



WESLEYAN

we are all about you

MAKING MEMBERS' MONEY MAKE A DIFFERENCE

STEWARDSHIP REPORT 2024

FOREWORD FROM OUR DIRECTOR OF PRODUCT



“ As a mutual, we have a long history of doing the right thing for our members and communities, and we believe stewardship goes beyond just the investments we make. ”

TOBY HESTER
Director of Product

We are delighted to have been signatories to the UK Stewardship Code since 2021 and are pleased to be able to share this update covering the period from July 2023 to June 2024, a time which has seen turbulent markets and cost of living pressures continue to affect the world.

We continue to progress our strategy to become a more resilient and sustainable organisation for members today and in the future. Our deeply held principles and ways of doing business mean we always strive to put our values and the needs of our members and customers ahead of short-term gain.

We know customers are increasingly concerned by the real-world effects of their investments as well as how they are performing. In the pages that follow, we provide information about the stewardship activity we undertake building a sustainable business for our customers for generations to come.

Wesleyan acts as both Asset Owner and Asset Manager for its customers. In this report we provide an overview of our stewardship approach, outlining how we adhere to the FRC's UK Stewardship Code 2020 and how the Asset Owner interacts with the Asset Manager.

As sustainable investors, environmental, social, and governance (ESG) factors are crucial considerations when assessing the sustainability of our business and the companies in which we invest. This approach also dovetails with our long-term 'buy and hold' investment strategy because we believe businesses which 'do the right thing' are more likely to survive and thrive in the years ahead.

We firmly believe that sustainable businesses will be more profitable in the long term since they are more likely to be managed effectively in an ever-changing world - this impacts how our funds perform, and the level of investment returns we can generate for everyone who invests with us.

We continue to be proud signatories of the internationally recognised UN-sponsored Principles for Responsible Investment (PRI) and Climate Action 100+, an organisation focused on ensuring the world's largest corporate greenhouse gas emitters take necessary action on climate change. Membership of the PRI also helps us to evolve our approach as best-practice develops, and to collaborate with other investors, maximising our influence on key ESG issues.

We are dedicated to creating brighter financial futures for our customers by being responsible investors who care about the results we achieve and how we achieve them. I hope that you find this report informative.

TOBY HESTER
Director of Product

October 2024

ESG FACTORS



SOCIAL MATTERS



RESPECT FOR HUMAN RIGHTS



ENVIRONMENTAL MATTERS



ANTI-CORRUPTION AND ANTI-BRIBERY

PRINCIPLES OF UK STEWARDSHIP

The Principles of the FRC's Stewardship Code are listed below and align closely to our corporate strategy.

Principle			Link to Our Strategy	Pages
1	PURPOSE, INVESTMENT BELIEFS, STRATEGY, AND CULTURE	Our purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.	 LIFELONG PARTNER  BRILLIANT TO DO BUSINESS WITH  MUTUALITY WITH EDGE	02 – 05
2	GOVERNANCE, RESOURCES AND INCENTIVES	Our governance, resources and incentives support stewardship.	 BRILLIANT TO DO BUSINESS WITH	14 – 17
3	MANAGE CONFLICTS OF INTEREST	We manage conflicts of interest to put the best interests of clients and beneficiaries first.	 BRILLIANT TO DO BUSINESS WITH	18 – 19
4	RESPONSE TO MARKET-WIDE AND SYSTEMIC RISKS	We identify and respond to market-wide and systemic risks to promote a well-functioning financial system.	 BRILLIANT TO DO BUSINESS WITH	28 – 33
5	POLICIES, ASSURANCE AND EFFECTIVENESS OF THEIR ACTIVITIES	We review our policies, assure our processes and assess the effectiveness of our activities.	 BRILLIANT TO DO BUSINESS WITH	28 – 33
6	CLIENT AND BENEFICIARY NEEDS AND COMMUNICATION	We take account of client and beneficiary needs and communicate the activities and outcomes of our stewardship and investment to them.	 LIFELONG PARTNER	18 – 19
7	INTEGRATION OF STEWARDSHIP INCLUDING ESG	We systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil our responsibilities.	 LIFELONG PARTNER  BRILLIANT TO DO BUSINESS WITH  MUTUALITY WITH EDGE	06 – 13
8	MONITOR AND HOLD TO ACCOUNT MANAGERS / SERVICE PROVIDERS	We monitor and hold to account managers and/or service providers.	 MUTUALITY WITH EDGE	34 – 36
9	ENGAGEMENT WITH ISSUERS	We engage with issuers to maintain or enhance the value of assets.	 MUTUALITY WITH EDGE	20 – 24
10	PARTICIPATE IN COLLABORATIVE ENGAGEMENT	Where necessary we participate in collaborative engagement to influence issuers.	 MUTUALITY WITH EDGE	20 – 24
11	ESCALATE STEWARDSHIP ACTIVITIES	Where necessary we escalate stewardship activities to influence issuers.	 MUTUALITY WITH EDGE	20 – 24
12	SIGNATORIES ACTIVELY EXERCISE THEIR RIGHTS AND RESPONSIBILITIES	We actively exercise rights and responsibilities.	 MUTUALITY WITH EDGE	25 – 27

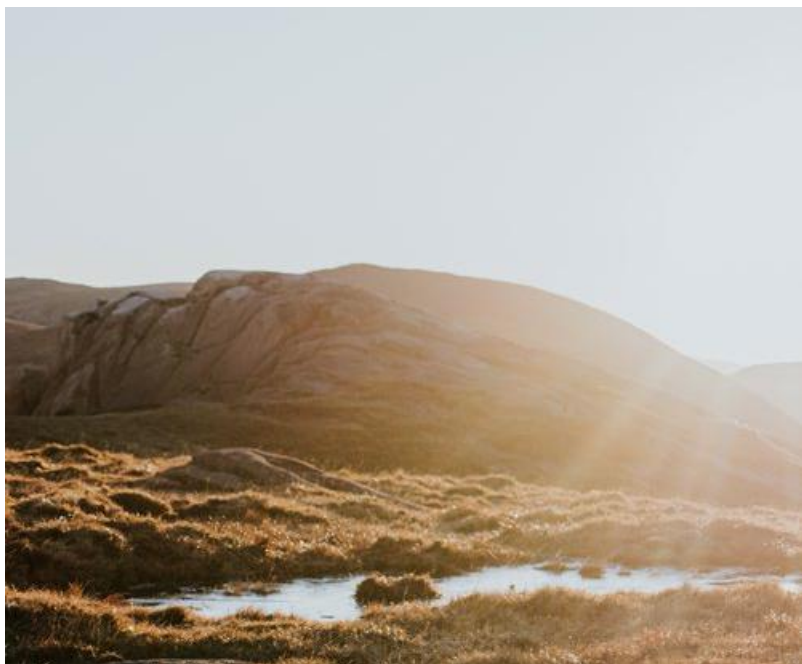
BUSINESS BUILT ON PURPOSE

We are a UK-based financial services mutual offering a range of personal, professional, commercial and investment products designed to meet the financial needs of our customers through every stage of their life in line with our aspiration to be a *lifelong partner*. Our purpose is to create brighter financial futures for our members and customers, primarily doctors, dentists and teachers.

As a financially strong business, we can take long-term decisions, that deliver the best outcomes for our members and customers. We are here to provide specialist financial advice, give peace of mind and security, help our customers make the most of their money and give them confidence in their financial futures – in short be *brilliant to do business with*.

Our mutuality defines who we are; we have no shareholders, so we can stay true to the needs of our members, investing our time and energy on those who invest with us. We're firmly committed to our mutual status, and we believe this distinguishes us from many other financial services companies. We balance care and commerciality, providing societal benefits alongside financial returns for our members, and in turn deliver *mutuality with edge*.

Being a sustainable business underpins everything we do because we know that to succeed, we need to take action today.



WHO WE SERVE



DENTISTS

We understand the dental profession and support with both personal and practice related finances from investments through to estate planning. Practice Plan Group, market leaders in providing practice branded dental membership plans, are part of the Wesleyan Group.



TEACHERS

Our expertise and experience, gained from a deep understanding of the education profession, enables us to support with everything from mortgages and investments to retirement planning and making the most of the Teachers' Pension Scheme.



DOCTORS

We have a long heritage of providing financial advice for GPs and Hospital Doctors, from student years through to retirement and beyond. We can help with complex areas of specialist planning, including maximising NHS Pension Scheme benefits, managing investments and estate planning.



INDEPENDENT FINANCIAL ADVISERS (IFAs)/DIRECT

Wesleyan's smoothed With Profits Growth fund sits on multiple independent wrap platforms, making it easy for IFAs to combine into a client's investment portfolio. The Wesleyan With Profits ISA is also available direct on our website.

OUR STRATEGY

Our strategy defines our ambitious plans to grow our business and make it stronger and more sustainable. We are committed to delivering a market leading customer experience providing added value for members, customers and colleagues.

The core elements of our strategy are:

- ▶ To enhance the way we reach new and serve existing customers with our products and specialist financial advice
- ▶ To use in-depth customer insights to enhance the products and propositions we offer, including leveraging the strength of our flagship With Profits Fund to a wider customer base
- ▶ To enhance our operating model so that it is more efficient, improving the way we serve customers and the sustainability of our business
- ▶ To maximise the strengths and opportunities of being a mutual

We are confident that our strategy puts us in a position of strength to serve our customers now and in the future.



LIFELONG PARTNER

We are focused on meeting the financial needs of trusted professionals through specialist financial advice and products at all stages in life, providing choice of how and when customers do business with us.



BRILLIANT TO DO BUSINESS WITH

We are building a sustainable and resilient business so that we can offer an outstanding service in a cost-efficient way for many years to come.



MUTUALITY WITH EDGE

As a mutual, our ethos of care is at the heart of everything we do. We work hard to get the best opportunities for customers and run a financially strong business to benefit our members.



WHAT WE OFFER



SPECIALIST FINANCIAL ADVICE



SAVINGS AND INVESTMENTS



PENSIONS AND RETIREMENT PLANNING



LIFE ASSURANCE AND PROTECTION



GENERAL AND COMMERCIAL INSURANCE



MORTGAGES AND EQUITY RELEASE



DENTAL MEMBERSHIP PLANS



Visit our website at www.wesleyan.co.uk to see more about our range of products and services.

SUSTAINABILITY AT WESLEYAN

We are committed to acting in a sustainable and responsible way in all our business operations, reflecting our commitment to doing the right thing for our members, customers, colleagues and communities.

Environmental, Social and Governance (ESG) principles sit at the core of our sustainability strategy, which guides our approach to investing our customers' money, the good causes we support and how we deliver a more sustainable and enduring infrastructure and product offering.

The strategy is designed to ensure we meet our internal sustainability goals and links into the United Nations Sustainable Development Goals (UN SDGs).

To support the delivery of our goals we have an internal framework in place, designed to focus our employees' efforts in three key areas most relevant to our business.



BUSINESS IMPACT

We ensure that our own business practices are sustainable, including committing to being net zero by the end of 2050.



COMMUNITY AND CITIZENSHIP

We strive to make a difference for our members, our colleagues, and the communities we all live and work within through our day-to-day activities, volunteering and our charitable Foundation.



SUSTAINABLE INVESTING

At Wesleyan we manage £7.6bn of our customers' money. We all care about what our money's doing, not just how it's doing.

RECENT DEVELOPMENTS FOR WESLEYAN AND OUR MEMBERS

Against a backdrop of unrelenting global uncertainty caused by geo-political events, our professional customers continued to contend with cost-of-living pressures as high inflation, rising interest rates and volatile investment markets made headline news. Despite these external pressures, we made strong progress against our ongoing transformation strategy as we build a stronger, more sustainable business.

We have over 75,000 Society members. Every year members are invited to have their say on how we run our business by voting on key matters at our Annual General Meeting and putting questions to our Board of Directors. As a mutual we take long-term decisions to benefit our members and this includes ensuring we use our capital in the right way to drive member value. We are committed to enhancing the benefits of our mutuality, which defines who we are, how we act and how we serve our members.

As a specialist partner we pride ourselves on having a unique understanding of the worlds in which our doctors, dentists and educators live and work. This is built upon a deep insight, supported in part by key relationships with industry partners and our Members Advisory Board (MAB). We continually review the products and propositions we offer our professional customers to ensure they remain relevant throughout their career and into later life. In recent years we have placed increased focus on retirement, in response to a growing trend for early and partial retirement, among doctors and dentists in particular. Continued support for members and communities is provided through the Wesleyan Foundation, embodying the spirit of mutuality. Since it launched in 2017, the Wesleyan Foundation has awarded more than £5.9m to good causes across the UK, positively impacting the lives of an estimated 100,000 people.

We also achieved our commitment to being operationally carbon neutral by the end of 2023 and we continue to strive for the whole organisation, including our full investment portfolio, to be carbon net zero by 2050 at the latest. We will create a carbon roadmap to better align to our carbon targets, which may involve setting more ambitious intermediary milestones.

Our focus continues to be on ensuring Wesleyan remains a strong, sustainable business for many years to come, delivering greater value for members. Ensuring we invest in a sustainable manner, in businesses and assets we believe are equally sustainable, is of huge importance, particularly given the levels of uncertainty and change currently seen.

We welcomed consultation proposals from our regulators, the FCA and PRA, to introduce a new regulatory framework on Diversity and Inclusion (D&I) in the financial sector. We agree with their view that greater levels of diversity and inclusion can improve outcomes for markets and consumers, support healthy work cultures, reduce groupthink and unlock talent.

We are reviewing our proposition in light of the consultation to consider what additional action might be required once the final rules and guidance are published, expected to be later this year.

