

APPENDIX I – IMPLEMENTATION STATEMENT

Maritz Pension Plan

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated September 2020 have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement. This Statement covers the period 1 April 2023 to 31 March 2024.

Investment objectives of the Plan

Investment Objectives

The main aims of the Trustees are:

- To enable the obligations to the beneficiaries of the Plan to be met
- To invest the assets in the best interests of members and beneficiaries or in the case of a potential conflict of interest, in the sole interest of members and beneficiaries
- To invest the assets in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Plan
- To pay due regard to the interest of the sponsoring employer(s) with regard to the size and incidence of Company contributions

Stewardship policy

The Trustees' stewardship policy, as set out in the SIP is as follows.

The Trustees periodically obtain and review the relevant ESG and Stewardship policy documents for each pooled investment fund in which it has invested. When relevant, the Trustees will challenge the investment manager on their policies. Should the Trustees be dissatisfied with the response, they will take the approach that is believed to be in the best interest of the Plan's beneficiaries, which could involve further engagement with the investment manager or disinvesting in favour of a more appropriate investment fund. This creates an incentive for the investment manager to ensure that they are aware of, and as far as possible, meet the Trustees' expectations with regard to ESG and Stewardship policy.

Review of the SIP

The Trustees most recently reviewed the SIP after the Plan's year end. It was updated to reflect changes proposed in an investment strategy advice paper dated September 2023. The updated SIP was signed in April 2024 following the implementation of the changes in investment strategy. The updated SIP also included updated wording in relation to Environmental, Social & Governance (ESG) considerations.

Previously, the Trustees reviewed the Statement of Investment Principles (SIP) in September 2020 to take account of new investment regulations in relation to ESG considerations.

The Trustees have a policy on financially material considerations relating to ESG issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustees' SIP. Following the year end, these policies were updated and the updated policies are detailed in the April 2024 SIP.

Review of the Investment Strategy

The most recent investment strategy review of the Plan took place in August 2023. The investment strategy of the Plan was reviewed by the Trustees as the funding position of the Plan had changed following the Plan's disinvestment from the BlackRock UK Property Fund. |

Given the new funding position, it was recommended that the Trustees should change the investment strategy to help protect against market-related price changes in the bulk annuity premium to secure the Plan's liabilities with an insurer. The proposed changes removed the allocation to long-dated UK government bonds and replaced it with an allocation to short-dated corporate bonds. The revised 'buyout aware' strategy was fully implemented during January 2024.

Investment managers and funds in use

At the start of the year, the Trustees' strategic asset allocation was as follows:

Asset Class	Fund	Target Asset Allocation
Gilts	Aquila Life Over 15 Year UK Gilts Fund	7%
	Aquila Life All Stocks UK Gilts Fund	22%
Corporate Bonds	BIBF Corporate Bond Over 10 Years Fund	11%
Index-Linked Gilts	Aquila Life Up to 5 Year Index-Linked Gilts Fund	8%
	Aquila Life Over 5 Years Index-Linked Gilts Fund	52%
Property*	BlackRock UK Property Fund*	0%*
Total		100.0%

*Proposed new target asset allocation after June 2022 strategy review. Actual allocation at start of year:11%.

In January 2024, the Trustees implemented the strategic asset allocation outlined in the table below:

Asset Class	Fund	Target Asset Allocation
Corporate Bonds	BIBF Corporate Bond Over 10 Years Fund	26%
	Aquila Life Up To 5 Year Corporate Bond Index Fund	
Government Bonds	Aquila Life Over 15 Year UK Gilts Fund	71%
	Aquila Life All Stocks UK Gilts Fund	
	Aquila Life Up to 5 Year Index-Linked Gilts Fund	
	Aquila Life Over 5 Years Index-Linked Gilts Fund	
Cash		3%
Total		100%

Following the year end, the Trustees updated the SIP to reflect the revised strategic asset allocation.

Investment Governance

The Trustees are responsible for making investment decisions and seek advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Plan to help form their policies set out in the SIP as the Plan is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

There were no changes to the objectives put in place for Broadstone which were last reviewed in April 2023. The Trustees are due to formally review these objectives by April 2026 or earlier.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

The Trustees invest across a range of asset classes and styles. The Trustees expect the investment manager to take into account ESG considerations by engaging with the underlying companies and where relevant, by exercising voting rights on these companies.

A summary of the Trustees' views for each asset class in which the Plan invests is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Corporate Bonds	Active	The Trustees expect the investment manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustees also expect their investment manager, to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Corporate Bonds	Passive	The Trustees acknowledge that the Investment Manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustees do expect its Investment Manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Gilts	Passive	The Trustees believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.
Index-Linked Gilts	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.
Cash	Passive	The Trustees believe there is limited scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.

Voting rights and engagement activities

The Trustees currently invest in pooled investment funds with the investment manager, and they acknowledge that this limits their ability to directly influence the investment manager. In particular, all voting activities have been delegated to the investment manager, as the Trustees do not have any administrative mechanism to cast a vote in line with their views on the underlying holdings, given the pooled nature of the Plan's investments. The Trustees' stewardship policy is detailed at the start of this document although this has not been shared with the investment manager to influence what they believe to be the most significant votes.

During the year, the Plan did not hold any investments with attached voting rights.

Engagement activities

The notable engagement activities of the investment manager over the last 12 months are provided below:

- **BlackRock** engaged with Canon on corporate governance, focusing on board composition and long-term leadership planning. At the March 2023 AGM, Canon had no female directors, making it an outlier among large Japanese companies. BlackRock has been advocating for at least two female directors on boards of TOPIX 100 companies since 2023. Due to ongoing concerns about board diversity, BlackRock did not support the election of Canon's board chair and CEO in both 2022 and 2023 AGMs. The chairman's re-election received significantly lower support compared to other directors, indicating investor concern. Following the 2023 AGM, Canon announced plans to appoint a female director by March 2024, a development welcomed by BlackRock.
- **BlackRock** engaged with Kumho Petrochemical's senior management over several years, including discussions with the CEO and CFO in 2023 regarding the company's corporate governance practices, developments in climate-related reporting and its climate risk-related plans for 2024. Kumho had identified transition risks linked to increasing customer demand for low-carbon products and stricter emissions regulations. In response, Kumho established a board-level committee to oversee climate-related risks, disclosed scope 1 and 2 emissions, and set medium and long-term targets for carbon neutrality. Their 2023 sustainability report also introduced a framework for assessing relevant environmental and social risks in investment decisions, reflecting a proactive approach to navigating market changes.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall 'score' which represents how well ESG metrics are incorporated into managers' investment processes. The investment manager will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2023 UNPRI Assessment Reports, scores are presented as a 'star' rating ranging from ★ to ★★★★★, with more stars representing a higher score.

The latest available UNPRI score of the Investment Manager are outlined in the table below:

Manager	UNPRI Score
BlackRock	★★★★
Median	★★★

The Trustees also consider the investment manager's policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of the investment manager or approaches, and direct engagement with the investment manager (as detailed above), the Trustees receive performance reports on a quarterly basis from BlackRock to ensure the investment objectives set out in their SIP are being met.