

Statement of Investment Principles

1. Introduction

This edition of the Statement has been prepared by the Trustees of the Westcrowns Limited Retirement Benefits Scheme in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended), and Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005, and any subsequent additional regulations.

In preparing this edition the Trustees have taken appropriate written advice from a suitably qualified individual, Simon Jagger FIA, Director of Jagger & Associates Limited. The Trustees have also consulted with the sponsoring employer. This Statement is consistent with the Scheme's governing documents.

The Scheme now provides only final salary related benefits, as the money purchase section has been transferred out to the auto-enrolment arrangement. There is no formal employer-related investment made by the Trustees, and none is intended. The employer intends to remit all relevant contributions to the Trustees within the relevant timescales. The Scheme is registered with HM Revenue and Customs.

2. Delegation of Investment Management

The Trustees use a range of pooled funds provided by Aberdeen Standard Investments (ASI). The Trustees may also use cash products, including the Trustees' bank account, for managing short-term cash flows.

The details of the investment manager's appointment, covering the role of the organisation and their various subsidiaries and associated companies, are covered in an agreement with an effective date of 17 April 1990, and in any legally valid amendments thereof. The provider, where relevant, is suitably authorised under the Financial Services and Markets Act 2000.

The Trustees consider these investment products to be appropriate investments for the Scheme. In deciding to invest in these funds, the Trustees sought advice from their professional advisers as to the products' suitability. The Trustees will review their decision from time to time with their advisers.

3. The Investments Held

Full details of the investment restrictions placed on the manager are contained within the investment agreement mentioned above.

The assets of the Scheme are held in two pooled funds, namely a Global Equity (50:50) index-tracker fund, and a Corporate Bond fund. The broad split of the assets between the funds is 50% Global Equity, 50% Corporate Bonds.

The Global Equity (50:50) Fixed Weights Fund is a passively managed fund-of-funds that is comprised of 50% UK Equities and 50% Overseas Equities. Each equity asset class tracks its own relevant index (for example the UK Equity portion tracks the FTSE All Share Index). The Overseas Equity distribution represents the MSCI World ex UK index.

The Corporate Bond product invests primarily in sterling denominated corporate bonds with an appropriate term to maturity across a range of issuers. The fund may hold gilts to provide short-term liquidity when needed, but they only amount to a small proportion of the fund. The fund aims to outperform the relevant iBoxx Sterling Non-Gilts Index. This may vary between All-Dated and Long-Dated, and between including and excluding BBB-rated bonds, without triggering a revision of the SIP.

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The Trustees have placed no additional constraints on their fund manager. Net cashflows will be used in order to maintain the benchmark split, but one-off adjustments may be used where necessary. The Trustees will keep the allocation of the Final Salary section's assets between the funds under review. The SIP will not be revised unless a new asset class is introduced, or there is a change of more than 5% in an asset's weighting (other than arising from market movements). ASI have been instructed to maintain the benchmark allocation for the Trustees.

4. Expected Return on Investments

The Global Equity Index Fund is a fund-of-funds product and so therefore does not aim to track a single index. The aim of each of the underlying funds is to match the performance of a corresponding index whilst aiming for a particular tracking error in two out of every three years.

The Corporate Bond product may produce more volatile absolute returns over short-term periods than a Gilt product. However, in the longer term, it is the Trustees' expectation that the fund will outperform the relevant iBoxx Sterling Non-Gilt Index by 0.5% p.a. (net of fees).

The investment performance of the Scheme is monitored at least annually on an independent basis through Jagger & Associates. Interim monitoring may also be used by the Trustees from time to time.

5. Risk Management & Risk Measurement

The Trustees are satisfied that their manager is prudent and professional in their general approach to investment. The products used involve diversified portfolios of shares and bonds, to reduce the stock and security specific risk faced by the Scheme.

The products used are viewed as appropriate investment vehicles for the investment strategy of a paid-up pension scheme. Risk measurement forms part of the periodic performance monitoring.

6. Realisation of Investments

The Trustees' policy is to ensure that the assets invested are sufficiently realisable to enable the Trustees to meet their obligation to provide benefits as they fall due. The Trustees are satisfied that the arrangements in place conform to this policy. The Trustees monitor their net cashflow position, the likely need to realise capital, and hence any effect on asset allocation and the choice of investment funds.

7. Additional Voluntary Contributions

The Scheme has provided facilities with Aberdeen Standard Investments (formerly Standard Life) for members who wished to contribute to enhance their retirement benefits whilst in active membership. The Trustees believe these to be appropriate facilities for this purpose, but note that the decisions on the funds used rest entirely with the members.

8. Environmental, Social and Governance (ESG) Considerations including Voting and Engagement

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest in pooled funds and cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest. The Trustees exclude non-financial matters in the selection, retention and realisation of investments.

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The Trustees have no formal policy on either ESG or delegation of voting rights. Instead, they have delegated the responsibility for these matters to their investment manager, who will from time to time report on their current and future actions in these areas.