We are also seeking to add value to the next generation of Wesleyan colleagues by continuing to strengthen ties with local schools to give students a greater understanding of financial services and increase access to the profession and to develop broader stakeholder relationships and share best practice. To enhance the work we are already doing, we'll continue working with our regulators, industry partners and other related groups.



SHINING A LIGHT:

Our Employee Network Groups play a key role in bringing us together to shape our culture and create change. Over the year they worked together to raise awareness of and celebrate important dates and events, sharing food, stories and traditions.

In December the Groups jointly hosted our first Enlightenment event, celebrating different religions through the common theme of light and its power to symbolise hope, spirituality, and unity in religious festivals.

Children from the choir of St Chad's school provided the music at our Birmingham Head Office.

PEOPLE, DIVERSITY AND CULTURE

We are building a more diverse and inclusive culture at Wesleyan where all colleagues feel welcome. We have more to do, but made progress in 2023 as we enhanced our employee value proposition to be more reflective of different cultures and life stages. We are proactively working to create a more diverse leadership team. We are making steady progress in increasing the number of women in senior manager roles reaching 41% at the end of 2023, compared to a target of 35%. We have further to go in building an ethnically diverse team, with 10% of leaders coming from a diverse background against a target of 16%. We will continue to ensure all Senior Leader vacancies have a diverse shortlist and we are providing additional training to recruiting managers across the Group so that they have the tools and perspective to hire with diversity in mind.

In 2023, as part of our talent management strategy, we put increased focus on providing additional development opportunities for colleagues from ethnic minority backgrounds, who are aspiring leaders in the earlier stages of their career. This will ensure we have a diverse pipeline of talent working towards senior level positions.

The 'Inspiring Individuality' leadership course launched in January 2024, with its first cohort of Wesleyan trainees joining industry peers to explore leadership and management strategies, while learning fundamental techniques to address inclusivity for themselves and others. We are looking forward to seeing their progress and the impact they will have on our business.

Here are some of the initiatives introduced in 2023 in response to colleague feedback.



We launched a new comprehensive development programme to ensure colleagues have the skills and capability to meet changing customer needs and the challenges of a transforming business. 99% of our leaders committed to additional leadership development in 2023 and 84% of colleagues embraced new training options.



Minimum starting salary enhanced to 8% above National Living Wage and all job roles reviewed to ensure competent colleagues are paid in line with market rates.



Working carers received a boost as we provided access to a professional care consultancy, that offers practical and emotional support to those navigating the maze of care and the conflicting emotions this can bring.



Increased emergency and annual leave allowances giving colleagues greater flexibility to manage their work/life balance.



Colleagues provided with a range of financial support and wellbeing services including personal coaching.



OUR INVESTMENT STRATEGY AND THE IMPORTANCE WE PLACE ON STEWARDSHIP

WHAT IS OUR INVESTMENT PHILOSOPHY?

We are dedicated to maximising the financial returns for members and customers and continue to do this by using our expertise to steer our funds through any market-shaping events or volatility. To help guide this objective, as Asset Owner we have defined our 'Investment Beliefs' as detailed below. These explain what we believe about how investment returns are generated. They are a series of principles which inform our approach to managing investment assets which our Asset Manager is expected to reflect in their investment decisions. The Policy is subject to annual review and any changes are approved at Board level.

BELIEF

We believe sustainable and responsible investing can deliver competitive long-term returns for our customers.

We are long-term asset owners and believe a long-term horizon allows us to withstand the pressures of short-term market events and take the rewards of patient investing to outperform more short-term focused investors over the long run.

We believe that strategic asset allocation is the main driver of good investment returns for our policyholders.

We believe managing risk through diversification across a large range of assets and geographies reduces the volatility of asset returns and improves customer outcomes.

We believe there is a place for both active and passive management within a fund, however active management must provide sufficient incremental return or diversification to justify its additional cost.

We believe that managing costs is important and excessive turnover of stocks can impact performance. Long-term ownership results in lower turnover and cost of ownership for our customers.

We believe we should be conscientious stewards of the assets entrusted to us and that integrating ESG considerations into our investment process for all our funds will improve investment returns.

We believe that strong governance is in the best interest of our customers and is a key tool for managing investment risk.

We believe that the Asset Manager we use to manage our customers' money should share similar beliefs to ourselves.

Our Investment Beliefs are articulated into practical guidance for our Asset Manager to follow in a Statement of Investment Principles (SIP) for each fund. SIPs support the achievement of fund objectives by setting rules and guidance for permitted investments, asset allocation ranges, risk limits, expected returns and sustainable investing principles. We have implemented a Prudent Person Principle Policy, which confirms the duty of care we hold when making investment decisions. The policy requires the Asset Manager to invest in assets and instruments where risks can be properly identified, measured, monitored, managed, controlled and reported, taking into account the assessment of our overall solvency needs. For further detail please view our website



<https://www.wesleyan.co.uk/savings-and-investments>.

THE RELATIONSHIP BETWEEN THE ASSET OWNER AND THE ASSET MANAGER

Internally, we make the distinction between Asset Owner and Asset Manager. The Asset Owner provides products and has a direct relationship with the customer and member. The Asset Owner appoints an Asset Manager to manage its investment funds. As Asset Owner, we entrust the management of our members' assets to the Investments Team of our internal Asset Manager (referred to in this Report as the Asset Manager or the Investments Team).

The Investments Team manages all of our customer funds on behalf of the Society's customers and members, Wesleyan Unit Trust Managers Limited and the Wesleyan Staff Pension Scheme, making decisions on the assets to invest in and the types of investments to be made. The aim of the Team is to provide a cost effective, active fund management service.

They are aligned to our investment beliefs and strong mutual culture. They have an overarching objective to achieve the best possible long-term returns for all Wesleyan's customer funds. This objective shapes the team's fund management approach, which sees them identifying and investing in assets, such as bonds, equities and commercial property, that offer the greatest potential for long-term growth, in line with our Investment Beliefs.

As long-term investors, the team use periods of short-term market volatility to identify investment opportunities for our funds and when doing so consider all investment options. In addition, they are content to buy and hold some stocks for 10-20 years if they consider that is appropriate. Our funds are also long-term holders of commercial property and our in-house Property Managers work closely with our existing tenants to secure rental income and look for acquisition and disposal opportunities which align to our investment beliefs.

OUR SUSTAINABILITY APPROACH AND STRATEGY

Our approach to sustainability continues to be governed by our Sustainability Strategy, which is approved by our Board of Directors. With ESG at its core, this strategy sets out our key principles, encompassing areas such as sustainability in our product offering, our infrastructure, how we invest customers' funds, support and guidance for our colleagues and the good causes we support.

We have continued to make progress with our sustainability strategy this year. It covers key principles from how we reduce the carbon footprint of our business operations and investment portfolio through to the role we play in the lives of our colleagues and our communities. The strategy drives vital behaviours and actions to ensure we meet our sustainability commitments.

We believe that the sustainability factors of an investment asset are typically longer term in nature so are critical in assessing its long-term prospects; consequently we regard sustainability as a key component of the investment research we undertake. The Investments Team integrate sustainability into the investment

decisions of all our funds as they believe it can lead to better risk-adjusted returns, notwithstanding ESG factors may have a differing impact dependent on where the company operates. We take the same approach in integrating sustainability into the analysis of equity and fixed income holdings as well as our direct property holdings.

We firmly believe that sustainable businesses will be more profitable in the long term, which will impact how our funds perform, and the level of investment returns we can generate for those who invest with us.

To support our approach, our Sustainability Committee meets on a monthly basis as a sub-Board Committee and provides governance and oversight for sustainability activity. The Sustainability Committee receives regular reports on progress against sustainability objectives, as well as receiving updates on sustainability related risks and opportunities.

WHAT WE HAVE DONE SO FAR

Against the backdrop of economic uncertainty we achieved the following key milestones:



We met our commitment to be operationally carbon neutral by the end of 2023, reducing our footprint by more than 50% on a like-for-like basis from our baseline year (2019) and offsetting the residual emissions.



We surveyed our customers to ensure our Sustainable Investing Policy still reflected their views and took this into consideration when updating the policy to ensure we continue to rigorously challenge the companies we invest in.



We kept colleagues up to date with progress against our targets through a series of internal communications and company webinars.



We evolved the Wesleyan Foundation to further align to the aims of the UN SDGs. In addition to supporting grass roots charities and our professions, we launched grants for projects supporting climate action, equality and education.



We worked closely with our Employee Network Groups to develop a more collaborative and inclusive approach to recruitment and professional development. We also collaborated with other key partners such as the Association of British Insurers (ABI).



We introduced 'Lived Experience Advisory Panels' to listen to the views of our communities, ensuring the work of the Wesleyan Foundation supports them in the right way.



We continued working to achieve our aim to reach Disability Confident Leader (Level 3) status by 2024. By raising awareness and understanding of disabilities and long-term health conditions, we will better support the needs of both current and future colleagues.



We diversified our property portfolio by expanding into new markets, upgrading EPC (Energy Performance Certificate) ratings of existing properties and ensuring properties are not situated in high-risk flood areas.



WHAT'S NEXT

We have clear plans on how we will progress our sustainability strategy in 2024, embedding our ESG principles further across the business. The following are some examples of work we plan to progress.



We will finalise interim targets as part of the transition plan to becoming net zero across our business and investments by 2050.



We will acquire at least two new property investments where we can make a significant impact on the local environment.



We will improve the EPC ratings to 'D' or above, for all property within our property portfolio by 2030 at the latest.



We will review recommendations from our regulators on a new framework on Diversity and Inclusion (D&I) in the financial sector and amend our strategy accordingly.



We will continue to strengthen our community work with further collaboration through the Lived Experience Advisory Panels and an enhanced Community Grants programme for community groups across England, Scotland, Wales and Northern Ireland.



We will publish enhanced climate disclosures of individual investment funds in line with new regulations.



We will create bespoke carbon footprints of subsidiary companies such as Practice Plan Group to track carbon reduction in a more granular fashion.



We continue to reduce our operational carbon footprint so fewer offsets are needed in 2024 to maintain our operational carbon neutral status.

OUR SUSTAINABLE INVESTING PRINCIPLES

We know our customers are increasingly concerned by what their investments are doing as well as how they are performing. While growth is a key aim for us, it's not at any cost. An updated Sustainable Investing Policy was implemented in 2021 and reviewed in 2024 based on customer research and feedback.

Whilst sustainability is at the heart of what we do, sustainable investing can mean different things to different businesses. Our approach applies to all our directly managed customer funds, not just a small selection of them. This means that our Asset Manager's Investments Team have to follow our three principles:



Responsible screening

Our members and customers can rest assured that we will invest their money in businesses committed to reducing the negative impact they may have on people, communities and the environment.



Positive contribution

We believe investments have the power to do good in the world, which is why we invest in companies that are actively involved in improving the environment, our society and peoples' lives.



Active engagement

We work with other companies and like-minded investors to drive positive change within the businesses we invest in, encouraging them to take steps that improve their sustainability and achieve better outcomes for the environment and society.

Each principle has various rules associated with it, such as the type of businesses the team can invest in and exclusions they must adhere to. When determining the importance of ESG factors for the companies assessed, the Investments Team uses research and data supplied by an independent third-party ESG data provider, as well as company reports, meetings with management, and other publicly available information.

This scrutiny of ESG factors helps highlight any specific opportunities or risks relating to the sustainability of a company or industry that may not be immediately apparent when solely undertaking financial analysis. As a result, we believe the analysis of a company's sustainability supports the Asset Manager in determining the long-term value of an investment.

In recognising how our investment decisions can have a positive contribution on global sustainability, and to ensure we remain aligned to the Society's sustainability goals, the Asset Owner has put in place an ESG and carbon intensity target, detailed in our Sustainable Investing Policy. These targets will be reviewed periodically to ensure they are sufficiently demanding.

Through our ownership and management of commercial property it is recognised that we have an impact on the environment and on a wide range of stakeholders. We aim to ensure our assets operate as sustainably as is practicable whilst maximising the financial return we achieve for our customers. As part of this we produce an annual ESG report for our property portfolio. The first report was produced internally in December 2022 and we intend to produce a document annually evidencing the evolution of our initiatives and plans in this important area.



SUPPORTING SUSTAINABLE ENERGY

In October 2023, Wesleyan's Property Team completed the ground lease purchase of a bespoke electric vehicle charging hub in Norwich. The facility is owned and operated by GRIDSERVE.

The multi-million-pound site houses 36 super-fast charging bays, boasts an impressive EPC rating of A+ and benefits from green walls (for air purification). On site renewables include a rainwater harvesting system, solar panels, and a battery storage facility.

Wesleyan is excited to work in partnership with GRIDSERVE on this project, whose credentials align perfectly with our own Sustainable Investing Policy. Notably, GRIDSERVE are committed to only purchasing electricity produced from renewable sources, and where there is a shortfall from their own sustainable power generation facilities, GRIDSERVE has a clear purpose to deliver sustainable power and transport, from sun-to-wheel.

Tom Holland, Property Asset Manager at Wesleyan comments:

“ The pioneering ESG-focused transaction was the ‘first of its kind’ in the market, and represented an opportunity to ‘lead change’ by investing in an asset which provides the necessary infrastructure to push forward the electrification of motor vehicles in the UK. ”





“As responsible investors, we make it our priority to ensure that the impact our investments have on people and the planet is in line with our Sustainable Investing Policy. We are committed to investing our customers’ money wisely by providing them with brighter financial futures whilst also considering the impact the companies we invest in may have on the world.”

