

Implementation Statement (“IS”)

Marmon Group Limited Retirement Benefits Plan (the “Plan”)

Plan Year End – 31 March 2024

The purpose of the Implementation Statement is for us, the Trustees of the Marmon Group Limited Retirement Benefits Plan, to explain what we have done during the year ending 31 March 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, the Plan's material investment managers were able to disclose good evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

Our investment manager provided us with high-quality engagement information that was sufficient for us to deduce that the policies in our SIP had been implemented effectively. We will review the SIP to ensure that it continues to meet regulatory and our expectations, particularly with regards to engagement and stewardship.

The Trustees have a policy to review the SIP formally, targeting at least every three years, or after any significant change in investment policy or member demographics.

The Plan has two SIPs: one for the defined benefit (DB) (and additional voluntary contributions (AVCs)) section and one for the defined contribution (DC) section. Both SIPs may be found online. Revised versions of both SIPs were published in September 2023 and reflected changes to the Trustees' policies in relation to:

- financially material considerations, including Environmental, Social and Governance (ESG) considerations, and the extent to which these are considered in the selection, retention, and realisation of investments.
- the extent to which (if at all) non-financial factors, including members' views, are considered in the selection, retention, and realisation of investments; and

The Plan's SIP is available on [The Pensions Directory \(pensions-directory.co.uk\)](https://www.pensions-directory.co.uk)

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

How the policies in the SIP have been followed

The DB and DC sections of the Plan invest in funds across a range of asset classes and the Trustees have delegated responsibility for the selection, retention, and realisation of investments to the Plan's investment managers.

As part of the production of this statement, the Trustees, supported by their investment adviser, have reviewed the voting and engagement activities carried out on their behalf by the Plan's investment managers.

Information from the Plan's relevant investment managers about their approach to voting has been summarised, including the use of any proxy voting services provided (relevant for equity managers only), and their approach to engaging with underlying security issuers.

The Trustees acknowledge that the concept of stewardship is less relevant to investment in gilts and cash. As such, these investments have not been covered in this statement.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. While BlackRock provided a comprehensive list of fund-level engagements, which we find encouraging, these examples did not give as much detail as required by the industry standard. Our investment adviser, Aon, will correspond with BlackRock to better understand its engagement practices and discuss the areas which are behind those of its peers.
2. We will review the SIP to ensure that it continues to meet regulatory and our expectations, particularly with regards to engagement and stewardship.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the Plan's material fund with voting rights for the year to Reporting year end i.e. 31 March 2024

	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock Aquila Life Consensus Fund	62,863	96.2%	6.6%	1.4%

Source: Manager

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's manager uses proxy voting advisers.

	Description of use of proxy voting adviser
BlackRock	We use Institutional Shareholder Services' ("ISS") electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.

Source: Manager

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment manager to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in the appendix

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the fund invested in by the Plan

Funds	Number of engagements	Themes engaged on at a fund-level
	Fund specific	Firm level
BlackRock Aquila Life Consensus Fund	2,185	3,768 Environment – Climate Risk Management, Other company impacts on the environment, Water and Waste. Social – Diversity and Inclusion, Human Capital Management, Social Risks and Opportunities. Governance – Business Oversight/Risk Management, Corporate Strategy, Remuneration.
BlackRock UK Passive Bonds Aquila Range		<i>Not provided</i>
Prudential With Profits Fund	<i>Data pending</i>	250 Environment - Climate Change (including Strategy, Broader Sector Opportunities and Thermal Coal), Water use/Scarcity/Pollution Social – Inequality, Diversity & Inclusion Governance – Board Composition & Effectiveness, Shareholder rights Strategy, Financial and Reporting - Capital allocation

Source: Managers.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- BlackRock did not provide any information requested for UK Passive Bonds Aquila Range Fund
- BlackRock did provide fund-level engagement information but not in the industry standard template for the Aquila Life Consensus Fund
- Prudential did not provide fund level engagement data

This report does not include commentary on the Plan's liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below

BlackRock Aquila Life Consensus Fund	Company name	Chevron Corporation
	Date of vote	31 May 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Report on Social Impact from Plant Closure or Energy Transition
	How you voted	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	Rationale for the voting decision	BlackRock did not support this shareholder proposal because, in our assessment, Chevron is already providing disclosure regarding their approach to workforce continuity amid a transition to a low-carbon economy
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Chevron provides clear disclosure regarding how they approach workforce continuity, stakeholder engagement, training, and development in light of a transition to a low carbon economy. Notably, Chevron's 2021 Climate Change Resilience Report and 2022 Sustainability Report discusses their approach to strategy, operational continuity, financial resilience, and human capital management.
	On which criteria have you assessed this vote to be "most significant"?	Climate risk, Human capital management

Source: Manager