

# TIE (UK) Limited Retirement Fund Implementation Statement – 30 June 2025

## Why have we produced this Statement?

The Trustees of the TIE (UK) Limited Retirement Fund have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustees have complied with the voting and engagement policies detailed in the Fund’s Statement of Investment Principles (SIP).

A copy of the SIP can be found on the following website: <https://cdn.toyota-forklifts.eu/globalassets/50-local-library/uk/compliance-documents/tie-2023-sip.pdf/>

## What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustees’ investment objectives and investment strategy.

It also explains how and why the Trustees delegate certain responsibilities to third parties and the risks the Fund faces and the mitigated responses.

The Trustees last reviewed the SIP in October 2023.

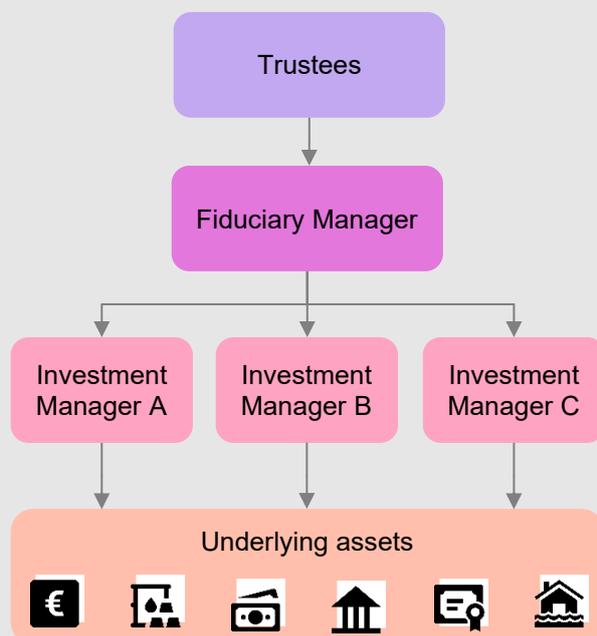
## What is the purpose of this Statement?

1. To explain how the Trustees’ engagement policy has been applied over the year.
2. To describe the voting rights attached the Fund’s assets have been exercised over the year.

## What changes have we made to the SIP?

There were no changes made to the SIP over the year.

## How are the Fund’s investments managed?



**Trustees** - The Trustees’ key objective is to ensure sufficient assets to pay members’ benefits as they fall due. The Trustees retain overall responsibility for the Fund’s investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

**Fiduciary Manager (WTW)** – The Trustees employ a Fiduciary Manager to implement the Trustees’ investment strategy. The Fiduciary Manager allocates the Fund’s assets between asset class and investment managers.

**Investment managers** – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where these assets are held directly in the Fund’s name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

**Underlying assets** – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

### Why do the Trustees believe voting and engagement is important?

The Trustees' view is that Environmental, Social and Governance ("ESG") factors can have a potential impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustees further believe that voting and engagement are important tools to influence these issues.

The Trustees have appointed a Fiduciary Manager who shares this view and considers and integrates ESG factors, voting and engagement 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.

### What is the Trustees' voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustees expect investment managers to

address broad ESG considerations, but has identified climate change, biodiversity, diversity, equity and inclusion and human and labour rights as key areas of focus for the Trustees.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustees expect investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustees expect the Fiduciary Manager to engage with investment managers to improve their processes.

### What training have the Trustees received over the year?

To ensure the Trustees are kept up to date with best practice in ESG considerations, voting and engagement, the Trustees receive periodic training from time to time. Over the period the Trustees received training on Liability Driven Investments ("LDI") and collateral management in Q4 2024.

## What are the Fiduciary Manager's policies?

### Climate change and net zero goal

The Trustees believe Climate Change is a current priority when engaging with public policy, investment managers and corporates.

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.

### Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustees).

Some highlights from 2024 include:

- 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.