LUCAS HOWARTH
Sustainable Investment Lead

A DEDICATED TEAM

The Investments Team has a dedicated Sustainable Investment (SI) Team, who bring the three principles of sustainable investing to life through their work, sharing their research findings with Investment Analysts to produce reports and investment recommendations for our Fund Managers.

The SI Team enhances the investment process by highlighting areas of concern relating to a company or industry’s sustainable positioning, or through identifying emerging sustainable trends. This includes, for instance, the push to increase the energy efficiency of residential and commercial buildings, or the growing number of markets planning to ban cars with internal combustion engines. The purpose of the SI Team is not to immediately exclude companies that may have exposure to specific sustainability concerns, but rather to highlight the opportunities and risks open to these companies as a result of their exposure to both positive and negative ESG factors.

The SI Team leads on stewardship and engagement activities with external management teams and Boards, putting pressure on them when and where appropriate. This is a particular focus in companies where they believe change would be of benefit to the company and will result in a more sustainable world. By engaging with external stakeholders to collaborate or voice their concerns, and having open dialogue with management teams about areas for improvement, they proactively try to help them improve on numerous issues. This can range from executive remuneration to environmental concerns, and from safety track records to Board diversity and independence.

They use ESG factors to help quantify this research and challenge or support decisions where appropriate. This collaborative approach engenders rich discussions and ensures Wesleyan’s Sustainable Investing Policy is adhered to.

Consequently, the relationship between the SI Team and the broader Investments Team is collaborative in nature and enhances research, providing a sustainable oversight function and also helping to improve long-term financial returns for our clients. The SI Team review the sustainability of the holdings in each fund and share their conclusions with the whole team. Where the SI Team believe that the sustainability of an investment has not been given due consideration by an Investment Analyst researching a company, they are able to raise this with our Fund Managers directly or at the weekly Investments Research Meetings. This autonomy ensures the SI Team can directly influence the investment decisions taken by the Fund Managers and any companies held within our fund range.

PROGRESS SO FAR

POSITIVE CONTRIBUTION

<p>We are top fifteen shareholders in three companies focussed on enabling the transition to a low carbon future, for example, companies investing in solar farms.</p>	<p>We have invested over £35m¹ into funds focused on sustainable energy production or infrastructure since the start of 2020.</p>  <p>£35m</p>	<p>We have over £80m¹ invested in companies contributing to social equality, such as affordable housing</p> 	<p>We have over £500m¹ invested in companies contributing to the advancement of medical health and the fight against diseases.</p>
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¹ All figures and data as of 31 Dec 2023.

ACTIVE ENGAGEMENT

<p>We are signatories of the Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, FAIRR and The Investor Forum.*</p> 	<p>In 2023, we met with the management of 366 companies to encourage better business practices.</p> 	<p>We also voted at 472 company meetings in 2023, ensuring our voice as an investor was heard and encouraging sustainable behaviour.</p> 
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* More information is available on our website at www.wesleyan.co.uk/sustainable-investing

RESPONSIBLE SCREENING

<p>Prior to launching our Sustainable Investing Policy, we sold over £40m of investments that failed to meet our 'Responsible Screening' requirements.</p>  <p>£40m</p>	<p>Of that, £15m was sold from companies we believe weren't taking the threat of global warming seriously.</p>  <p>£15m</p>	<p>We do not have any exposure to companies that produce tobacco products.</p> 
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STEWARDSHIP IN ACTION

We have been a significant shareholder in a specialist UK bank for a number of years. We felt the targets applied for their Executive team were not sufficiently stretching and that pay and performance were not aligned. Because of this, we have voted against their remuneration report on a number of occasions and voiced our concerns to their Board members.

In July 2022, we met with the RCC (Remuneration Committee Chair) to discuss their approach to Executive remuneration (which is set out in the company's Remuneration Policy) and what changes were set to be made to the policy - which we were able to vote on for the first time in three years at their 2023 Annual General Meeting (AGM).

We felt the new policy better aligned executive pay with shareholder outcomes - an area that had been of previous concern for us. Consequently, we decided to support the company's new approach to remunerating their directors - something that we hadn't felt able to do in previous years.

Lucas Howarth, Sustainable Investment Lead comments:

“ At the company's 2023 AGM, we were happy to vote in favour of the new Remuneration Policy. We feel our engagement over the past three years, and the productive discussions with the RCC, significantly contributed to this outcome. ”





TRANSFORMING OUR ENVIRONMENT

Wesleyan's Property Team aims to manage a sustainable, diverse, high-performing commercial property portfolio to benefit our members and customers.

2023 was the first year of a five-year partnership between Devon Wildlife Trust and Wesleyan to transform a redundant piece of land within one of our office development sites at Ludwell Valley Park in Exeter. The work done so far is already delivering a new outdoor space for the local community and office workers to enjoy - providing positive environmental benefits to wildlife, residents, and occupiers alike.

In February 2023, members of the Wesleyan Property Team joined forces with volunteers from the Trust to plant approximately 200 new trees at the site. It was a rewarding day, with the new woodland already delivering an increase to the bio-diversity of the whole reserve. The newly planted section known as 'Pynes Copse' links to an adjacent existing nature reserve increasing the space available for the public to enjoy. The team is set to return to the site in the spring of 2024 to plant more trees.

Peter Millyard, Property Asset Manager at Wesleyan comments:

“ We are excited to be returning to Exeter to see how the wildlife, local community, and the office occupiers are benefiting from the area at Pynes Copse. It's great to be able to continue to support such a worthwhile cause and bring a forgotten piece of land back to life in all its forms. ”



HOW WE ENCOURAGE STRONG STEWARDSHIP WITHIN WESLEYAN



MARTIN LAWRENCE

Martin joined Wesleyan in 1995 as an Investment Analyst, after graduating from the University of Exeter with a degree in Mathematics, and he subsequently qualified as an Associate of the Chartered Financial Analyst (CFA) Society of the UK. He became a Fund Manager in 2001. For 20 years he managed several Wesleyan funds, including the With Profits Fund until December 2020.

As Director of Investments, Martin is responsible for overseeing the management of all Wesleyan funds and our in-house Investments Team, which includes our Fund and Property Managers, Analysts, and Sustainable Investment Team.

THE ROLE OF THE ASSET MANAGER

The Investments Team is led by Martin Lawrence, Director of Investments, who is a Senior Manager Controlled Function Holder. To reinforce the strategic role the Investments Team plays in implementing Wesleyan's strategy, Martin reports directly to the Group Chief Executive Officer. In order to enhance accountability and oversight of all Wesleyan funds, he has no fund management responsibilities.

Martin is primarily supported by Marc O'Sullivan, Head of Investments, and Joe Curlett, Head of Property, who in turn manage teams of Fund Managers, Analysts, Property Specialists, and support staff.

WIDER STEWARDSHIP WITHIN WESLEYAN

As a mutual, we have a long history of doing the right thing for our members and communities, and we believe stewardship goes beyond just the investments we make. To meet our Sustainability Strategy and climate-related commitments, we have either adopted or committed to meet certain standards and have affiliated ourselves with organisations that share our sustainability goals; some of the key ones are listed on page [••].

As part of our continued commitment to sustainability, 2024 has shown a considerable focus on sustainability being embedded through every area of the organisation. We met our

target to be operationally carbon neutral by the end of 2023 to better align to our carbon neutral targets for 2050, which will involve an element of offsetting through credible channels. All our electricity tariffs for office locations are on renewable tariffs.

Sustainability Risk is one of our nine principles within our Sustainability Strategy and have proactively been ensuring sustainability is reflected in our employee benefits package by offering a salary sacrifice EV (electric vehicle) car scheme, enhanced cycle to work subsidies and discounted public transport. A considered approach has been taken to ensure all events are managed in a sustainable manner and sustainability has been embedded within our Procurement Charter. We will continue to ensure the Asset Manager challenges companies we are invested in to ensure they align with our Sustainable Investing Policy and we will focus on harnessing all of the good work being undertaken at Wesleyan and communicating that both internally and externally through regular updates and reporting.

Further embedding has taken place this year of the gender and ethnicity pay gap reporting and alignment of the Sustainability and Community & Citizenship strategies with the UN SDGs that are most pertinent to our operations.

We also hold the Stonewall Bronze Award and are part of the Workplace Equality Index.



THE WESLEYAN FOUNDATION

Launched in 2017, the Foundation has since donated almost £5.9m, supporting over 600 different charities and positively impacting the lives of an estimated 550,000 people throughout the UK. The focus is on supporting great causes that are important to our members and their communities.

In 2023 we introduced three new grants to strengthen our focus on the United Nations SDG goals we align to and to extend our reach into more communities across the UK. The new grants support projects dedicated to Climate Action, Equality, and Wellbeing - specifically for doctors, dentists and teachers.

Our community grants programme focuses on grassroots projects and is administered by the Heart of England Community Foundation. In 2023 we donated £325,000 to 40 charities across the UK through this programme, providing invaluable support in the face of continued financial pressures in the charity sector.

Projects included providing essential equipment for children with heart defects in Birmingham, mental health support for a Scottish charity dealing with trauma, help with employability in Wales and funding for an LGBTQ+ support group in Northern Ireland.

The Foundation is also proactive in the education, dental and teaching professions providing support for causes important to Wesleyan's customers. These include projects such as helping young people from under-represented backgrounds get into medicine, supporting positive mental health initiatives for dentists and a financial education programme in primary schools.

“ As a charity, it has been an honour to work with a mutual who demonstrate their commitment to corporate social responsibility in such a tangible way. ”

TINA COSTELLO

Chief Executive, Heart of England Community Foundation

MEMBERS MAKING A DIFFERENCE

The Wesleyan Foundation reached the fantastic milestone of funding over half a million breakfasts for hungry schoolchildren through the charity Magic Breakfast, thanks to support from our wonderful members. Following last year's AGM we donated a further £53,000 to the charity bringing the total amount since 2019 to £145,500.

Magic Breakfast works with over 1,000 schools in disadvantaged areas of the UK to ensure no child is too hungry to learn. They offer free, healthy breakfasts daily and provide expert support to schools.

Ali Roberts, Head of Corporate Partnerships at Magic Breakfast, said:

“ When a child is hungry, they cannot learn and this can impact their education and life chances. We are incredibly grateful to Wesleyan Foundation for their generous donation that is enabling us to provide free, nutritious breakfasts to pupils across the UK, giving them the chance to reach their full potential. ”



STEWARDSHIP AND REMUNERATION

Rewards within the Society are benchmarked to the market to ensure they remain competitive, and attract and retain the right calibre of staff. Remuneration is made up of fixed pay (i.e. base salary, pension and benefits) and annual performance related pay.

Decisions about remuneration are made taking into consideration the long-term interests and sustainability of the Society, the funds it manages and our members. Measurements of performance include mechanisms to consider all types of current and future risks. In 2023 we introduced new measures to the Wesleyan Employee Bonus Scheme Balanced Scorecard, to include a target of reducing our carbon footprint per colleague by 10%.

Within the Investments Team the Director of Investments is eligible to receive bonus payments under the Executive Variable Pay Scheme and Long-Term Incentive Plans, details of which can be found in the Directors' Remuneration Report within our Annual Report and Accounts.

An Investments Bonus Scheme is in place for all Fund Managers, Analysts and Property Specialists. The Investments Bonus Scheme assesses personal and team performance against a balanced scorecard of measures aligned to our strategic priorities - each team member has an individual scorecard, but also shares a team one.

Fund benchmarks are reviewed annually and performance against these and sustainable investment targets are included within the balanced scorecard to assess bonuses. The investment performance benchmarks are reviewed and approved by the Investment Committee annually and overseen by the Remuneration Committee.

The Investments Team support staff are incentivised through participation in the wider Wesleyan Employee Bonus Scheme.

The Society's strategic priorities are reflected within our remuneration strategy. For example, the Incentive Plan for the Executive Management team includes an incentive for carbon reduction. The Investments Team bonus scheme is also linked to targets for ESG and carbon footprint against benchmark for our investment funds.



STRONG GOVERNANCE AS AN ENABLER FOR HIGH QUALITY STEWARDSHIP

Strong governance is key to our business model, which seeks to be a lifelong partner to our customers and brilliant to do business with through the maintenance and enhancement of our in-house management capability.

HOW OUR COMMITTEE STRUCTURE SUPPORTS STRONG STEWARDSHIP

Our aim is to embed an understanding of stewardship across the business, such that employees consider sustainability in their day-to-day work and decision making. This includes the identification of risks and opportunities relating to climate change.

The Society Board is ultimately responsible for setting Wesleyan's Sustainability Strategy.

The Group Executive Committee, the Boards of the Society and Wesleyan Unit Trust Managers (WUTM), and the With Profits Committee also receive regular updates and provide challenge as appropriate on investment and stewardship activity. The With Profits Committee and WUTM Board also receive regular updates on how the Sustainable Investing Policy is being embedded.

Our established Investment Committee, comprised of non-executive and executive members meets to provide oversight on investment strategy, performance, governance matters and to monitor that our investments are managed in line with our Sustainable Investing Policy. The Committee also reviews the Stewardship Report prior to its approval by the Board.

Stewardship is one of our Sustainable Investing Principles under the 'Active Engagement' Principle and both the Investment Committee and the Sustainability Committee receive regular updates on our stewardship activities. Response to climate change is a key factor considered when monitoring investee companies, which influences how the Asset Manager decides to exercise our voting rights and whether they provide challenge to senior management of these firms.

Operational responsibility for its implementation (including managing climate-related financial risks) has been allocated to the Chief Risk Officer, Group Sustainability Manager and Sustainability Committee. Operational oversight is provided by the Sustainability Committee that provides governance and oversight for all sustainability and stewardship activity.

WHAT ARE THE KEY TOPICS DISCUSSED?

