WESLEYAN

we are all about you

CORPORATE VOTING SUMMARY

1 July 2024 to 30 June 2025

Introduction

At Wesleyan, we believe corporate voting to be a vital aspect of our responsibility as active stewards of our customers' money, and we look to exercise our voting rights as investors at all opportunities.

Voting offers a way to exert positive influence on an investee company and help shape outcomes. Our in-depth analysis, company engagement, and experience in these matters influences how we vote.

We manually review all votes where we own a large portion of a company's shares, or where the company operates in a controversial sector (e.g. oil and gas, and mining). We also manually review all proposals that relate to matters considered to be unacceptably breaching best practice or that contain controversial content, such as large unjustified bonuses, or the re-election of a board member following an environmental or social incident. For those votes we do not manually review, we instead delegate our decisions to our chosen shareholder services provider. They will place our votes in-line with their sustainability policies, ensuring the impact on sustainability is always considered when voting on a proposal.

Over the past year, the overall number of proposals we voted on went down, with the biggest absolute drop being in compensation-related proposals. We voted against management on about one in five proposals that focused on environmental and social issues. While some of these proposals raised valid points, we supported fewer than in the previous year because we found many to be extreme or unnecessary - for example, requests for reports on issues that the company already covers thoroughly through its governance processes. On compensation, we continue to vote against about 10% of proposals, especially where companies still award excessive executive pay or fail to be clear about how pay decisions are made. For director-oversight-related matters, we oppose around 5% of proposals, most often when it concerns re-electing directors. Our objections typically arise when directors ignore shareholder concerns, hold too many board positions, lack independence, or back unfair voting systems.

Our voting actions by theme

		1 July 2023 to 30 June 2024		1 July 2024 to 30 June 2025	
	Voting decision	**Unique proposals**	**%**	**Unique proposals**	**%**
Routine/ operational	**In line with management**	2,473	98.1%	2,438	93.9%
	Contrary to management	47	1.9%	139	5.4%
	Total	2,520	100.0%	2,597	99.7%
Shareholder rights	**In line with management**	52	76.5%	21	65.6%
	Contrary to management	16	23.5%	8	25.0%
	Total	68	100.0%	32	100.0%
Compensation	**In line with management**	1,047	87.3%	868	87.6%
	Contrary to management	152	12.7%	120	12.1%
	Total	1,199	100.0%	991	99.7%
Director oversight	**In line with management**	3,617	95.2%	3,618	94.7%
	Contrary to management	181	4.8%	170	4.4%
	Total	3,798	100.0%	3,822	99.2%
Social	**In line with management**	191	78.9%	156	83.4%
	Contrary to management	51	21.1%	31	16.6%
	Total	242	100.0%	187	100.0%
Environment	**In line with management**	28	51.9%	45	81.8%
	Contrary to management	26	48.1%	10	18.2%
	Total	54	100.0%	55	100.0%
		7,881	**100.0%**	**7,684**	**99.5%**

As we did not vote at all proposals, some totals may not add up to 100%. Due to rounding, some themes do not sum to their totals. Proposals in-line and contrary to management may not add to the total as management do not always provide a recommendation.

Example voting activities

We place greater focus on themes that are of particular importance to our customers: Climate Change, Diversity and Equality, and Business Conduct. To implement our stance on these themes, we have updated our Stewardship and Engagement Policy to include specific guidelines on how we vote on issues including Director Capability and Independence, Board Diversity, Compensation, Shareholder Rights, Social/Human Rights, and Environment.

Carbon Intensive Industries

In March and April 2025, we supported several shareholder proposals relating to climate action, and transition plans and strategy. We considered these proposals to set out reasonable pathways for reducing carbon emissions without jeopardising investor returns. They also offered greater transparency on how companies allocate capital to mitigate the risks of misallocation.

Several of these proposals received sufficient shareholder support to pass, including those at an international energy infrastructure company, a European utilities provider, a cement producer, and a global mining company. Prior to submitting our vote, we met with the Chair of the mining company to discuss its broader strategy and approach to climate change in greater detail.

