WILLIAMS MOTOR CO. (HOLDINGS) LIMTED RETIREMENT BENEFITS PLAN
ANNUAL IMPLEMENTATION STATEMENT
YEAR ENDED 30 JUNE 2021

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustees have been followed during the year to 30 June 2021. This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the guidance published by the Pensions Regulator.

This Implementation Statement covers both the Defined Benefit ("DB") and Defined Contribution ("DC") Sections of the Plan.

The table later in the document sets out the how, and the extent to which, the policies in the SIP have been followed.

Investment Objectives of the Plan

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Plan with respect to the DB and DC Sections included in the SIP are as follows:

DB Section

- To achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due. In doing so, the Trustees also aim to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Plan.

DC Section

- To provide suitable investment options that are aligned to the needs of their members that will optimise the return on investments in order to build up a savings pot which will be used in retirement;
- To provide members with an appropriate range of investment funds and a suitable default strategy.

Review of the SIP

The next review of the SIP is due by September 2022.

Assessment of how the policies in the SIP have been followed for the year to 30 June 2021

The information provided in this section highlights the work undertaken by the Trustees during the year, and longer term where relevant, and sets out how this work followed the Trustees' policies in the SIP. A copy of the SIP is available on request to the Trustees or administrator shown on page 1.

DEFINED BENEFIT SECTION

	Requirement	Policy	In the year to 30 June 2021
1	Securing compliance with the legal requirements about choosing investments	*The SIP has been prepared by the Trustees in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.* *In considering appropriate investments for the Plan, the Trustees will obtain and consider written advice from Mercer, whom the Trustees believe to be suitability qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995, as amended*	No new investments were implemented over the period covered by this statement.
2	Kinds of investments to be held and balance between different kinds of investments	*The Trustees are permitted to invest across a wide range of asset classes, including both active and passive funds. All of the funds in which the Plan invests are pooled and unitised. The use of derivatives is permitted by the guidelines that apply to the pooled funds.*	The Trustees investment strategy comprises of a "growth" portfolio which includes diversified growth funds, and a "stabilising" portfolio which includes equity-linked gilts, gilts and index-linked gilts. The growth-stabilising allocation is set with regard to the overall required return objective of the Plan's assets, which is determined by the funding objective and current funding level. The Trustees carried out a 'high level' investment strategy review over the course of the year. No changes were recommended with regards to the investments held.
3	Risks, including the ways in which risks are to be measured and managed	*The Trustees are aware, and seek to take account, of a number of risks in relation to the Plan's investments*	As detailed in section 5 of the SIP, the Trustees consider a wide range of risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes.
4	Expected return on investments	*The Plan's assets are expected to provide an investment return commensurate with the level of risk being taken.*	The Trustees review the annual investment performance report provided by Mercer. This shows how each investment manager is delivering against their specific mandates. If a manager is significantly downgraded by Mercer's Manager

			Research Team, Mercer will advise the Trustees and they may replace that manager with a suitable alternative. The downgrade would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term. If the investment objective for an investment manager changes, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives. No actions were taken by the Trustees over the prior year in respect of manager appointments.
5	Realisation of investments	*Where possible, cash outflows from the DB section will be met from cash balances held by the Plan in order to minimise transaction costs.* *Investments or disinvestments should be applied in such a way as to bring the actual asset allocation back towards the Plan's central benchmark asset allocation*	The Plan's assets are in daily dealt pooled investment vehicles. Over the period, investments and disinvestments were carried out such that the assets were rebalanced to the strategic allocation as far as possible.
6	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	*The Trustees recognise that environmental, social and corporate governance (ESG) factors, including but not limited to climate change, can influence the investment risk and return outcomes of the Plan's portfolio and it is therefore in the Plan's (and members') best interests that these factors are taken into account within the investment process.*	Section 4 of the Plan's SIP includes the Trustees' policy on ESG factors and stewardship. This policy sets out the Trustees' beliefs on ESG and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees keep their policies under regular review. The Trustees have received training on ESG and have previously reviewed the policies of the underlying investment managers. The Trustees are comfortable with the way in which ESG is embedded in the management of their funds.
7	The extent (if at all) to which non-financial matters are taken into	*Non-financial matters, such as member views, are not taken into consideration.*	The Trustees have determined that the financial interests of the Plan's

	account in the selection, retention and realisation of investments		members are the first priority when choosing investments. They have therefore decided not to consider non-financial considerations, such as member views, when setting the Plan's investment strategy.
8	The exercise of the rights (including voting rights) attaching to the investments	*The Trustees have concluded that the decision on how to exercise voting rights should be left with their investment managers, who will exercise these rights in accordance with their respective published corporate governance policies.* *These policies take into account the financial interests of shareholders and should be for the Plan's benefit.*	The Trustees have delegated their voting rights to the investment managers.
9	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)	*Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.*	As the Plan invests solely in pooled funds, the Trustees require their investment managers to engage with the investee companies on their behalf. The Trustees wish to encourage best practice in terms of corporate activism. They therefore encourage their investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.