Key matters discussed at Board, Investment Committee and other governance committees during the period included:

- ▶ Regular review of investment strategy and performance. Any changes to the investment approach taken are governed through the Society and WUTM Boards, including ensuring changes are made in line with our Sustainable Investing Policy, with the Investment Committee giving support to provide oversight and challenge.
- ▶ Review, challenge and agreement to strategic Investment Beliefs and tactical Statements of Investment Principles. The Investment Beliefs Policy is reviewed and updated annually to develop existing elements and ensure effective stewardship. We regularly reassess asset allocation, including increasing the geographical diversification of the equity portfolio.

- ▶ Strategy, and monitoring, of progress to reduce our carbon footprint also received Board attention to ensure the commitment for us to be operationally carbon net zero by 2023 was met. A firm commitment has also been made to make our investment portfolio carbon neutral by 2050, at the latest. The Sustainability Committee review third party reports on our carbon footprint and agree plans to manage/reduce/offset our carbon footprint.
- ▶ WUTM Board reviewed its Value for Money Assessment Reports for customers to ensure its funds are offering value for money across seven criteria prescribed by the Financial Conduct Authority (FCA) and published its findings in a client facing report. Where areas of improvement were identified clear actions have been put in place to improve the position for the benefit of customers.
- ▶ Discussion and agreement of the approach taken on ESG matters including the agreement of any changes to the Sustainable Investing Policy, to improve the sustainability of our investments. The Policy reflects the results of customer research and feedback and is applied to the investment of assets for customers.

Targets measure the sustainable performance of our funds and these are monitored on a regular basis. This includes each fund having an ESG rating which is above the benchmark selected for the fund and the fund's carbon intensity being below the selected benchmark. All funds adhere to the 'Responsible Screening' and 'Positive Contribution' requirements and significant progress has been made in meeting the 'Active Engagement' principle.

All funds met their ESG rating target. Actions to address this continues to progress during the period.

Included in our work to enhance sustainability, we monitor the latest market developments for sustainability activity from our customers, competitors, regulators, and any legal developments; this helps us to assess any reputational risks and prioritise our sustainability work.

We validate our Sustainable Investing Policy and how our current approach to allow for ESG and carbon footprint ratings in investment decisions compares to other firms in our industry.

We have also reviewed sustainability messages in customer brochures and other marketing material, analysing customer and colleague feedback on sustainability, and contributing to external climate-related surveys and development of corporate communications on sustainability.

WORKING HARD TO ENSURE OUR CUSTOMERS' NEEDS ARE MET

Wesleyan manages approximately £7.6bn of assets on behalf of the Society and its customers. We have over 75,000 Society members, and over 225,000 customers have a Wesleyan product. As we do not have shareholders, our customers and members are central to our decision making. We stay committed to our specialist business model and believe we have room to grow further in our core medical, dental and teaching markets. A key pillar of our strategy is to build lifelong partnerships with our professional customers throughout their careers and into retirement. This means understanding their needs and ambitions at every stage of their life, as well as what's impacting them personally and professionally.

MEETING OUR CUSTOMERS' NEEDS

We offer a range of financial products to retail customers within the UK and provide advice to help them find the best ones to meet their requirements. We take the nature of our customers' professions into account when making decisions, to ensure that our products meet their needs. We also have a small number of corporate investors who have products through our Wesleyan Unit Trust Managers (WUTM) fund range. We operate a With Profits Fund, unit linked and unit trust investments, which can be bought through a variety of wrappers including personal pension products. We are long-term investors and look for ways to enhance customer investments, over a 5-year period at the very least.

Meeting our customers' needs is paramount in developing an appropriate investment strategy and also for sustainable investing and stewardship. We regularly engage with our members through our Advisory Board made up of representatives from our core segments in the medical, dental and teaching professions who cover various ages, life and career stages. This, along with our research provides a mechanism for us to understand the relevance of our propositions, the challenges and worlds of our customers, including the interplay with sustainability and other key investing matters. Members of these segments also periodically attend our Board meetings to provide further insights.

The Members Advisory Board (MAB) is a fundamental part of Society strategy to be insight-led and live by our purpose to build brighter professional futures for trusted professionals. MAB enables Wesleyan to put members first and stay true to the evolving personal and professional needs of our customers.

The MAB is made-up of eminent professionals from the medical, dental and education sectors. By leveraging their wealth of knowledge and expertise, they play a pivotal role in propositions of all kinds, including what it means to be a mutual that is owned and guided by its members.

Within each of our core target professions, MAB is representative of all career and life stages. It was relaunched in 2023 with a full board of 16 individuals and is co-chaired by board members to empower the board and lead Wesleyan's thinking.

MEETING CUSTOMER EXPECTATIONS ON STEWARDSHIP AND SUSTAINABILITY

Updates to our approach are, and will continue to be, tested with customer panels. We undertake regular customer research on customer opinions on sustainable investing and other areas, and we proactively look for feedback from customers and our Specialist Financial Advisers to ensure our Sustainable Investing Policy is reflective of our customers' views. This research informs how we drive change as stewardship continues to evolve, and how we keep pace with customer needs and expectations.

Recent surveys conducted during 2024 of approximately 3,000 customers and across a broad range of our customer segments found that stewardship and sustainability are important to our customers. They were reassured that Wesleyan makes sustainable and responsible investing a priority and value our approach across our funds.


A high majority of our customers tell us they agree with our approach to sustainable investing and would rather all our funds be sustainable and aligned to our mutuality ethos. They also like our approach of using the three core principles; Responsible Screening, Positive Contribution and Active Engagement to show how we are committed to investing in companies that are actively working to protect the environment and tackling the issues that impact the planet and its people.

We will continue to obtain customer opinion as we evolve our thinking and will use the output to further develop our policies and practices on stewardship and sustainability.

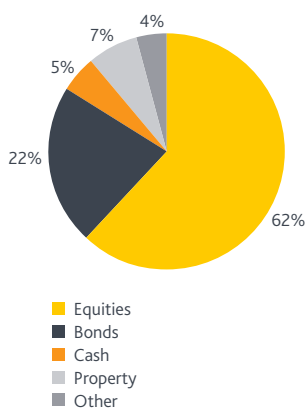
The effectiveness of our engagement with customers is regularly monitored by our Customer Committee and key results fed through to our Executive Committees and Board, with appropriate actions agreed to address any areas for improvement.

We recognise that we may have financial exposure to firms that could be considered to have specific negative sustainability issues, which some of our customers may believe is incompatible with our stance on sustainability. The long-term investing time horizon naturally gives rise to greater weight being placed on sustainability concerns, which are monitored and assessed through ESG-focused research conducted by the Asset Manager and at a more in-depth level by our Sustainable Investing Team. This means the companies we invest in are likely to be more sustainable than their peers.

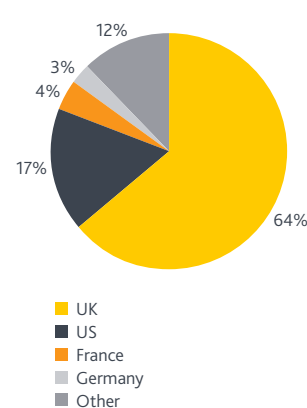
We are always looking for ways to communicate our sustainable position to customers more clearly. We regularly refresh and update the information which is available to customers on our website (www.wesleyan.co.uk/savings-and-investments/sustainable-investing). This includes information about our approach to sustainable investing, our principles and how we apply these. Our annual report and accounts also highlight the work we do in this area and the progress we have made in line with the overall expectations of the Society.

 <https://www.wesleyan.co.uk/about/corporate-governance>

AUM by asset class
AS AT 30 JUNE 2024



AUM by geography
AS AT 30 JUNE 2024



The Investments Team continues to work with Specialist Financial Advisers from Wesleyan Financial Services to improve their knowledge of our investment range and outlook, and provide updates on our sustainable investing activities, to ensure that they can continue to have meaningful conversations with their customers about our approach to stewardship and meet customer needs every time they interact with a customer.

IDENTIFYING, ASSESSING AND MANAGING CONFLICTS OF INTEREST

Conflicts of interest may arise from time to time between the Society, the funds managed on behalf of our customers or between funds. We do not believe stewardship activity is any different; potential conflicts here are mitigated as no single individual has overall responsibility for stewardship and engagement activity.

We have published our Stewardship and Engagement Policy on our website (www.wesleyan.co.uk/savings-and-investments/sustainable-investing).

Separate Conflicts of Interest and Anti-Bribery policies are in place, which all members of staff are required to read and adhere to. These policies are also available on our website (www.wesleyan.co.uk/about/corporate-governance). We take all reasonable steps to identify and manage conflicts of interest and always to act in the best interest of our customers. Any conflicts of interest are logged, and management of conflicts are monitored and reported by our Risk Team.

Policies are also in place for the management of Gifts and Hospitality, Personal Account Dealing, Market Abuse (including access to non-public, market sensitive information) and Best Execution of investment transactions. These policies are reviewed and updated annually. Mandatory training for staff is also conducted periodically on key topics such as Conduct Risk, Financial Crime and Market Abuse.

Our Risk Team has responsibility for monitoring adherence to policies where conflicts may arise within the Investments Team, such as personal account dealing or any offers of gifts or hospitality from third parties. The Risk team also monitor any conflicts which may occur from trading between funds or where there is potential for market abuse to arise. All activity and outcomes covering conflict of interest monitoring is detailed within quarterly reports to our Investment Committee.

When engaging with companies, the Asset Manager's Investments Team has a strong preference to not be privy to non-public, market sensitive information, as this restricts our ability to trade in the company. An example would be if an investee company gave advance notice of a particular course of action which they intend to follow. However, from time to time it may be appropriate for the Investments Team to voluntarily agree to receive such information in order to aid our discussions with management.

At the Asset Manager's weekly Investments Team Meeting, attendees are asked to identify and disclose any conflicts that may have arisen, e.g. if a member of staff personally owns a stock or is considering investing in a stock which is of interest. Investment research is also shared amongst fund managers.

We are pleased to confirm that no stewardship-related conflicts were identified and escalated to the Investment Committee during the reporting period.

FINANCIAL WELLBEING

Help and support when you need it most



To continue supporting our customers during challenging times, we adapted our online 'Cost-of-Living Hub' into a 'Financial Wellbeing Hub', designed to provide a range of useful resources to help members better manage their money and keep on top of their finances.

The hub includes support with basic financial principles, such as building an emergency fund or creating a budget, financial wellbeing insights tailored to our key professions, articles answering key questions about the mortgage market and useful links signposting users to extra care services.

During 2024, the hub will continue to be refreshed and expanded upon, with the aim of providing topical news updates and useful financial education so that members feel a sense of community and peace of mind.



OUR APPROACH ON ENGAGEMENT, COLLABORATION AND ESCALATION

As long-term investors, stewardship is integral to our investment management process. We have a responsibility to act as sound stewards of our customers' investments, and at Wesleyan, stewardship goes beyond just ensuring our management's interests are aligned to those of our customers. It also considers the environmental and social impacts of the investments we hold. We have a vital role to play in supporting the companies we invest in, to help them become more sustainable.

OUR APPROACH TO ENGAGEMENT

We believe that through effective stewardship of our customers' money, we (via our Asset Manager) are not only able to influence a company's strategy for the good of our customers, but also for the benefit of society and the world as a whole. We do this by requiring our Asset Manager to be signatories of the Principles of Responsible Investment and by clearly articulating the themes we would like our Asset Manager to prioritise when engaging with companies within our Sustainable Investing Policy.

Our approach to stewardship is set out in our Stewardship and Engagement Policy and we delegate our engagement activity to our Asset Manager. Having the robust processes in place to monitor our Asset Manager, allows us to use their expertise and resources to deliver the desired engagement outcomes. With a shared philosophy and common beliefs, engagement through our Asset Manager benefits from consistency. They achieve this by actively engaging with companies and other organisations, collaborating with like-minded investors, and reinforcing the Society's views through voting at company meetings. Through this open dialogue, they are able to encourage companies to invest sustainably and ensure high standards of corporate governance in the companies we are already invested in, and those we look to invest in (investee companies).

Open dialogue allows the Asset Manager to further their understanding of investee companies' strategy, give feedback on

any concerns they may have, and encourage change that may lead to improved outcomes for stakeholders. Consequently, we expect them to actively engage with potential and existing investee companies. Whilst recognising the benefits of engagement, to engage with all companies we are exposed to is likely to lead to insufficient time being dedicated to each engagement and a lower likelihood of successful outcomes, so our Sustainable Investing Policy sets out priority themes of engagement under the 'Active Engagement' principle. These themes were chosen after undertaking regular surveys on our customers' views.

The below diagram shows how we bring stewardship to life.



PRIORITY THEMES OF ENGAGEMENT

CLIMATE CHANGE/ENVIRONMENTAL TOPICS:

We will lead engagement within certain industries such as Utilities, Mining, and Oil and Gas to support the transition to lower carbon emissions and improved environmental impact. If our Oil and Gas holdings do not commit to carbon neutral by 2050 or the Utility companies we invest in are not 'coal-free' by 2030, we will divest. We will lead engagement with companies to ensure they are minimising their water usage, maximising recycling and restoring biodiversity within their operations.

DIVERSITY AND EQUALITY:

We will encourage and engage with companies to promote diversity, equality and inclusion:

- ▶ Companies should promote all forms of diversity, and provide greater opportunities for women, and minorities at all levels of the organisation.
- ▶ Companies should adopt more transparent tax strategies.