The Trustees will consider a manager's ESG credentials during their appointment process, and will ask for at least an annual written update on each manager's activity for the products used by the Trustees. The Trustees will include a statement in the annual report to advise members that this has been done.

As the Trustees use pooled funds, their asset managers are not incentivised to align their investment strategy and decisions with the Trustees' policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the managers may make such decisions and/or engage of their own accord.

Performance monitoring, manager remuneration and duration of manager appointments are covered elsewhere in this Statement. As the Trustees use pooled funds, there is no targeted portfolio turnover or turnover range.

As the Trustees use pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.

From 1 October 2020 the Trustees will publish their SIP online on the company website for general public access.

In addition, the Trustees will publish annually online an engagement policy implementation statement that outlines how the various requirements (set out above) have been followed during the year, and describes the voting behaviours of the asset managers on their behalf.

9. Compliance

The Trustees will formally review this statement as and when required, and at least every three years, with the assistance of their advisers. A copy of this statement is available for inspection by Scheme members.

This statement has been agreed by the Trustee on 10th September 2020.



Allan C Martin
Director, ACMCA Limited
Scheme Trustee

Implementation Statement

Westcrowns Limited Retirement Benefits Scheme

The Trustees set out their investment policies in their Statement of Investment Principles. This statement monitors how those policies have been followed over the year.

How voting and engagement policies have been followed

The Scheme invests in instruments (such as equities) that have voting rights. However, the Scheme accesses these instruments entirely through investments in pooled funds. Therefore, the Trustees delegate responsibility for carrying out voting and engagement activities to the Scheme's fund manager.

Our investment advisors have undertaken an initial review of the stewardship and engagement activities of the current manager using their internal research teams. We are satisfied that the manager's policies are reasonable and no remedial action is required.

The Trustees are comfortable the actions of the fund manager are in alignment with the Scheme's stewardship policies.

Voting Data

This section provides a summary of the voting activity undertaken by the investment manager on behalf of the Scheme, over the year to 31 March 2021.

Manager	Aberdeen Standard Investments (ASI)
Fund name	Standard Life Global Equity 50:50 Tracker Fund
Structure	Pooled
Scope to influence voting behaviour of manager	Limited. This is a pooled fund with many unitholders. The Trustees monitor and evaluate the fund manager's voting behaviour but are not able to directly influence voting.
Percentage of resolutions voted on	100%
Percentage of resolutions abstained from	3% ¹
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	85%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	12%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	3%

Significant votes

The table below highlights three significant resolutions the fund manager voted on in the year to 31 March 2021 on companies invested in through the Fund.

Standard Life Global Equity 50:50 Tracker Fund	Vote 1	Vote 2	Vote 3
Company name	Alphabet Inc.	Fortum Oyj	Amazon.com, Inc.
Date of vote	21 July 2020	23 April 2020	27 May 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%	n/a	1.1%
Summary of the resolution	Multiple former employees have spoken out about significant concerns with its corporate culture. The company has also increased its work in controversial projects, one of	Include Paris Agreement 1.5-degree Celsius Target in Articles of Association	Report on Lobbying Payments and Policy

¹ ASI use an abstention as an active voting decision rather than a decision not to vote. They may use this option in situations where they believe that companies have made improvements in an area but have not yet met the standards they expect.

Standard Life Global Equity 50:50 Tracker Fund	Vote 1	Vote 2	Vote 3
	which was abandoned only after the company was challenged by the US House Judiciary Committee. Proposed review of the effectiveness of whistle-blower policies and practices.		
How the manager voted	For (Contrary to the management recommendation and the proxy adviser recommendation)	Against (In line with the management recommendation and the proxy adviser recommendation)	For (Contrary to the management recommendation and in line with the proxy adviser recommendation)
Rationale for the voting decision	An assessment of the effectiveness of whistle-blower policies and practices would help ensure that concerns are taken seriously at early stages and that potential reputational and regulatory risks are appropriately mitigated.	ASI are actively engaging with the company through Climate Action 100+ and submitted an AGM statement asking the company to commit to net zero by 2035 on all emissions for Finish assets and 2050 globally. This is reflected in the AGM minutes. ASI are of the view that while engagement with the company is ongoing, it would not be appropriate to push for a prescriptive change to the articles of association.	Additional disclosure is needed to improve transparency and promote alignment between the company's stated positions and its lobbying activities. Current disclosure lacks consolidated information about political expenditure and lobbying activities detail on trade association memberships.

Fund level engagement

This section summarises the engagement activity of the fund manager in the year to 31 March 2021.

Manager	Aberdeen Standard Investments (ASI)
Fund name	Standard Life Global Equity 50:50 Tracker Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken at a firm level in the year	1486
Examples of topics engaged on with holdings in the fund	Vertical farming, access to healthcare and the impact of COVID on ESG issues