### Industry 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>.

### How does the Fiduciary Manager assess the investment managers?

**Investment manager appointment** - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2024 the Fiduciary Manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

**Investment manager monitoring** - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis. These reports form part of the Trustees' portfolio monitoring and are shared with the Trustees on an ad hoc basis.

**Investment manager termination** - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. No investment managers were terminated on these grounds during the year.

### Example of engagements carried out over the year

#### Emerging market equity manager Climate change - Water security issue

**Issue:** Water security is important for businesses and society, and hence a financial risk for investors. In South Africa, water risk is a thematic area of focus for this particular asset manager. As part of its engagement, the manager requested information from companies, including disclosure of water consumption or withdrawal data, and details on processes and controls for assessing water-related risks and responding to water loss events. Additionally, the manager wanted to understand how companies are managing water risks, and companies' water risk management policies and water reduction targets.

In 2023, the manager assessed water risks across the Johannesburg Stock Exchange Top 100, analysing disclosures, reduction targets, and penalties, while engaging with 58 companies. By 2024, the manager refined the analysis to 31 high-risk companies based on water usage, sector risks, and regional stress. They then analysed their public disclosures to identify gaps in oversight, mitigation strategies, targets, risk assessment, and supplier engagement. Using these insights, they assessed overall water risk management and developed tailored engagement questions for 19 companies with remaining concerns.

**Outcome:** One investee company confirmed exposure to water stress in three sites and outlined mitigation efforts including efficiency improvements, expanded water reuse, and a targeted reduction by 2030. The company acknowledged the regional initiative to lower water consumption and plans to participate in a project to enhance water security.

Overall, these discussions strengthened the manager's understanding of municipal water management efforts and informed ongoing engagements with companies on water-related risks, which may be financially material.

#### Infrastructure manager General ESG issue

**Issue:** As part of the annual ESG review, the manager focused on addressing key deficiencies identified during the previous engagement. These deficiencies included the lack of a dedicated Inclusion and Diversity (I&D) resource, the absence of climate scenario and Climate Value-at-Risk (CTVaR) analysis for underlying assets, and the lack of disclosure for carbon emissions at both the firm and fund levels.

**Outcome:** The manager has made significant strides in addressing key areas of improvement. The lack of a dedicated I&D resource has been mitigated by establishing a management committee specifically responsible for Diversity, Equity, and Inclusion (DEI). Additionally, a separate workstream has been initiated to develop a comprehensive DEI strategy, which includes a thorough review of current policies.

The absence of CTVaR and climate scenario analysis for underlying assets is being tackled on a firmwide level. For the Solar II project, a provider has been engaged during the due diligence phase of potential investments. The team is currently in the process of evaluating various providers and aims to finalize their selection by the end of the year.

While there has been no disclosure of firm or fund-level carbon emissions previously, the manager has now reported firm-level emissions. Although Scope 3 emissions are still pending, efforts are actively underway to address this gap.

### Core Infrastructure manager

#### General ESG Issue

**Issue:** The Fiduciary Manager provided feedback on the Sustainable Investment report, including setting a firm-level net zero target, considering ESG factors at the exit stage of investments, providing ESG training to employees, and measuring physical and other climate-related risks.

**Outcome:** The manager has committed to achieving 100% net zero Scope 2 emissions by 2025 through the purchase of renewable energy certificates, and 100% net zero Scope 3 emissions by 2050. While an interim Scope 3 target is yet to be defined, the team is in the process of engaging an emissions consultant to develop a decarbonization strategy tailored to financial institutions. To support broader ESG efforts, the manager has updated its anti-modern slavery policy, integrating it into engineering, procurement, and construction (EPC) contracts and establishing a formal process to address breaches, particularly within the supply chain. These policies are regularly reviewed by the Head of Compliance and the Sustainability Team, with oversight from the Board.

To improve ESG data monitoring and transparency, the manager requires EPC contractors to provide quarterly updates on electricity, water, and waste metrics for new projects. Although this data may not be immediately available, it is expected in future reporting periods. The manager is also exploring methods to measure embodied carbon through discussions with developers and service providers. Additionally, Brawn has adopted the QBi platform to track key ESG metrics, including physical climate risks, emissions, and resource consumption. The next steps include setting an interim Scope 3 target and enhancing ESG reporting to investors.