BUSINESS CONDUCT:

We will engage with companies where any of the following failings have occurred, or where their policies or controls leave them open to any of the following:

- ▶ Failure to comply with local and national working conditions, or more stringent codes of conduct to ensure compliance with local laws covering child labour, working conditions and health & safety.
- ▶ Failure to meet UN standards on human rights, labour, environment and anti-corruption (UN Global Compact).
- ▶ Whose activities clearly infringe or are complicit in infringing on international agreements (such as the International Bill of Human Rights).
- ▶ Repeated and significant violations related to bribery and corruption.
- ▶ A pattern of fundamental regulatory breaches, a track record of unfair or inappropriate practices towards customers, or where management has failed to take effective measures to respond to incidents of misconduct and/or unethical behaviour.

DECIDING WHEN TO ENGAGE

In deciding which companies to engage with and on what issues, we require our Asset Manager to prioritise our Active Engagement themes, whilst also being mindful of those issues they believe will have the greatest impact and those that are most likely to be realised. In doing so they can have the greatest positive contribution for our customers and drive the greatest positive change for wider society.

The Asset Manager's Investments Team undertakes its own research into the companies it invests in or may potentially invest in to highlight aspects of a company's or industry's operations that they believe, through engagement, could bring about positive change for shareholders or broader stakeholders. They also use information provided by an ESG data service provider to help highlight those companies whose exposures or practices are of particular concern.

Where appropriate, they may also contact companies to discuss our voting intentions, or to highlight specific concerns we may have. As part of the voting process, they will contact a company where they feel it would be beneficial to communicate why they intend to vote contrary to management's guidance. This engagement serves to inform management of improvements they can make, which may result in support for current or future proposals. Voting without engagement is typically less effective; without effective communication it may be unclear to a company's management team why we have voted against their guidance. Engagement can also help clarify issues, or further our understanding of a proposal, leading to more amicable voting outcomes.

The Asset Manager may also believe it necessary to contact a company following a controversy that has taken place. Examples of this include an environmental accident or concerning reports on product safety or staff treatment. In these cases, their priorities are to determine why such an event has occurred, to review the remedial actions taken by the management of the company, and decide whether they need to take further action, such as voting against the reappointment of directors. They will then continue to monitor the company's progress, engaging with them, voting where appropriate, and divesting (selling our investments in the company) where deemed necessary.

The Investments Team adopt the same approach to engagement across all holdings in our funds, regardless of sector or geography. However, we recognise that they have greater potential to achieve positive change in those companies where we have a greater financial interest. We make no distinction in our approach between those companies where we hold equities or bonds although the Asset Manager is able to exert greater influence through equity holdings as they have the ability to vote at company meetings.

HOW TO ENGAGE

The team mainly engages with companies through private in-person and remote meetings. This creates the best opportunity for open dialogue and to discuss our concerns or suggestions directly. Typically, discussions are held with a company's investor relations teams, executive or non-executive directors, or company specialists.

These meetings provide the opportunity to increase the Team's depth of knowledge of a company's operations, update or develop understanding of their strategy, discuss material ESG risks or opportunities, and ask probing questions.

While the Team believe in-person meetings continue to be the most effective communication channel, the availability of company management may mean engagement is not timely, or conversations could be more fruitful had they received some initial feedback from management prior to meeting. We have

recently started to discuss the introduction of targets related to our Active Engagement themes and will look to include some in the next iteration of our SI Policy or Procedure. This will allow us to better track the performance of our Asset Manager against our engagement priorities.

Over the period from 1 July 2023 to 30 June 2024, the Asset Manager reported they undertook over 350 company meetings with the majority of these taking place with the management of the company, and the most prevalent topic being strategy. Having reviewed the topics of these meetings, the proportion of company meetings where social or environmental topics were discussed has increased. However, we have seen a decrease in the total number of ESG-focused engagements that were undertaken, which includes responding to regulatory consultations, meetings with collaborative organisations (which is a group of like-minded investors) and industry-wide initiatives, and liaising directly with companies.

Whilst strategy is likely to remain the key topic in most company meetings, we hope to see further progress made by the Asset Manager in discussing ESG issues in future years.

MINING EQUIPMENT COMPANY

LARGE COMPANY

We have been investors in the company for a number of years but given the size of it, our shareholding has always been a relatively small proportion of the company's shares. As described in our Stewardship and Engagement Policy, this would typically mean we were unlikely to engage with the company. However, our Asset Manager (AM) believes the company is systemically important to the global achievement of net zero goals, and we felt its approach and preparation for net zero was lacking and a severe issue. Consequently, we joined Climate Action 100+ (CA100+) to allow us to collaborate with like-minded investors, increasing the likelihood of securing positive changes at the company.

In June 2024, following several meetings as part of our membership of CA100+, at the company's AGM, we voted against the re-election of the Chair of the committee responsible for climate risk oversight, as the company still failed to have a long-term net zero strategy, nor did it have in place sufficiently detailed scope 1 and 2 targets (targets related to the greenhouse gas emissions of their operations)

Our voting aligned to our Active Engagement theme of 'Climate and Environment', by encouraging the company to support the transition to lower carbon emissions. We also voted contrary to management recommendations in voting for two shareholder proposals: one relating to the requirement for an independent Board Chair; and the other requesting a report on lobbying payments and policy.

During the twelve months to the end of June 2024, at a number of different company's AGMs, we supported shareholder proposals requesting reports on lobbying payments and policies. Many of these we supported as we were keen to ensure lobbying activities of the company's we were invested in were aligned with each company's publicly stated aims, particularly those related to climate change.

COLLABORATION WITH OTHER INVESTORS

The Asset Manager's Investments Team has a preference for initially engaging privately with companies; however, there are instances where they believe collaborating with other investors or organisations would be beneficial.

The situations that they believe warrant collaboration are broad but may include:

- ▶ instances where they feel another investor has raised a matter that they believe merits exploration;
- ▶ where they feel they need to exert greater pressure on the company to act, for instance where management are failing to give our views due consideration; or,
- ▶ where they are a relatively small investor and are looking to encourage a company to adopt a specific stance or action.

Through specialist research, the SI Team have furthered their understanding of the negative environmental impact that our investee companies have on the world, and how they can adapt to mitigate it. However, many of the largest polluters are also some of the world's largest companies, meaning we typically have a relatively small holding in the company and engaging successfully can be more difficult. If the Asset Manager fails to engage with these companies, we miss the opportunity to encourage the change that would have the greatest positive contribution on the world.

Therefore, where we have a small relative holding, but the team believe successful engagement would generate a positive benefit for our clients and wider society, they may choose to collaborate with like-minded investors through membership of organisations who share a similar ethos to us.

To this effect, Wesleyan have become signatories of a number of collaborative organisations, including the Access to Medicine Foundation (AMF), an organisation that encourages and guides pharmaceutical companies to do more for people living in low- and middle-income countries with limited access to medicine. We believe the aims of the AMF complement our customers' views, as it encourages a reduction in the negative impact of the pharmaceutical firms we invest in. We have already started to effectively integrate the AMF's specialist research into our assessment of pharmaceutical firms' environmental and social impacts. In time we hope to fully incorporate it into our investment decisions and company engagement.

We believe engagement, rather than exclusion, results in the best outcomes for customers and wider stakeholders. By investing in and engaging with a company, we are able to encourage the 'right' activities and practices. Divesting or withholding investment in a company can be effective, but in general we believe it does little to foster the correct response from a company and the opposite may even occur, as less environmentally or socially conscious investors could then become a larger proportion of the investor base.

WATER UTILITY COMPANIES

MEDIUM COMPANIES

From time to time, we will leverage our membership of collaborative organisations who by working together, can get better results from investee companies on the issues of ESG and climate change.

Wesleyan holds shares in several water utility companies, and in July and August 2023, our AM leveraged our membership of one such collaborative organisation, and met with senior management to understand what the companies were doing to reduce sewage pollution and water leaks.

These meetings also allowed our AM to understand the scale of the issues for each company: what work, if any, is needed to solve the issues; and what has been the impact of any potential regulatory responses. We found that two of the three water utility companies had already improved the water infrastructure of their operations to the maximum level (as measured by the water regulator), and all of them were financially resilient and would be able to resolve any issues if required.

As part of the work our AM did with the collaborative organisation, earlier in the year, our AM had engaged with the water pricing regulator, and we also wrote to the environmental regulator on ways we believed would help to accelerate industry improvements. In addition, we contacted the relevant UK government department to ensure the regulators are properly fulfilling their duties in terms of making sure the environment is protected, and the industry is adequately funded.

In the first half of 2024, also as part of our work with the collaborative organisation, our AM met with OfWat, the water regulator, and Costain, a water infrastructure company. These meetings gave them insight into the deliverability and financial viability of water utility infrastructure plans. Without our membership of the collaborative organisation, we do not believe our AM would have been able to meet with all the parties they did, and their knowledge on the subject would have suffered, impacting their ability to incorporate the risks and opportunities related to water pollution and leaks affecting the companies we invest in.

Collaboration isn't always provided via professional organisations. But we also periodically engage with other investors. Our AM did so in June 2024, meeting the Head of ESG of another investment firm. During the meeting, they discussed views on different ESG topics and where they might be able to collaborate and support each other.

TAKING CONCERNS FURTHER

Initial engagement with a company may not always achieve the desired results. Where the Asset Manager has concerns regarding specific topics or the general approach adopted by companies they invest in, they may choose to escalate their stewardship activities. This could include:

- ▶ seeking additional meetings with the company
They may choose to reach out directly to management or investor relations at the outset - where the level of concern is particularly high and we have a material financial interest in the company. Instances where this is more likely to occur are when a company's business conduct has fallen short of their expectations, which may relate to what they see as a poor material strategic decision (e.g. 'overpaying' for an acquisition), or where a company is performing poorly on one of the engagement criteria listed in the 'Active Engagement' principle of our Sustainable Investing Policy.
- ▶ contacting the non-executive directors, or company advisors, to seek further explanation. Where there are concerns regarding the strategy of a firm or their approach to ESG, it may be more productive to write to the company in the first instance. Where the response to written communication fails to alleviate initial concerns, the team will then reach out to management or investor relations asking to discuss the matter in more detail.
- ▶ in cases where we have a material financial interest in the company and the outcome of meeting management or investor relations does not alleviate our concerns sufficiently, the Investments Team may choose to contact the relevant independent Director. If the company then fails to respond to concerns or where the team believe the rationale provided by the company remains unsatisfactory, they may withhold our vote or vote against related items, or Directors, at the company's AGM. In extreme cases they may choose to divest our holdings in the company.
- ▶ joining a collective engagement vehicle of other investors who share similar goals with us to combine efforts and achieve the same goal, and
- ▶ voting against management.

In cases where our financial interest is limited and there are significant concerns which are not satisfied by initial contact, the approach is likely to be more straightforward. The Team may then contact the company to discuss any issues we have; however, they may feel that due to the size of our small holding, a meeting is unlikely to lead to a beneficial outcome and be an unproductive use of time. If this is the case, they may choose to abstain or vote against related items/Directors at the company's AGM, or sell our interest. In cases where there are minor concerns regarding the strategy or environmental and social performance of a company, and a small relative shareholding, the team are more likely to abstain or vote against related AGM items than engage in the resource-intensive activity of meeting with management.

Their approach to escalation is determined by their level of concern and our financial interest in the company. By escalating and engaging where they can use their influence and have the greatest impact, they are making the best use of the resources they have at our disposal. Ultimately, if this escalation fails to invoke meaningful change in a reasonable time, divestment will be considered.

There is no exhaustive list of concerns that we feel warrant escalation, but items they have engaged upon in the past include governance failures, climate change strategies, executive remuneration and continuation votes.

They adopt a similar approach across all our funds and geographies, albeit our UK bias means we are more likely to escalate issues with UK listed companies, as a result of the greater financial interest we hold in this region. We try to influence the issuers of bonds we hold in the same way as equities; however, in cases where we do not also hold equity in a company, we are unable to vote on related items at a company's AGM so have less immediate influence, but the option to divest still remains.

“ We believe engagement, rather than exclusion, results in the best outcomes for customers and wider stakeholders. ”

MODERN SLAVERY

SMALL INVESTMENT TRUSTS

Over the past few years, we have enhanced our approach to identifying and combating modern slavery. This includes the risk of being exposed to modern slavery through our investments in other companies.

As part of this work, our AM introduced annual checks for our investment holdings. These checks were broadened to incorporate our holdings of investment vehicles, such as investment trusts.

The investment vehicles we invest in are expected to have their own modern slavery statements or equivalent. Whilst the majority of them do have, extensive modern slavery statements, four were identified as being limited in scope or depth.

In-line with our AM's Modern Slavery Policy (where it is believed that insufficient risk minimisation measures are in place), they will begin engaging with the trust. Our AM is now set to contact the four investment vehicles that it believes would benefit from improving their approach to modern slavery. In the first instance, our AM will write to the Chairs of the Boards of these companies, setting out deliverables related to accountability, monitoring, and oversight. The Chairs will then be provided time to respond, and the AM will then look to engage with them on this matter, if required.

Failure of these companies to respond to our AM's satisfaction will result in an escalation of our approach, as set out in our Stewardship and Engagement Policy - which could result in votes against the re-election of Board members and even divestment.



RESTAURANT COMPANY

LARGE COMPANY

In May 2023, we abstained on a shareholder proposal requesting agreement to phase out the use of medically important antibiotics in its animal supply chain. We were generally supportive of proposal, but we had concerns over the scope and the potential financial implications, hence our abstain vote. The proposal failed to garner enough support.

As one of the largest restaurant brands in the world, the company is one of the largest purchasers of meat products and because of this, we felt reducing the risk of regulation and negative publicity related to the use of medically important antibiotics would be beneficial to the company.

