

SUSTAINABILITY AT WESLEYAN

WESLEYAN
we are all about you



We are more than a mutual

At Wesleyan, we're trusted to look after your financial futures.
From savings, to investments and pensions.

Wesleyan is led by the Board whose role is to promote its long-term sustainability, generating value for members and contributing to wider society. It is supported by a number of sub-committees. The Board establishes Wesleyan's purpose, values and strategy and ensures that these and its culture are aligned.

Our award-winning Investments Team is focused on delivering a competitive return to you, **but not at any cost.**

"...we believe that when we work together, our collective efforts have the power to make a difference"

Wesleyan's Fund Managers have over 100 years' collective investment experience and are dedicated to making your money make a difference. In addition to delivering better outcomes for you, we aim to improve the environment, climate and communities we all live in.

So how do we do it?



Mutuality and sustainability

We live in a society where more and more of us care about *what* our investments are doing – as well as *how* they're doing.

When Wesleyan Assurance Society opened our doors in 1841, we made a commitment to create brighter financial futures for our customers and members. One of the ways we do this is through our mutual status.

As a proud mutual, we're owned by our members – it's an integral part of who we are and how we operate.

At Wesleyan, we're trusted to look after the financial futures of our members and customers. But that doesn't just mean managing your money. We aim to ensure that the way it's invested delivers better outcomes for you, along with the environment, climate and communities we all live in.

Being a mutual provides us the advantage of investing with a long-term approach, without pressure from shareholders to pursue short-term gains. This aligns with our sustainability commitment, because we're not just interested in how and where we invest your money, but in the way we serve our communities and our impact on the wider world too.

When we say 'we are all about you' we want to be a force for positive change for the world we live in.



Our approach to sustainability

At Wesleyan we assess the sustainability of our company-wide operations; we don't just evaluate their performance, we take the following Environmental, Social and Governance (ESG) factors into account too:



Our operational sustainability strategy

When we assess the sustainability of **our** operations, we don't just evaluate **our** performance; we take the following Environmental, Social and Governance (ESG) factors into account too:

- ▶ **BUSINESS IMPACT**
We ensure that our own business practices are sustainable, including from 2023 being operationally carbon net zero.
- ▶ **COMMUNITY AND CITIZENSHIP**
We strive to make a difference for our members, our colleagues, and the communities we all live and work within through our day-to-day activities, volunteering and our charitable Foundation.
- ▶ **SUSTAINABLE INVESTING**
At Wesleyan we manage £7.6bn of our customers' money. We all care about what our money's doing, not just how it's doing.

When investing our customers' money, we determine whether the company in question fits with our clear sustainable investing policy which applies across all of the customer funds we directly manage.



Our sustainable investing principles

Sustainable investing can mean different things to different businesses. When we invest in companies, we will aim to improve the sustainability of our managed funds and will engage with and challenge investee businesses to become more sustainable where we believe we can make a positive difference. We do this by applying the three principles responsible screening, positive contribution and active engagement.



Responsible screening

We review all existing and potential investee companies against a series of exclusionary filters to ensure we only invest in those we believe are operating in a way that reduces their impact on the environment and on society.

For example, we only invest in oil and gas companies that have identified a comprehensive set of publicly-stated actions they intend to take to achieve carbon net zero with targeted timeframes. And we do not invest in companies that produce civilian firearms or tobacco.

We spoke to our members when setting out our sustainable investing policy and will review who and what we invest in on an annual basis as these opinions and society evolves.



Positive contribution

We believe investments have the power to do good in the world, which is why we invest in companies that are actively involved in improving the environment, our society and people's lives.

Which means this is as much about the companies we do invest in, as the ones we don't. So, who exactly do we entrust with your investments?

For each of our funds, at least 10% of the companies we invest in will make a positive contribution to the world. Including, companies that:

- ▶ positively tackle climate change by reducing waste or creating green energy;
- ▶ improve wellbeing through medical innovation or access to educational services;

- ▶ help promote sustainable cities and communities through affordable housing, or promote social development and mobility;
- ▶ protect and restore forests, reduce land pollution, or manage water demand.

To help achieve this, our dedicated Sustainable Investment Team specialises in assessing and reporting on the sustainability of global companies and industries. They review the sustainability of all holdings in Wesleyan funds and directly influence our investment decisions, ensuring we meet environmental, social and governance (ESG) benchmarks.



Active engagement

We work with other companies and like-minded investors to drive change within the companies we invest in, encouraging them to take steps that improve their sustainability and achieve better outcomes for the environment and for society.

We are also proud signatories of the internationally-recognised [UN-sponsored Principles for Responsible Investment](#), and [Climate Action 100+](#), an organisation focused on ensuring the world's largest greenhouse gas emitters take necessary action on climate change.

For other organisations we are signatories to take a look at our website here: [Sustainable investing | Wesleyan](#)

The [Wesleyan Foundation](#) is another way that we drive change. It enables us to provide financial support to organisations that promote health, education, innovation and social development, whilst showing that caring really does sit at the heart of everything we do.



Our actions speak louder than words

Positive Contribution

We are **top fifteen** shareholders in three companies focused on enabling the transition to a low carbon future for example, companies investing in solar farms.

We have invested over **£35m¹** into funds focused on sustainable energy production or infrastructure since the start of 2020.



We have nearly **£80m¹** invested in companies contributing to social equality, such as affordable housing.



We have over **£350m¹** invested in companies contributing to the advancement of medical health and the fight against diseases.

Active Engagement

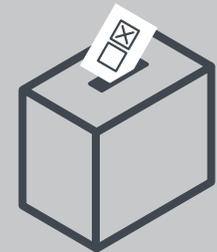
We are signatories of the Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, FAIRR, The Investor Forum, and the FRC Stewardship Code*



In 2023, we met with the management of **366** companies to encourage better business practices.



We also voted at **472** company meetings in 2023, ensuring our voice as an investor was heard and encouraging sustainable behaviour.



¹All figures and data as of 31 December 2023.

Responsible Screening

Prior to launching our Sustainable Investing Policy, we sold over **£40m** of investments that failed to meet our 'Reducing Harm' requirements.



Of that £40m, **£15m** was sold from companies we believe weren't taking the threat of global warming seriously.



We **do not** have any exposure to companies that produce tobacco products.



We are proud signatories of the internationally recognised UN-sponsored Principles for Responsible Investment (PRI) and Climate Action 100+, an organisation focused on ensuring the world's largest greenhouse gas emitters take necessary action on climate change.

Membership of the PRI also helps us to continually evolve our approach as best-practice develops, and allows us to collaborate with other investors, maximising our influence on key ESG issues.

Signatory of:



To find out more about our commitment to being a sustainable business, visit wesleyan.co.uk/sustainability

Wesleyan Group offers Financial Advice: Retirement Planning • Investing • Funding • Insurance
For more information visit wesleyan.co.uk/ourcompanies

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'WESLEYAN' is a trading name of the Wesleyan Group of companies.

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