### What are the voting statistics we provide?

The Fund is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Fund's equity investment managers.

Responses received are provided in the following pages. The Trustees use the following criteria to determine the most significant votes:

- The manager deems the vote to be notable for the scheme significant
- The vote is in one of the stewardship priority areas identified by the Trustees (climate change, biodiversity, diversity, equity and inclusion and human and labour rights)
- The size of the company holding related to the vote
- It was a vote against company management
- The vote provides representation of the stewardship activity across different types of investment manager and mandates
- The total number of votes identified and reported by the Trustees is at a proportionate level

The Fund is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds.

**How have our Investment Managers voted over the last 12 months?****State Street Global Advisors – Multi-Asset Diversified Growth****Sub-Fund**

Pooled multi-asset growth fund

**How many votes has this manager cast?**

Number of meetings at which the manager was eligible to vote:	1,195
Number of resolutions on which manager was eligible to vote:	15,325
Percentage of eligible votes cast:	97.2%
Of the votes cast, percentage of votes	
with management:	93.3%
against management:	6.0%
abstained from:	1.5%
% of meetings, where the manager voted and there was at least one vote against management:	40.5%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	5.0%

**What is this manager's voting policy?**

All voting decisions are made in accordance with house guidelines or specific client instructions. Robust controls and auditing procedures are established to guarantee that votes are executed as instructed, with transparency being a key priority. The Stewardship team collaborates closely with global client relationship teams to maintain an open dialogue, allowing clients to understand the approach, provide feedback, and hold the team accountable. Proxy voting is managed with the assistance of third-party service providers like Institutional Shareholder Services (ISS), which helps monitor voting rights and apply voting guidelines. Significant issues are referred to the ESG Committee for determination, ensuring that all voting decisions are made in the best interest of clients.

Which of these votes do we think were significant?

<b>Company:</b>	<b>Meta Platforms, Inc.</b>
<b>Resolution:</b>	<b>Disclose a climate transition plan resulting in new renewable energy capacity</b>
Allocation in manager portfolio:	1.1%
Date of vote:	28 May 2025
How voted:	Against shareholder resolution, for management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustees' rationale for significance:	Vote topic is one of the Trustees' stated stewardship priorities (climate change) and size of the position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

<b>Company:</b>	<b>Alphabet Inc.</b>
<b>Resolution:</b>	<b>Report on meeting 2030 climate goals</b>
Allocation in manager portfolio:	0.6%
Date of vote:	6 June 2025
How voted:	Against shareholder resolution, for management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The proposal does not merit support as the company's climate-related disclosures are reasonable.
Trustees' rationale for significance:	Vote topic is one of the Trustees' stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	Where appropriate the manager will contact the company to explain their voting rationale and conduct further engagement.

**Towers Watson Partners Fund**

Pooled multi-asset growth fund

**How many votes has this manager cast?**

Number of meetings at which the manager was eligible to vote:	1,895
Number of resolutions on which manager was eligible to vote:	26,327
Percentage of eligible votes cast:	99.0%
Of the votes cast, percentage of votes	
with management:	89.0%
against management:	10.0%
abstained from:	1.0%
% of meetings, where the manager voted and there was at least one vote against management:	52.8%
% of resolutions, where the manager voted and the vote was contrary to the recommendation of the proxy adviser? (if applicable)	3.7%

**What is this manager’s voting policy?**

As the manager manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all their underlying managers who hold equities over a reasonable timeframe to vote all shares they hold. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all their clients. In addition, EOS is expanding the remit of engagement activity they perform on the manager’s behalf beyond public equity markets, which will enhance stewardship practices over time.