As a small shareholder in the company, we felt we would benefit from collaborating with other investors to encourage the company to adopt targets to phase out antibiotic use in their supply chain. Later the same year, we joined FAIRR's (Farm Animal Investment Risk and Return's) restaurant antibiotics collaborative engagement group to encourage major restaurant brands to reduce the use of antibiotics in their supply chain. In July of the same year, we were joint signatories to an engagement letter to the company requesting information on the scope of their antibiotics policies, related verification processes, non-compliance escalation procedures, and reduction targets. A comprehensive written response was received, but we felt the antimicrobial reduction targets were limited in nature.

At the company's 2024 AGM, a similar shareholder proposal asking for the phase out of medically important antibiotics in its animal supply chain was put forward. This time we felt more

comfortable with the scope of the proposal and voted for it. Sadly, the shareholder proposal still failed to achieve sufficient support, but we will continue to work with the collaborative organisation to encourage the company to adopt clear targets.



EXERCISING OUR VOTING RIGHTS

Exercising our rights as investors in companies is another vital component of our stewardship activities, and through our Asset Manager we look to exercise our rights as investors at all opportunities to promote best practice and improve the sustainability of those companies we are invested in. Voting helps us to exert influence on company management and shape investee company outcomes. The Investments Team may outsource decision-making on specific votes to allow them to focus on areas they believe are of greater benefit to our customers. In these instances, they use the services of a specialist proxy service provider. Their selected service provider applies a sustainability policy when providing voting recommendations, which ensures the voting applied more accurately reflects our views and those of our customers.

Quarterly reporting is requested of our Asset Manager on all voting and engagement activity that has been conducted and we challenge those we believe are inconsistent with our expectations.

OUR APPROACH TO VOTING

The in-depth analysis, company engagement, and experience of our Asset Manager influences how they vote. Most voting opportunities relate to our shareholding in companies, however the general principles described below apply to all our investments.

We expect the Asset Manager to consider voting on all proposals and in the year to 30 June 2024 they voted on our behalf at 99% of all corporate proposals relating to our equity interests. Instances where they have not voted are predominantly because of power of attorney or share blocking requirements.

They look to exercise our rights on our fixed interest holdings when possible. However, instances where this is possible are limited, as there is no annual requirement as there is with equities and proposals can only be put forward by the company.

Our custodian periodically provides our proxy service provider with a list of our holdings. The Asset Manager undertakes manual validation to confirm all our holdings are being correctly recorded, and our voting rights are correctly displayed and applied.

The team monitor the occurrence of voting opportunities twice a week, which provides line-of-sight on upcoming votes and the opportunity to discuss any voting items they deem controversial. This ensures they are aware of impending votes when they are buying or selling investments, and means they can avoid the loss of voting rights due to the timing of trading. Wesleyan does not currently undertake stock lending, and as such it always retains full voting rights over its investments.

Wesleyan only manages pooled funds, so as a result we do not allow clients to direct our voting. However, the Asset Manager may take client views and feedback from our customers into consideration when voting. Recognising the need to be transparent with our clients in how we manage the rights associated with their investments, we publish our voting record quarterly, covering the previous three months. During the period covered, 1 July 2023 to 30 June 2024, the Asset Manager voted on over 8,000 proposals at 485 meetings.

1 July 2023 to 30 June 2024 voting activity by issue

Issue	Total number of resolutions	Percent of votes contrary to management
Routine/Operations	10,773	1%
Shareholder Rights	313	21%
Compensation	5,143	10%
Director Oversight	16,644	5%
Social	1,295	17%
Environment	240	48%

You can find our most recent voting record at <https://www.wesleyan.co.uk/savings-and-investments/sustainable-investing> under "Voting history".

HOW WE EXERCISE OUR VOTING RIGHTS

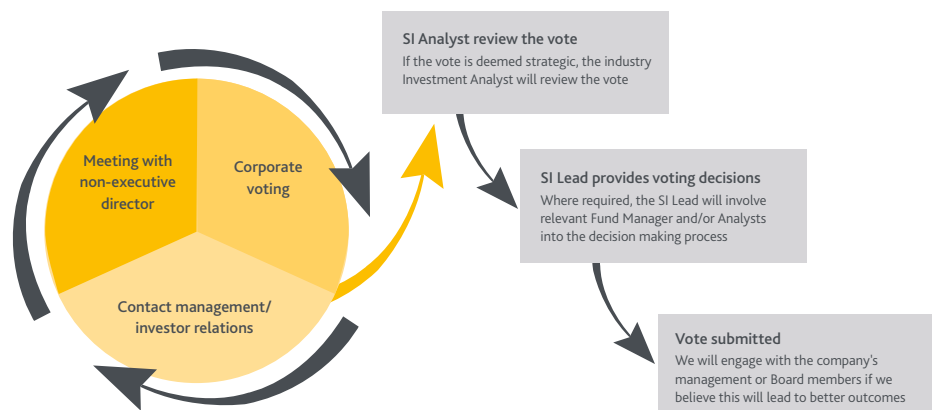
To complement their fund management and research process, the Asset Manager also uses expert research provided by a specialist shareholder services provider. This helps them to form an opinion on the voting proposals under consideration at any company meeting we have a right to vote at. Whilst this research and advice is useful, voting decisions are based on their own analysis of the factors involved. They endeavour to manually review and provide decisions on as many proposals and meetings as possible. However, in some instances it may be a better use of resources to delegate voting decisions to the specialist shareholder services provider.

Delegating some decisions allows the Investments Team to focus more on those votes where they believe they have the greatest influence and can therefore generate the greatest positive contribution for our customers, ourselves, and the world we live in.

They will manually review all proposals and determine their own voting position where any of the following conditions apply:

- ▶ Wesleyan hold a material position in the company, defined as being more than 0.50% of the company's issued share capital;
- ▶ The meeting proposals are considered to be unacceptably breaching best practice or contain controversial content;
- ▶ The company operates in a controversial sector, currently covering the Aerospace & Defence, Oil & Gas, and Mining sectors.

Meetings selected for manual review are assigned to the SI Analyst who specialises in the sector the company is part of. In the case of the vote being deemed strategic, the industry Investment Analyst will review the vote.



When voting, we are aware that companies in different markets and sectors can operate under significantly different conditions. Due to this, the Asset Manager considers the presence of mitigating and exacerbating factors in their decision making. They also recognise where company management have taken remedial steps, and engagement is often key in revealing the impact of their actions.

To ensure delegated meetings and proposals align to our approach to sustainable investing and stewardship, we have chosen to apply our shareholder service provider's specialist Sustainability Policy. This policy has a broader remit and incorporates the ESG performance of a company into its decision making.

FACTORS WE CONSIDER WHEN VOTING

After reviewing our Stewardship and Engagement Policy this year, we felt that it would be beneficial to introduce some voting guidance aligning to our "Equality and Diversity" engagement theme. This would mean the voting Asset Managers undertake on our behalf supports our engagement priorities. The broad principles set out below, are only to provide guidance as many proposals are more nuanced and, as such, proposals are taken on their individual merits.

 <p>Director capability and independence</p> <p>Boards should be composed of appropriately skilled individuals who provide suitable challenge to the executive directors. The Board should be predominantly independent, diverse, and led by an independent Chair.</p> <p>We will vote against directors who we feel hold too many roles and are 'stretched', or where their election would contribute to the Board no longer being independent or suitably knowledgeable.</p>	 <p>Compensation</p> <p>We support remuneration policies that encourage the recruitment and retention of high-calibre individuals.</p> <p>We expect performance targets to generate long-term value for the company and align to our views on sustainability. Targets should be sufficiently stretching and rationale should be provided for awards issued, particularly in the case of qualitative criteria.</p> <p>We will vote against proposals that we believe are excessive or fail to align to the long-term interests of shareholders and other stakeholders.</p>	 <p>Shareholder rights</p> <p>We are generally supportive of proposals that increase shareholders' capacity to shape the corporate agenda and support the right for shareholders to nominate Directors.</p> <p>We expect changes in capital (such as share buybacks and issuance) to only be undertaken where they are an effective means of generating value for customers and are not detrimental to the long-term interests of shareholders.</p>	 <p>Board Diversity</p> <p>We believe companies benefit from a Board comprising individuals with diverse well-informed views. As such, we support Boards consisting of diverse and skilled members. Where we feel a Board is failing to address poor diversity, we will typically vote against the election/ re-election of the Nomination Committee Chair. We recognise that achieving diversity can be more difficult in certain geographies and industries, and a constructive approach to diversity is more effective than strict rules and targets. In voting, we may also consider the recent trend in the diversity of the Board.</p>	 <p>Sustainability</p> <p>We support actions that help reduce the negative environmental and societal impact of a company, whilst recognising the need to act in the best interests of our customers. We support improved disclosure where we believe this enhances our understanding of a company's exposures. Where relevant, we support the use of recognised standards in reporting, such as those provided by the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures.</p>
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OIL AND GAS COMPANY

LARGE COMPANY

We became a relatively small shareholder in the company in 2022, as part of a demerger of an existing holding and subsequent merger. At its 2022 AGM, prior to our holding shares in it, the company faced a significant level of votes against its Climate Action Transition Plan proposal, which ultimately passed by the narrowest of margins.

Following the shareholder revolt, our AM felt the company had failed to respond to shareholder wishes nor address the risks related to climate change - both of which were a major concern for our AM.

Our first opportunity to vote at the company's AGM was in April 2023, where we abstained on the re-election of all of the members of the company's committee responsible for climate risk oversight; noting the lack of response from the company following the significant level of votes against its previously issued Climate Action Transition Plan.

At the company's 2024 AGM, the company put forward a new Climate Transition Action Plan, but our AM felt it failed to sufficiently prepare the company for the transition to net zero and relied too heavily on future unknown technologies and carbon offsets. Consequently, we voted against the proposal, and due to the continued failure of the Board to respond to the shareholder revolt in 2022, we also voted against the re-election of the Chair. The re-election of the Chair garnered enough votes to pass, despite a large proportion of shareholders voting against. The Climate Transition Action Plan failed to garner enough support and whilst the reject of the plan is non-binding, it is a clear indication of the Board of the seriousness of the matter to investors.

We expect our AM to continue to assess the company's approach to climate change, in-line with the guidance related to Sustainability set out in our Stewardship and Engagement Policy and vote according at the company's AGM in 2025.

FINANCIAL SERVICES COMPANY

SMALL COMPANY

We hold a relatively large proportion of the company's shares, and our AM has engaged with the company's Remuneration Committee Chair (RCC) over recent years, as they felt too much discretion was used in the payment of bonuses. They have also voted against the Remuneration Report item – which sets out the performance and pay achieved of key company staff during the year – at the company's AGMs since 2019.

At the 2022 meeting, held in February the AM reflected their disapproval in the lack of progress made on the level of discretion used, and abstained on the re-election of the RCC.

In July 2022, our AM met with the RCC to discuss the forthcoming Remuneration Policy, which would be introduced at the subsequent AGM in 2023. Our AM provided examples of how they felt remuneration could be better structured, but expressed broad support for the policy, which alleviated many of the concerns we have discussed with the RCC over the years.

Our AM met with the RCC in February 2023, prior to the company's forthcoming AGM, to discuss the Remuneration Report as they felt it provided insufficient detail on the bonus awards being given to the company's Board. The AM felt there was double counting within the rewards themselves, and that they were being boosted further by windfall gains (benefits outside of their control or making). Our AM remained unconvinced and voted against the Remuneration Report. However, after their engagement over the past three years, and the productive discussions with the RCC, the AM voted in favour of the new Remuneration Policy and hopes it will help rectify the issues they have had with previous Remuneration Reports.

The company's 2024 AGM was in February, and our AM met the new RCC and Chair of the company to discuss the Remuneration Report that had been put forward. Our AM raised the improved level of disclosure on previous years but felt that the use of qualitative metrics (such as strong leadership and business digitalisation) still provided the remuneration committee with too much discretion over the size of bonus awarded. Ultimately our AM abstained on the Remuneration Report, whereas in previous years we have voted against it. Our AM believes that through the adjustments made to the Remuneration Policy from last year, the company has made progress in reducing the discretionary aspects of director remuneration, albeit there was still an over-reliance on subjective assessments of performance. Following the voting at the 2024 AGM, our AM sent the RCC examples of Remuneration Reports of the company's peers that used clear quantitative measures that they would like the company to adopt.

We look forward to seeing further improvement in the company's disclosures in the coming years.

HOW WE SUPPORT WELL-FUNCTIONING FINANCIAL MARKETS AND MANAGE RISK

We accept risk in order to deliver the strategic objectives of the Society, recognising the need to balance risk and reward. Although all risks cannot be fully avoided, and many are already impacting the economy, we have a responsibility to mitigate their impact and work with policymakers and standard setters to address them in the long term.

