation. Additionally, Pictet expressed their preference for the inclusion of a growth-related Key Performance Indicator (KPI) in their Long-Term Incentive (LTI) plan. In October 2024, Pictet reiterated their position with the Chair of the RemCo who said he would take their suggestions to the Board. The company reversed its change to

remuneration targets in line with Pictet's feedback to maintain focus on growth. This was confirmed at the 2025 AGM.

- **Columbia Threadneedle** engaged with the Smurfit Kappa Group, an Ireland based supplier of paper packaging, regarding their management of operational biodiversity impacts and disclosure of nature related risks. Columbia Threadneedle have engaged with the company on this topic in the past, with the focus being on encouraging the company to strengthen its collection of operational biodiversity data, and to explore setting quantitative targets. Specifically, we have been encouraging the company to explore using environmental DNA (eDNA) assessments to more efficiently gather real time data on species distributions within its forestry assets, and have connected the company with different eDNA providers in the past. They advised the company to consider establishing a portfolio of biodiversity KPIs and targets to appraise its operational impact, providing examples of peer best practice. They have also been working with Smurfit to explore how the company could adopt a Taskforce for Nature-related Financial Disclosures (TNFD) approach to identify and assess its exposure to financially material nature-related risks such as pests, disease and nature-related regulation. Smurfit recognised that it has more work to do on its operational biodiversity management compared to peers, and is currently working to onboard an eDNA provider. Columbia Threadneedle have been encouraged by the openness of the company's Chief Sustainability Officer to take on board their suggestions; they will continue to work with the company and expect to see an improvement in practice by its next set of disclosures.
- **Scottish Widows** - In 2023, Scottish Widows started an engagement with large multinational chemical company BASF, beginning with a letter where they set out their sectoral expectations and highlighted the company's lack of scope 3 targets, as well as setting out their expectation on companies bringing considerations of the climate-nature nexus into their transition planning. They received a detailed response from the company where they highlighted that they had set new targets for scope 3.1 emissions, which cover purchased goods and services. BASF also included further information on their progress on evolving their nature strategy. In 2024, Scottish Widows also began engaging with the company collaboratively through Nature Action 100+, focusing more on their nature impact planning, and they continue to monitor the company's climate transition actions.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment managers will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2024 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from ★ to ★★★★★, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Managers are outlined in the table below:

Manager	UNPRI Score
Pictet*	★★★★★
Columbia Threadneedle*	★★★★
Legal & General	★★★★★
Scottish Widows*	★★★★
<i>Industry Median</i>	★★★

*2023 score, where the 2024 report has not been published.

Monitoring of Investment Arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with investment managers (as detailed above), the Trustees receive performance reports for the DB section from Mobius Life on a monthly basis to ensure the investment objectives set out in their SIP are being met.