Underlying managers are required to provide a detailed explanation and rationale whenever their voting decisions diverge from the EOS recommendations. They also utilise Institutional Shareholder Services (ISS) for voting facilitation and research purposes. Additionally, their China equity manager employs the Glass Lewis service, utilising a bespoke policy. Their emerging markets equity managers use ISS, Glass Lewis, SES and Broadridge Proxy Edge platforms for information and to facilitate voting. Meanwhile, their long-short equity managers use ISS to provide corporate research and to facilitate the voting process.

Which of these votes do we think were significant?

<b>Company:</b>	<b>Microsoft Corporation</b>
<b>Resolution:</b>	<b>Report on risks of operating in countries with significant human rights concerns</b>
Allocation in manager portfolio:	1.7%
Date of vote:	10 December 2024
How voted:	For the shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	Additional transparency through an independent assessment would benefit the shareholders and stakeholders
Trustees' rationale for significance:	Vote topic is one of the Trustees' stated stewardship priorities (human rights) and size of position. The manager also voted against the management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to vote proxies in the interest of maximising investment value for clients.

<b>Company:</b>	<b>Amazon</b>
<b>Resolution:</b>	<b>Shareholder proposal regarding disclosure of material Scope 3 emissions</b>
Allocation in manager portfolio:	0.9%
Date of vote:	21 May 2025
How voted:	Against shareholder proposal, with management recommendation
Prior notice to management (if voting against management):	Not applicable
Manager rationale for vote:	The company has various initiatives in place and does not appear to have neglected issues related to its value chain emissions. The company notes that its supply chain standards set forth its expectation that suppliers track, document, and, upon request, report greenhouse gas emissions to the company. Additionally, the highest-emitting suppliers that contribute over 50% of Scope 3 emissions are expected to provide a plan for decarbonizing operations. It has also introduced a sustainability solutions hub to help sellers reduce emissions.
Trustees' rationale for significance:	Vote topic is one of the Trustees' stated stewardship priorities (climate change) and size of position.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will continue to monitor the company's approach to its climate disclosures and may change their recommendation

on future proposals should it become clear that it is not making sufficient progress toward its commitments.

<b>Company:</b>	<b>NVIDIA Corp.</b>
<b>Resolution:</b>	<b>Shareholder proposal regarding workforce data</b>
Allocation in manager portfolio:	0.7%
Date of vote:	25 June 2025
How voted:	For shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	This proposal asks the company to enhance its existing public reporting to include a chart identifying employees according to gender and race in each of the nine EEOC-defined job categories. The company previously provided this information from 2018 to 2022 but no longer publishes this disclosure. As of April 2024, over 80% of the S&P 500 and nearly 50% of the Russell 1000 Index companies disclose EEO-1 data. While the company's disclosures around workforce demographics are fairly comprehensive, EEO-1 reporting provides shareholders with data that is comparable across industry peers. Moreover, this reporting is already required and therefore should not be a significant burden to make available to shareholders. While the company's stance is that the data does not accurately depict its practices given its organizational structure, it would be a helpful supplement to existing reporting and increase shareholders' understanding of how the company is addressing human capital-related risk exposures.
Trustees' rationale for significance:	Vote topic is one of the Trustees' stated stewardship priorities (human rights). The manager also voted against the management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	Although the proposal did not pass, given the relatively high level of shareholder support, the manager may follow up with the company in the short or long term for an additional engagement.

<b>Company:</b>	<b>Netflix Inc.</b>
<b>Resolution:</b>	<b>Shareholder proposal regarding climate transition plan</b>
Allocation in manager portfolio:	0.9%
Date of vote:	5 June 2025
How voted:	Against shareholder proposal, with management recommendation
Prior notice to management (if voting against management):	Not applicable

Manager rationale for vote:	The proposal requests the company to issue a climate transition plan “above and beyond existing disclosure,” describing how it intends to align its operations and full value chain emissions with existing science-based targets. However, the company has already adopted emissions targets that are aligned with the Paris Agreement and reports on progress toward these goals annually, in line with TCFD standards. The company has also published a long-term plan to achieve these targets, on par with industry peers. Given the current level of climate reporting by the company, the manager finds this proposal to be unnecessary and overly prescriptive and recommended voting against.
Trustees’ rationale for significance:	Vote topic is one of the Trustees’ stated stewardship priorities (climate change)
Outcome of the vote:	Resolution failed
Implications of the outcome:	The proposal did not pass, which is in line with the manager's decision to vote against.