THE IMPORTANCE OF STRONG RISK MANAGEMENT

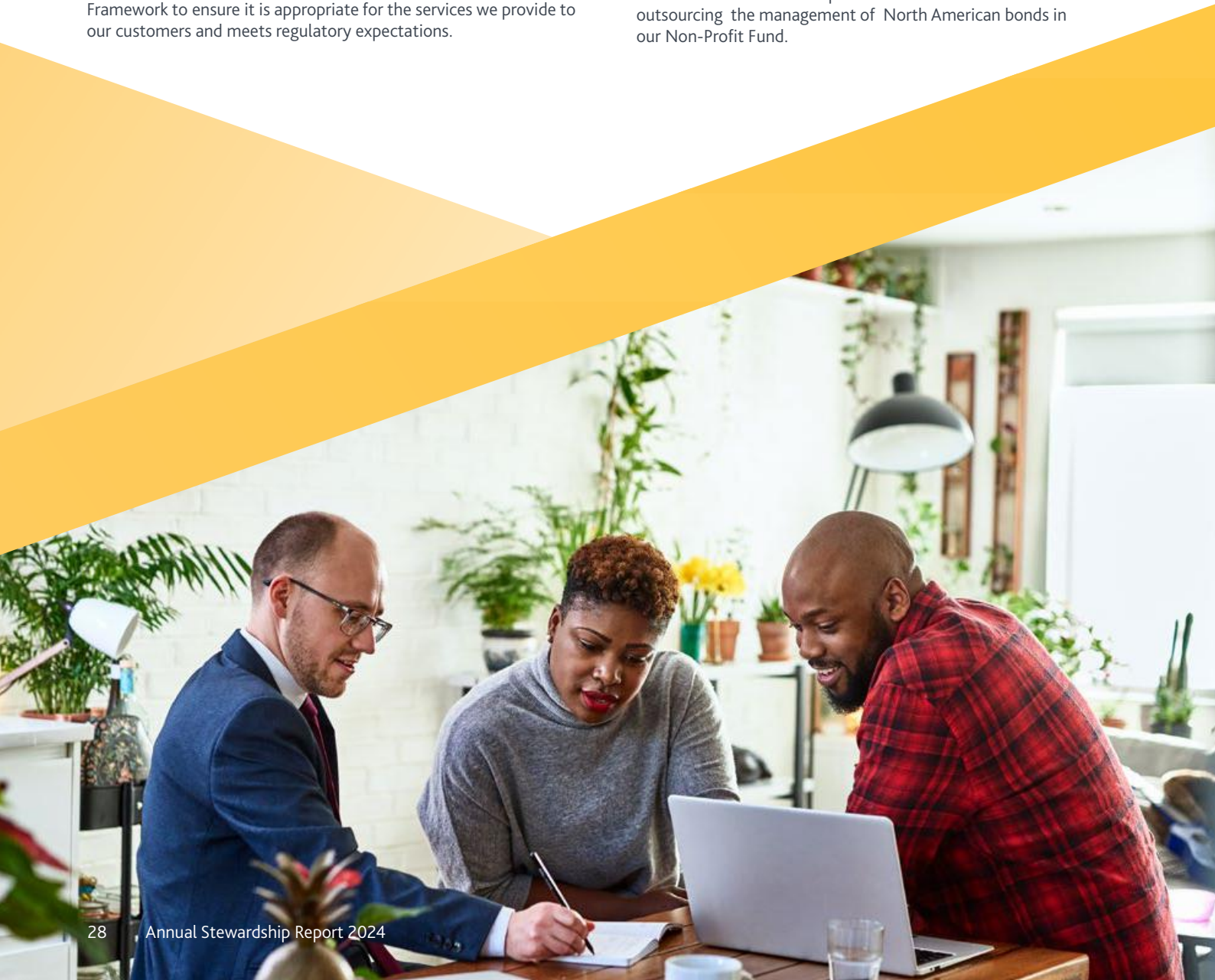
We recognise, in a fast-paced and challenging world, the importance of strong risk management to support well-functioning markets and we employ a Risk Management Framework which is integrated into our business processes. We have a clear and documented organisational accountability structure including Boards, Committees, a dedicated Risk function and named individuals laid out in relevant terms of reference, policy and procedure documents. Risk management covers our key risks which can be financial, operational or strategic in nature.

The Board regularly reviews the Society's long term strategic plans in light of the changing internal and external environment, with a priority to ensure any initiatives do not compromise the financial strength or reputation of the business and our ability to provide good customer outcomes.

Our Risk Committee has oversight of the Risk Management Framework to ensure it is appropriate for the services we provide to our customers and meets regulatory expectations.

As part of a forward-looking risk management approach we:

- ▶ Maintain and monitor compliance with risk policy statements, including market, liquidity and credit-related risks;
- ▶ Monitor emerging risks, geopolitical developments, and the overall market landscape. During the reporting period this has included the ongoing impacts of climate change, political volatility, falling inflation, high interest rates, and conflicts in Ukraine and the Middle East. These have been closely monitored by our Asset Manager which allows timely identification of any market-wide or systemic issues, and supports our commitment to stewardship and responsible investment;
- ▶ Engage with regulators, government organisations and standard setters to advance good governance and responsible investment. This includes providing responses to consultation requests, surveys, and meeting with regulators and others to express concerns or support for policies and practices in relation to good governance;
- ▶ Outsource the management of relevant funds to a third party where we consider that we do not have sufficient expertise in a market or sector. The process for identifying and monitoring such outsource partners is rigorous and robust. We have maintained our relationship with Goldman Sachs in outsourcing the management of North American bonds in our Non-Profit Fund.



A summary of the key non-quantifiable risks identified as part of our Own Risk and Solvency Assessment (ORSA) process is set out below. Our strategic plan aims to mitigate these risks which, alongside the prioritisation of mitigating actions, have been reviewed and approved by our Risk Committee and Society Board.

REF	RISK	KEY CONTROLS	RESIDUAL RISK
1	There is a risk that we are unable to grow our business, remain relevant in our core markets and achieve scale to be competitive.	Monitoring changes in our markets; Increased agility to react to competitors (as result of transformation developments); Understanding our customer needs; Increased diversification through platform sales.	Medium
2	There is significant economic and political uncertainty and there is a risk that this undermines the Society's ability to achieve its Strategic Goals.	Regular monitoring of market conditions; Diversification of market risk exposure; Diversification of income channels; Maintaining our financial strength; Scenario and Reverse Stress Testing.	Medium
3	There is a risk that our control environment is not sufficient to prevent a cyber-attack and / or that we do not detect and respond to such an attack appropriately, leading to loss of data or access to systems to service our customers.	Implementation of Cyber Risk Strategy; Cyber Risk Framework; Operational Resilience Framework; Robust cyber threat defensive procedures (including scenario testing); Regular employee training; Cyber Insurance.	Medium
4	There is a risk that we do not meet customer expectations in respect to climate change and sustainability which leads to reputational damage.	Sustainability Strategy; Climate Change Risk Assessment; Governance through the Sustainability Committee; Sustainability KRIs; Scenario Testing; Regular customer surveys / feedback.	Low
5	Increasing Regulatory change could affect the ability of Wesleyan to deliver its strategic objectives. The PRA and FCA have introduced significant regulatory change which can be demanding and require management and Executive attention.	Horizon scanning of regulatory change requirements; Robust plan to fill gaps; Monitoring of work plans and progress; Contribution to feedback and requests for opinion by the regulators to ensure our customers' needs are reflected.	Low
6	There is a risk a material third party does not perform as expected, leading to operational and financial loss.	Procurement and Supplier Relationship Management Policy; Monitoring of capability and performance of existing third parties; Operational Resilience Framework.	Low

KEY

HIGH: Outside of risk appetite, significant risk to financial strength, reputation of the Society or its ability to provide good outcomes for our customers

MEDIUM: Approaching risk appetite tolerance, moderate risk to financial strength, reputation of the Society or its ability to provide good outcomes for our customers

LOW: Within risk appetite, limited risk to financial strength, reputation of the Society or its ability to provide good outcomes for our customers



OUR CONTINUED FOCUS ON CLIMATE CHANGE

Through in-depth horizon scanning and customer research, we have identified a number of systemic risks, such as climate change. These help shape our investment portfolios through their integration into our investment decisions and more formally via their inclusion in our Sustainable Investing Policy, which sets out how Wesleyan expects our Asset Manager to integrate sustainability into the management of our customer funds. They can be summarised as follows (for further detail, please see our Sustainable Investing Policy at:



<https://www.wesleyan.co.uk/savings-and-investments/sustainable-investing/>

- ▶ Our exclusions; we exclude a number of different activities that our customers would prefer us not to invest in, or where we deem it exposes us to higher levels of risks. For instance, oil and gas firms without comprehensive plans to be carbon neutral by 2050;
- ▶ All directly managed customer funds must have 10% of their equity and corporate bond exposure in companies deemed to be 'doing good', including companies involved in the generation of 'clean' energy;

- ▶ We have engagement priorities that focus our stewardship activities on companies where our customers would like to see the greatest chance or we see the greatest risk of company inaction, such as water usage; and
- ▶ Our requirement for any Asset Manager we use to be members of the PRI ensures material ESG factors are considered as part of every investment decision.

Climate-related risks are currently identified and reassessed each year in the Climate Financial Risk Assessment, part of the Own Risk and Solvency Assessment (ORSA) process. This forms the basis to determine the risk appetite limits for these risks, which are then included within our Risk Appetite Framework. Climate risk limits apply separately to Market, Insurance, Liquidity, Credit and Operational risks.

We have identified the following climate-related risks and opportunities which may have an impact on Wesleyan:

CLIMATE CHANGE RISKS

TRANSITION RISKS	DESCRIPTION	TIMEFRAME	POTENTIAL IMPACT	MITIGATIONS
Strategic	There is a risk that adverse economic conditions lead to a disorderly transition to carbon net-zero environment.	Long term	This could lead to worse socioeconomic conditions, leading to lower savings rates and a decrease in new business sales.	Ensure sustainability and climate change issues and scenarios are embedded within regular risk reporting and strategic decision making.
Market (inc Credit)	Market Risk due to the value of equities and bonds held by the Society falling, e.g. from the repricing of carbon intensive assets.	Medium term	Lower policyholder returns across our fund range and reduced capital strength.	Agree a transition path to 2050, including interim targets where applicable. Stress and scenario testing of possible future climate change scenarios to ensure these remain within risk appetite. Monitor core metrics such as carbon intensity of funds and carbon rating of funds against benchmark.
Reputational/ Business	Failure to develop sustainable products / funds or to take action to become operationally sustainable.	Short term	Reduced profitability and potential reputational damage across the Group.	Maintaining close interactions with our trusted professions and their communities to understand their changing needs. This includes regular customer research and feedback from the Members Advisory Board.
Property	High costs of meeting minimum energy-efficient standards for property investments.	Short term	Lower policyholder returns across our fund range and reduced capital strength.	Ongoing regular investment in our properties to improve energy efficiency. Energy efficiency standards included within the assessment process for new property purchases. Monitor core metrics covering energy efficiency of our property portfolio.

TRANSITION RISKS	DESCRIPTION	TIMEFRAME	POTENTIAL IMPACT	MITIGATIONS
Regulatory	High costs to comply with climate-related regulatory requirements.	Short term	Reduced profitability.	Horizon scanning and gap analysis is carried out for all regulatory change. Appropriate resource to close gaps is discussed through Sustainability Committee.
Operational	High volume of regulatory change which requires additional resource or that we need to further change our ways of working, including systems, premises or choice of suppliers.	Medium term	Reduced profitability. Operational disruption.	Horizon scanning to understand requirements for regulatory change. Continue with our progress to reduce our carbon footprint, work closely with sustainable suppliers and engage with our customers and colleagues. Business continuity plans in place and scenario testing of severe but plausible scenarios that could impact our operations.
Market	Economic crisis events due to food shortages, pollution, political disruption etc.	Long term	Reduced profitability. Lower policyholder returns and decreased capital strength.	New income assumptions are assessed against external factors to ensure they remain relevant. Scenario testing of the potential impact of climate change on financial markets.
Insurance	Increased sickness or mortality risks due to climate effects.	Long term	Reduced profitability. Lower policyholder returns and decreased capital strength.	Mortality and morbidity assumptions are assessed against external factors to ensure they remain relevant.
Property	Losses from physical damage (e.g. due to flooding) on direct property investments.	Long term	Lower policyholder returns and decreased capital strength.	Geographical analysis is conducted to ensure a flood risk assessment is conducted for the property portfolio. Metrics are in place to monitor the percentage of our property portfolio in high flood risk areas.
Operational	Failure of material outsourcers/strategic business partners due to climate impacts.	Medium term	Reduced profitability. Operational disruption.	Business continuity plans include supplier failure.

CLIMATE CHANGE OPPORTUNITIES

OPPORTUNITIES	DESCRIPTION	TIMEFRAME	POTENTIAL IMPACT
Customer Offering/ Brand	Building on our mutuality to provide sustainable advice, products, services, and operations to improve customer experience, employee satisfaction and the environment.	Short term	Increased revenue and reduced harm to the environment.
Resilience	Flexible working, reduced travel and lower costs from being a climate-resilient business.	Short term	Increased profitability and reduced harm to the environment.
Market	Strengthening our Sustainable Investment Principles and investing in well-governed, sustainable businesses for the long term.	Long term	Higher policyholder returns and increased capital strength.

The climate-related regulatory landscape is continually developing. However, our risk management function is appropriately resourced, and the processes, systems, and controls are in place within our overall Risk Management Framework to ensure that we are effective in managing any regulatory risks from climate change.

INDUSTRY BEST PRACTICE

To meet key climate related commitments within our Sustainability Strategy, we have either adopted or committed to meet certain standards and have affiliated ourselves with organisations that share our sustainability goals; some of the most important ones are listed below:

Climate-related Standards and Organisations	How Wesleyan is Responding
UN Principles for Responsible Investment (PRI)	The Asset owner requires the Asset Manager to be a signatory and to align to the PRI. As a PRI member and signatory, we are fully committed to responsible investment; our Sustainable Investing policy is aligned to the six UN Principles for Responsible Investment.
Climate Action 100+	The Asset Owner requires the Asset Manager to be a signatory. Through the PRI, we support this investor led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
Financial Reporting Council (FRC) Stewardship Code 2020	As part of our "Active Engagement" principle, we commit to meeting the standards of the Stewardship Code. We were accepted as a signatory to the UK Stewardship Code in March 2022 by the Financial Reporting Council, and were successful in renewing our applications in March 2023 and March 2024.
Task Force on Climate-related Financial Disclosures (TCFD)	We have implemented the TCFD recommendations in full for the end of the 2023 reporting cycle (1st Jan 2023 to 31st Dec 2023) in our Annual Report and Accounts, published in April 2024.
The calculation of our operational carbon footprint	We comply with the Greenhouse Gas (GHG) protocol when accounting for greenhouse gas (including carbon) emissions and ensure it is used as the basis for the calculation of our carbon footprint. Due to the complexities associated with calculating our scope 3 carbon footprint associated with our investments, we are currently working with data providers to verify this as part of our future reduction plans.
UN Sustainable Development Goals	We target our CSR (Corporate Social Responsibility) activity towards meeting the United Nations SDGs most appropriate to Wesleyan.



