

Acer Group Pension Scheme

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

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1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustees of the Acer Pension Scheme (“the Scheme”) covering the scheme year (“the year”) to 31 March 2025.

The purpose of this statement is to set out:

- How, and the extent to which, in the opinion of the Trustees, the Scheme’s engagement policy (required under regulation 23c of the Occupational Pension Schemes Investment Regulations 2005) has been followed during the year; and,
- A description of voting behaviour (including the “most significant” votes made by or on behalf of the Trustees) during the year and state any use of services of a proxy voter during the year.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

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

The latest available SIP and relevant for the period is the SIP dated November 2024. A copy of this document alongside a copy of this implementation statement have been made available on the following website:

<https://www.arcadis.com/en-gb/about-us/business-practices/pension-statement-of-investment-principles>

2. Adherence to the SIP: Voting and engagement

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

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

The Trustees’ view is that ESG factors can have a potential impact on investment returns, particularly over the long-term. As a result, the Trustees believe that the incorporation of ESG factors is in the best long-term financial interests of its members. The Trustees have appointed a Fiduciary Manager who shares this view and has fully embedded the consideration of ESG factors in its processes. The Trustees incorporate an assessment of the Fiduciary Manager’s performance in this area as part of its overall assessment of the Fiduciary Manager’s performance.

The Trustees believe climate change is the single biggest ESG risk and therefore requires specific focus within the investment process. The Trustee has also identified board ethics, biodiversity and diversity, equity and inclusion, as other key stewardship priorities. The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across ‘In Scope Solutions’ by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

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

Assessing the Fiduciary Manager’s incorporation of sustainability into their investment process along with consideration of ESG factors was a key factor in the Trustees’ decision to appoint WTW. Since their appointment, the Trustees have worked with WTW to gain a better understanding of their engagement and voting policy, as well having broader sustainability training that assisted in the process of creating a separate sustainable investment policy document, which sets out the Trustees’ views and ambitions with regards to sustainable investments.

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

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

Through the engagement undertaken by the Fiduciary Manager, the Trustees expect investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital as applicable to their mandates. The Fiduciary Manager considers the investment managers’ policies and activities in relation to Environmental, Social and Governance (ESG) and stewardship both at the appointment of a new manager and on an ongoing basis. The Fiduciary Manager engages with managers to improve their practices and may terminate a manager’s appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no managers were terminated on these grounds during the year.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Scheme’s equity managers as here there is a right to vote as an ultimate owner of a stock. Responses received are provided in the table below. For the most significant votes, we have highlighted those below that the Trustees consider most significant, in line with stewardship and voting priorities. The significant votes set out below are from the equity manager with the largest exposure in the Scheme, specifically, the Core Diversified Fund.

Further information on the voting and engagement activities of the managers is provided in the table below. The Scheme's equity holding is invested in a pooled fund:

- Towers Watson Investment Management ("TWIM") Core Diversified Fund – A multi-asset fund which invests in number of underlying managers across the equities, real assets, credit and liquid alternatives.

The Trustees delegate the exercise of voting rights to its investment managers. Voting activity is undertaken in line with the voting policy of the investment managers. The Fiduciary Manager has assessed the investment manager's voting policy as part of its overall assessment of the investment manager's capabilities. The Fiduciary Manager considered the policy to be appropriate, and consistent with the Trustees' policies and objectives and ultimately, therefore in the best financial interests of the members. Additional oversight on the implementation of this policy is provided through the Fiduciary Manager's partnership with EOS at Federated Hermes (see below).

Manager and strategy	Portfolio structure	Voting activity (as at March 2024)
Towers Watson Investment Management Core Diversified Fund	Pooled multi-manager equity fund	Number of meetings at which the manager was eligible to vote: 2,856 Number of resolutions on which manager was eligible to vote: 38,335 Percentage of eligible votes cast: 99% Percentage of votes with management: 86% Percentage of votes against management: 14% Percentage of votes abstained from: 0% Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 68% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 3%
Use of proxy voting	TWIM work with EOS to provide corporate engagement and voting recommendations services to enhance the efforts of the underlying managers where possible. The underlying managers must provide an explanation and note their rationale when they choose to vote differently to the recommendations. The underlying managers also use ISS to facilitate voting and provide research.	

Most significant votes:

Coverage in portfolio	Size of holdings	Most significant votes cast
Towers Watson Investment Management Core Diversified Fund	0.8%	<u>Company:</u> Amazon.com, Inc Resolution: Disclose all material scope three greenhouse gas emissions How the manager voted: For shareholder proposal, against management

		Rationale for the voting decision: The shareholder proposal promotes better management of social, environmental and ethical opportunities and risks. Rationale for being considered a significant vote: Climate change is one of the stewardship priorities. Outcome of the vote: Failed the resolution
Towers Watson Investment Management Core Diversified Fund	0.5%	Company: Visa Inc. Resolution: Report on Gender-Based Compensation and Benefits Inequities How the manager voted: Against shareholder proposal, for management Rationale for the voting decision: Shareholder proposal promotes transparency on equal pay and benefits for equal work, regardless of gender identity or other protected characteristics Rationale for being considered a significant vote: Diversity, Equity and Inclusion (DEI) is one of the stewardship priorities Outcome of the vote: Failed the resolution

Industry wide / public policy engagement

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

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

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: <https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

3. Conclusion

The Trustees consider that all SIP policies and principles were adhered to during the year.