DEFINED CONTRIBUTION SECTION

	Requirement	Policy	In the year to 30 June 2021
1	Securing compliance with the legal requirements about choosing investments	*In considering appropriate investments for the Plan, the Trustees will obtain and consider written advice from Mercer, whom the Trustees believe to be suitability qualified to provide such advice.* *Mercer provides services in relation to the DC section as and when required by the Trustees.*	There have been no changes to the Plan's investment arrangements over the year to 30 June 2021.
2	Kinds of investments to be held	*The following asset classes are included within the default investment option: mixed fund, bond fund and cash fund.* *The Trustees have made available 130 self-select fund options for investment in addition to the default investment option.*	The Plan has a default lifestyle arrangement in place where members are initially 100% invested in the Scottish Widows (SW) Mixed Fund. When members are 5 years away from their chosen retirement age, their assets begin to switch monthly so that when they reach retirement they are 75% invested in the SW Pension Protector Fund and 25% in the SW Cash Fund. All members currently invest via the default option. The self-select fund range consists of 130 funds available on the Scottish Widows platform. The range of investment options allows members to achieve adequate diversification and provides appropriate strategic choices for members' different savings objectives, risk profiles and time horizons. The details of the types of investment referenced in the SIP remains consistent with the fund range offered to members. No changes were made to the Plan's investments over the period covered by this statement. The Trustees have not previously reviewed the Plan's investment strategy and are therefore aware that a review is overdue.
3	The balance between different	*When self-selecting, the balance between funds and*	The strategic asset allocation of the default investment option and the self-

	kinds of investments	*asset classes is the member's decision. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance.* *In determining the default strategy, the Trustees have explicitly considered the trade-off between risk and expected returns. Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.*	select fund range have not been reviewed.
4	Risks, including the ways in which risks are to be measured and managed	*The Trustees are aware, and seek to take account, of a number of risks in relation to the Plan's investments*	As detailed in section 5 of the SIP, the Trustees consider a wide range of risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. The Trustees recognise that in a DC arrangement, members assume the investment risks themselves and that members are exposed to different types of risk at different stages of their working lifetime.
5	Expected return on investments	*The funds available are expected to provide an investment return commensurate with the level of risk being taken.* *In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns In designing the default, the Trustees have explicitly considered the trade-off between risk and expected returns.* *The Trustees make available a range of self-select funds across various asset classes. Members are able to set their own investment allocations, in line with their risk tolerances.*	The Plan has a default lifestyle arrangement in place where members are initially 100% invested in the Scottish Widows (SW) Mixed Fund. When members are 5 years away from their chosen retirement age, their assets begin to switch monthly so that when they reach retirement they are 75% invested in the SW Pension Protector Fund and 25% in the SW Cash Fund. The default lifestyle is designed to provide members with an investment strategy that has the potential for growing their pension fund in the early years. As they get closer to retirement, exposure to riskier assets is reduced whilst retaining some opportunity for growth but with greater emphasis on protecting members' investments from potential stock-market falls. The strategy is particularly aimed towards members who will withdraw their 25%

			tax-free cash and purchase an annuity with their remaining savings. Currently, the Trustees do not review Scottish Widows' investment performance. No actions were taken by the Trustees over the prior year in respect of manager appointments or funds available.
6	Realisation of investments	*As far as is practicable and necessary, the Trustees invest in liquid assets that can be quickly realised as required.* *It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.*	The DC assets are held on the Scottish Widows platform and in pooled unitised funds. The Trustees receive an administration report on an ad hoc basis to ensure that core financial transactions are processed within Service Level Agreements (SLAs) and regulatory timelines. The Trustees are satisfied that all requirements were met throughout the year – 98% of SLAs were met.
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	*The Trustees recognise that environmental, social and corporate governance (ESG) factors, including but not limited to climate change, can influence the investment risk and return outcomes of the Plan's portfolio and it is therefore in the Plan's (and members') best interests that these factors are taken into account within the investment process.*	The Trustees have received training on ESG factors. The Trustees do not currently monitor the ESG policies of Scottish Widows but will look to review these policies in due course.
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	*Non-financial matters, such as member views, are not taken into consideration.*	Member views have not explicitly been taken into account with regards to non-financial matters in the selection, retention and realisation of investments.
9	The exercise of the rights (including voting	*Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and*	The Trustees have delegated their voting rights to the investment managers.

	rights) attaching to the investments	*stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.*	At the time of completing this statement, information on Scottish Widows voting activity was unavailable.
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)	*Outside of those exercised by investment managers on behalf of the Trustees, no other engagement activities are undertaken.*	As the Plan invests solely in pooled funds, the Trustees require their investment managers to engage with the investee companies on their behalf.