INITIATIVE SUPPORT

As part of our work to support well-functioning financial markets and manage risk, our AM has been active on our behalf supporting a number of different initiatives:

In May 2024, as part of our membership of the PRI, our AM signed the Call for Adoption of ISSB Standards statement along with 120 investors, stock exchanges, corporates and industry associations. This statement calls on jurisdictions to adopt the ISSB standards by 2025, and in doing so will enable "harmonisation in corporate sustainability reporting," and "provide investors with better and more comparable data to inform their decisions".

In August 2023, our AM responded to a PRI survey on Supporting Well Functioning Markets. Their responses, alongside those of peers, will help inform best practice and "enable the benchmarking of appropriate levels of stewardship resources". We believe suitably resourced stewardship teams are key in ensuring investments are run for the benefit of end clients, whilst also being cognisant of the impact investee companies may have on the environment and society.

In June 2024, Wesleyan joined the Investor Action on Antimicrobial Resistance and signed on to their public investor statement stressing our concerns regarding the risks posed by antimicrobial resistance (AMR) and seven key asks to help tackle the systemic risk that is AMR. Whilst we recognise the benefits the pharmaceutical industry provides to animals and people; we believe we must take an active role in encouraging responsible use of antibiotics, so they are available for generations to come.

HOW WE OBTAIN ASSURANCE ON OUR STEWARDSHIP ACTIVITIES

We closely monitor changes in regulation affecting our members and customers, as well as those which impact on our stewardship activities.

We are supported by colleagues in Risk and Corporate Audit as well as seeking third party assurance on our activities.

During the reporting period, our Corporate Audit team has completed engagement work relating to disclosures contained within Wesleyan's Report and Accounts. The focus of the work has included reviewing carbon data, and the processes used within our carbon footprint disclosures. The carbon data used in these disclosures was also subject to third party appraisal by Carbon Footprint Limited.

Ernst and Young were separately engaged to complete an external review of our 2024 Report and Accounts. Wesleyan's Regulatory Monitoring Team has been engaged to conduct a thematic review of ESG and sustainability across the organisation. The review will be concluded during the 3rd quarter of 2024.

Additional work has been completed by our Regulatory Advice and Policy Team to review all customer facing documentation to meet the requirements of the Financial Conduct Authority's rule on anti-greenwashing.

Board and Committee Effectiveness Reviews are carried out annually and include assessments of key topics including sustainability and stewardship.

Although we do not seek specific external assurance for our stewardship activities, we have internal controls in place to ensure our policies and procedures are followed. These policies and procedures are reviewed annually and updated in line with regulation and good practice, with compliance monitored by our Risk and Regulatory Monitoring teams; we consider this approach is appropriate given the knowledge and experience in these teams.

ENHANCING OUR APPROACH TO STEWARDSHIP

Our Investment Committee oversees matters relating to stewardship and is responsible for oversight of this Stewardship Report. It is supported in its role by the Sustainability Committee to oversee the production of the report and to monitor our stewardship activities. In doing so, the Committees consider the report to provide a fair and balanced view of our approach to stewardship and responsible investment. Additional assurance has been provided by Corporate Audit and Marketing Communications in assessing if the report is fair, balanced and understandable. The report has also been assessed to ensure it is written in Plain English.

We continue to work to make enhancements to the scope, depth and quality of our stewardship and responsible investment activities, which we hope will deliver better company engagement on a wider variety of topics and improved outcomes for customers. This has included more detailed and regular reporting and oversight over stewardship activities at the Sustainability Committee.

We believe that working with peers and policymakers on sustainability and ESG issues is an important activity. As part of our wider engagement, we regularly respond to public consultations both as a firm and working with investor groups. We view this contribution as key towards promoting high standards and supporting the functioning of capital markets.

Engagement with a variety of industry bodies helps us to understand the thoughts of the wider industry on current events. The Association of British Insurers (ABI) brings insurance and long-term savings industry peers together to discuss and respond to risks, policy and regulation and we have representation on a number of ABI working groups and networks and are regular attendees at ABI conferences and roundtables. Among systemic risk topics that we've engaged on are climate change and the impact of providers of ESG ratings on market stability.

ENGAGING TO SUPPORT RESPONSIBLE INVESTMENT

During the first half of 2022, our Asset Manager (AM) responded to the European Securities and Markets Authority's Call for evidence On Market Characteristics for ESG Ratings Providers in the EU, stating we felt the providers needed to be regulated, the level of subjectivity applied made clear, and transparency in the methodology used must improve to protect consumers and other financial market participants. Despite Wesleyan being out of scope of ESMA, we felt it appropriate that our AM responded to the consultation, as it would help create consistent global standards

In March 2023, HM Treasury (HMT) introduced a similar consultation on whether regulation should be introduced for ESG ratings providers. This exercise aimed to support the government's aim of improving transparency and promoting good conduct in the ESG ratings market. Our AM also replied to the HMT's consultation stating Wesleyan were supportive of introducing regulation aimed at improving the transparency of methodologies, governance, and processes of ESG ratings as this would minimise the risks investors are exposed to.

They also noted that the information that providers of ESG ratings produce, is increasingly being relied upon by retail and professional investors. They therefore felt that these providers should be subject to regulation to guarantee the accuracy of the data and to ensure sufficient disclosure is provided so that investors using it are fully aware of the implications and limitations.

We have seen progress made following both of these consultations. In June 2023 the European Commission presented a proposal for the regulation of ESG rating activities, and in February 2024 reached a provisional agreement on a proposal for a regulation on ESG rating activities, which will alleviate some of the concerns our AM raised in the original consultation. In December 2023 a voluntary code for ESG ratings providers was introduced in the UK, and in August 2024 the UK government said it would introduce a law next year to regulate the providers.

In December 2023, our AM responded to the Department for Energy Security & Net Zero's Scope 3 Emissions in the UK Reporting Landscape call for evidence, and the FCA's Diversity and inclusion in the financial sector consultations. This will help to shape regulations related to two of our core engagement themes: Change and Environment, and Equality and Diversity, and we hope to be able to update customers on any related future developments in the coming months and years.

HOW WE HOLD MANAGERS AND SERVICE PROVIDERS TO ACCOUNT

HOW DO WE OVERSEE THE ASSET MANAGER?

As Asset Owner, the Society owns the fund strategy and is responsible for the selection of a fund manager. As outlined previously, we entrust the management of our members' assets to the Investments Team of our internal Asset Manager.

The Asset Manager is required to follow a Statement of Investment Principles for each fund, which includes alignment to the Sustainable Investing Policy. Each quarter the Asset Manager is required to provide a report and attestation to the Asset Owner, confirming alignment to the Sustainable Investing Policy, and providing data on the CO2e and ESG targets of the funds. The report also includes evidence by fund and asset type.

The data is reviewed by our independent Investment Reporting function and is reported to the Investment Committee for discussion and, if required, further action on issues raised from the report.

In the past year, our Asset Manager oversight has continued to evolve. We have regular action-focused discussions with the Investments Team in order to gain more insights and examples on how ESG is integrated into the investment and stewardship decision-making processes. To date, we have been satisfied with the services provided and consider them to be aligned with our needs.

WHEN WOULD WE USE AN EXTERNAL FUND MANAGER?

Although we currently delegate fund management responsibilities for all of our customer funds to our internal Asset Manager, there may be specific cases when we may feel our customers' interests would be best served by utilising the services of an external fund manager, either for all or part of a fund. Should this be the case, we have selection, monitoring and replacement processes in place to manage the risks of outsourcing the management of our members' assets, and ensure good customer outcomes.

The Asset Manager may also choose to select an external fund manager to invest all or part of the Wesleyan fund rather than buying equity directly. Currently over 90% of our assets are invested directly. For the remainder, the Asset Manager may use funds or investment trusts to gain access to new asset classes or

new markets. When choosing an external fund to invest in, they adopt both quantitative and qualitative filters to select the most appropriate underlying external fund. Each Analyst specialises in a specific area of the market and leads on the selection of new fund managers where appropriate. Key amongst the filters they employ is consistency of strategy and performance, and the knowledge of the management team. Consequently, they always meet with potential fund managers, or a delegated representative, prior to selection to allow them to probe their knowledge and understanding.

HOW DOES THE ASSET MANAGER OVERSEE FUND MANAGERS?

When the Asset Manager chooses to invest in an external fund, the Financial Risk Team will review the fund to provide oversight from a risk perspective and will continue to do so annually. If any concerns are raised, the Asset Owner is informed and the selection of the fund may cease or, if already held, we may divest from the position.

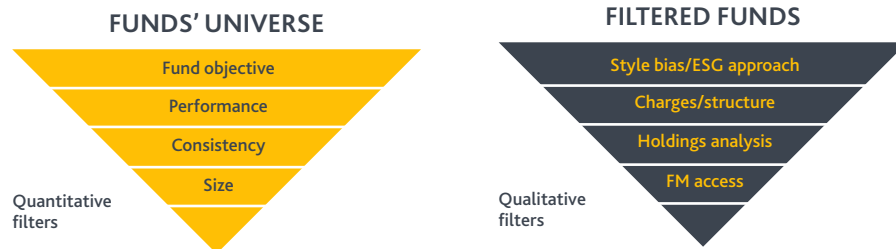
The Asset Manager monitors its underlying fund exposure on an ongoing basis, with the appropriate Analyst presenting their findings at the monthly Investment Funds Meeting. Particular focus is placed on the performance of the funds and any changes to holdings, to ensure the fund strategy remains consistent with the basis upon which it was selected.

In instances of poor performance or unexplained strategy changes, the Asset Manager's Investments Team would initially reach out to their sales contact to provide underlying reasoning. If they deem this insufficient, they will look to meet with the fund manager to provide further detail. In instances where they felt the fund's poor performance was unlikely to improve, or where the strategy of the fund no longer aligned with our views, they would divest and follow our external fund manager selection process to select a replacement.

To further our understanding of tactical shifts and the positioning of the funds, the Investments Team meet existing and potential external fund managers on an ongoing basis.



The Asset Manager also pays for research services from a number of 'sell-side' brokers to further inform their understanding of current or prospective fund managers. This research is assessed at their quarterly Research Allocation Meeting. They assess the brokers on perceived value for money, focusing on the quality, depth, breadth and relevance of the research provided. They also discuss any potential additional or substitute research brokers and may look to secure trials with any prospective brokers to allow assessment of their offering in the same way as existing brokers.



MONITORING AND HOLDING SERVICE PROVIDERS TO ACCOUNT

Wesleyan seeks to work collaboratively with our suppliers as they are integral to the running and success of the business. We look to build strong long-term relationships, particularly with suppliers to whom we outsource critical activities. Suppliers and potential suppliers are classified so that they are evaluated, onboarded, overseen and governed proportionately to the services provided.

We will look to work to support smaller suppliers where possible to develop their ESG standards, so they are not excluded from doing business with us.

We have a group-wide policy setting the standards for selecting, managing and overseeing our suppliers and service providers. We use a balanced scorecard approach to choosing a supplier, where a potential supplier is scored by more than one person.

It is important to us and our customers to make a positive contribution to environment. We believe that when we work together, our collective efforts have the power to make a difference. We will only purchase services and equipment from companies that meet our sustainability standards and our sustainability principles are embedded into our procurement policies.



Our Third-Party sets out the standards we expect of our third parties, including their employees and supply chains in terms the way we work with and behave towards each other. The Charter is published on our website and all suppliers onboarded must commit to it.

 <https://www.wesleyan.co.uk/docs/default-source/pdf/wesleyan-third-party-suppliers-charter.pdf>

Oversight is carried out regularly throughout the supplier relationship. We prefer to engage with service providers who have made credible commitments to ESG matters and take the following factors into account during supplier setup due diligence checks and periodic ongoing monitoring:

- ▶ environmental performance / targets (e.g. pollution, energy efficiency, recycling, reduced plastic usage) and provision of information to support Wesleyan’s commitment to a carbon neutral environment
- ▶ workforce diversity and equality (compliance with all relevant legislation and provision of information to support our commitment to equality and diversity)
- ▶ compliance with the Modern Slavery Act 2015
- ▶ living wage policy
- ▶ support of local communities
- ▶ performance on payment practices to their third parties

Suppliers will be replaced if a better partner emerges, or they do not hold the same standards and values as we do. Suppliers that underperform are put on an improvement plan, ultimately being replaced if underperformance continues. To date we have not had to replace a supplier for these reasons, with all suppliers sharing our values.

Wesleyan Group offers Financial Advice: Retirement Planning • Investing • Funding • Insurance

For more information visit wesleyan.co.uk/ourcompanies

Wesleyan Assurance Society

'WESLEYAN' is a trading name of the Wesleyan Group of companies. Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham, B4 6AR.

Telephone: 0345 351 2352. Fax: 0121 200 2971. Calls may be recorded to help us provide, monitor and improve our services to you.