Global energy company – approach to climate transition

At the 2024 annual general meeting, we voted against the company's climate transition plan. While the plan included medium-term goals - reducing Scope 1 and 2 emissions by 15% by 2025 and 30% by 2030, and outlined a potential pathway to net zero, it lacked sufficient detail on how these targets would be achieved - particularly over the longer term. Although we welcomed the progress made in setting targets, we believe the strategy needs to be further developed to reassure investors that the company can adapt to evolving regulatory requirements and shifting consumer demand while remaining profitable. The resolution did not pass, with a majority of shareholders voting against it.

At the 2025 annual general meeting, we escalated our response by voting against the re-election of the sustainability committee chair, reflecting our view that she bears ultimate responsibility for the company's failure to address investor concerns over its climate transition plan. Nearly 20% of shareholders also opposed her re-election.

Global technology companies

This year, several shareholder proposals were filed at global technology companies. At one such company, a proposal requested a report, metrics, and targets to assess the potential harm its social media platforms may have on child safety. We supported this proposal, as we believe that inadequate protection of young users exposes the company to material risks, including fines, heightened regulation, and usage restrictions - as has already occurred in Australia. The proposal did not pass, but it did receive 43% support from shareholders other than the founder, who retains outsized influence through an unbalanced voting structure.

At another global technology company in which we are invested, multiple shareholder proposals were tabled this year. One proposal, which we supported, called for a report on the company's approach to and use of software in combating exploitative images of children on its platforms. While the company does allocate significant resources to this issue, its effectiveness is constrained by privacy laws and requirements. We believe the requested report would provide investors with greater insight into the effectiveness of the company's efforts and allow a more informed assessment of the associated risks to the business. The proposal did not pass due to insufficient shareholder support.

UK-based construction company – remuneration

In January 2024, we sent a letter to the company outlining concerns about its remuneration policy. Specifically, we noted that the proposed increase in the CEO's potential long-term bonus - without any corresponding change in performance targets - did not appear justified. In our view, increases in variable compensation should only be warranted by expanded responsibilities, significant company growth, or more demanding targets.

The Board acknowledged our feedback, noting that similar concerns had been raised by other investors. They explained that the increase was intended to align with market practices, rather than reflecting any change in role or performance expectations. As this rationale did not align with our expectations, we chose to abstain from voting on the 2024 remuneration policy.

At the 2025 annual general meeting, we supported the company's remuneration report, which implements the approved remuneration policy. We had no concerns this year and welcomed the fact that executive directors' salary increases in 2025 were below the average increase across the wider workforce.

We believe that our engagement in 2024 - and our decision to abstain from voting on the remuneration policy - contributed to the more moderate and appropriate salary outcomes for executives in 2025.

UK-based aerospace company – remuneration

In 2021, in response to the impact of the Covid-19 pandemic on sales, the Board proposed amendments to the multi-year employee share plan approved at the 2020 annual general meeting. We considered the proposed changes overly generous and likely to result in executive rewards that were not commensurate with performance. Ahead of the vote, we met with the chair of the remuneration committee to express these concerns and warn of the risk of poor shareholder outcomes. We voted against the proposals; while the resolution passed, approximately one-fifth of shareholders opposed it.

In 2024, we voted against both the company's remuneration policy and its remuneration report. Our opposition reflected two concerns: the CEO's salary increase was significantly higher than that of peers of a similar size, and the company failed to disclose targets for the long-term bonus plan, leaving shareholders reliant on the judgement of a remuneration committee whose approach we already considered inadequate.

In 2025, we again voted against the remuneration report, as executive pay outcomes were, in our view, excessive, misaligned with shareholder experience, and consistent with the risks we had warned the remuneration committee about in 2021 when the policy was set. On this occasion, a majority of shareholders also voted against the policy. Management has committed to updating shareholders within six months on any actions taken in response. At the same annual general meeting, we also voted against the re-election of the remuneration committee chair, as we believe he failed to address concerns that have now materialised and bears ultimate responsibility for the misalignment between shareholder and executive rewards. More than 10% of shareholders also opposed his re-election.