<b>Company:</b>	<b>HCA Healthcare Inc.</b>
<b>Resolution:</b>	<b>Amend patient safety and quality of care committee charter</b>
Allocation in manager portfolio:	0.5%
Date of vote:	24 April 2025
How voted:	For shareholder proposal, against management recommendation
Prior notice to management (if voting against management):	No
Manager rationale for vote:	The core of the proposal is to mandate that the committee review staffing levels and their direct influence on patient safety, the quality of care provided, and overall patient satisfaction. The manager felt that the shareholder proposal promotes appropriate accountability or incentivisation.
Trustees’ rationale for significance:	Vote topic is one of the Trustees’ stated stewardship priorities (human rights). The manager also voted against the management recommendation.
Outcome of the vote:	Resolution failed
Implications of the outcome:	The manager will share these best practices with other portfolio companies

<b>Company:</b>	<b>Naspers Ltd &amp; Prosus</b>
<b>Resolution:</b>	<b>Director re-elections and board committee appointments</b>
Allocation in manager portfolio:	0.1%
Date of vote:	22 August 2024
How voted:	Against shareholder proposal, against management resolution

Prior notice to management (if voting against management):	Yes
Manager rationale for vote:	<p>The manager voted against various resolutions at the annual general meeting related to board members, as the manager believes the current board lacks the necessary skills and experience to drive optimal shareholder outcomes and effectively hold the executive team accountable.</p> <p>In particular, the manager sees a critical need for a board refresh to incorporate greater technological expertise, especially given the emphasis on AI's transformative impact. The manager believes the current board's skills may not fully align with the rapidly evolving landscape, potentially limiting the company's ability to adapt and innovate at a world-class level.</p> <p>To ensure long-term success, the manager advocates for the inclusion of a younger generation of non-executive directors with top-tier technology expertise, equipping the board with the necessary insights to navigate the challenges and opportunities ahead.</p>
Trustees' rationale for significance:	The manager voted against management resolution. The manager also considered this to be a notable resolution. Director election.
Outcome of the vote:	Resolution passed
Implications of the outcome:	Depending on the materiality of the issue, as a general principle, the manager finds that a strategy of constructive, behind-the-scenes engagement is far more productive than debating issues at a public annual general meeting or through the press. However, when the manager cannot achieve the desired results on important issues, the manager will use other means available to them, such as exercising their voting powers at annual general meetings, calling special meetings, collaborating with other stakeholders, and, if need be, escalating issues into the public arena via the media. If the manager's best efforts are unsuccessful, they will reassess their investment case and take the appropriate investment action in their portfolios.

<b>Company:</b>	<b>Vestas Wind Systems A/S</b>
<b>Resolution:</b>	<b>Advisory note on executive compensation</b>
Allocation in manager portfolio:	0.05%
Date of vote:	8 April 2025
How voted:	Against shareholder proposal, against management resolution
Prior notice to management (if voting against management):	Yes
Manager rationale for vote:	The manager voted against the proposed advisory note on the CEO remuneration package due to concerns of the current structure of the long-term incentive scheme not being fully aligned with shareholders' interests. The company's execution

	on key performance indicators has been significantly weaker than anticipated.
Trustees' rationale for significance:	It's a vote against management. The manager also considered this to be a notable resolution.
Outcome of the vote:	Resolution passed
Implications of the outcome:	Feedback to management is required for votes cast against their recommendations. The manager's analysts must communicate the reasons to foster constructive dialogue.

**In conclusion...**

The Trustees are satisfied that over the year, all SIP policies and principles were adhered and in particular, those relating to voting and engagement