MARITZ PENSION PLAN
SEPTEMBER 2021

Implementation Statement – year to 31 March 2021

The Trustees of the Maritz Pension Plan ('the Trustees' and 'the Plan' respectively) have prepared this implementation statement in compliance with the governance standards introduced under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Trustees have followed its policy on voting, stewardship and engagement as set out in the Plan's Statement of Investment Principles (SIP), dated September 2020. This statement covers the year to 31 March 2021.

The Plan's assets are held in pooled investment funds and the day-to-day management of these investments (including the responsibility for voting and engaging with companies) is delegated to the fund manager of the pooled investment funds ('the Fund Manager'). The Fund Manager is BlackRock Investment Management (UK) Limited ('BlackRock').

As Trustees of the Plan's assets, we are responsible for the selection and retention of the funds. Reviewing the voting and engagement activities, which we include details on below, is an important exercise to help us ensure that they remain appropriate and are consistent with the Fund Manager's stated policies in this regard. We are satisfied with the voting and engagement activities of the Fund Manager, and in particular, that the Fund Manager is using their position as stakeholder to engage constructively with investee companies; however, we will engage with them should we have any concerns about the voting and/or engagement activities carried out on our behalf. The Trustees had no cause to challenge the Fund Manager's voting and/or engagement activities during the year to 31 March 2021.

During the year to 31 March 2021, the Trustees updated the SIP to ensure it met new regulations which came into effect from 1 October 2020.

Voting and engagement overview

Details on voting and engagement activities provided by BlackRock are set out below. In order to produce this statement we have asked BlackRock a series of questions on their policies, actions and for examples relating to their voting and engagement activities. We have then reviewed these and summarised their responses for the purposes of this statement.

BlackRock have provided information relating to the UK Equity Fund and the Aquila Life World (Ex UK) Equity Index Fund as these funds hold equities for which they have voting rights. All of the other Blackrock funds listed below do not hold equities and so there was no voting carried out in relation to these funds:

Aquila Life Over 15 Years UK Gilt Index Fund
Aquila Life All Stocks UK Gilt Index Fund
Aquila Life Up to 5 Year Index-Linked Gilt Index Fund
BIBF Over 10 Year Corporate Bond Fund
BIBF Index-Linked Fund
BlackRock ICS Sterling Liquid Environmentally Aware Fund
Blackrock UK Property Fund

However, BlackRock's engagement activities are undertaken for all the companies that they hold on behalf of their clients, hence they also engaged with the companies whose bonds are held within these funds.

BlackRock - voting and engagement activities

The following are extracts from BlackRock in response to our questions on voting and engagement and provides an explanation as to how they co-ordinate their voting and engagement activities with companies.

> *As part of our fiduciary duty to our clients, we have determined that it is generally in the best long-term interest of our clients to promote sound corporate governance through voting as an informed, engaged shareholder. This is the responsibility of the Investment Stewardship Team.*
>
> *Consistent with these shareholder rights, we believe BlackRock has a responsibility to monitor and provide feedback to companies, in our role as stewards of our clients' investments. BlackRock Investment Stewardship ("BIS") does this through engagement with management teams and/or board members on material business issues including environmental, social, and governance ("ESG") matters and, for those clients who have given us authority, through voting proxies in the best long-term economic interests of our clients. We also participate in the public debate to shape global norms and industry standards with the goal of a policy framework consistent with our clients' interests as long-term shareholders.*
>
> *BlackRock looks to companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG issues. This allows shareholders to appropriately understand and assess how relevant risks and opportunities are being effectively identified and managed. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what supports sustainable long-term value creation, we will engage with a company and/or use our vote to encourage a change in practice.*
>
> *BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of the business and ESG risks and opportunities that are material to the companies in which our clients invest. As long-term investors on behalf of clients, we seek to have regular and continuing dialogue with executives and board directors to advance sound governance and sustainable business practices, as well as to understand the effectiveness of the company's management and oversight of material issues. Engagement is an important mechanism for providing feedback on company practices and disclosures, particularly where we believe they could be enhanced. We primarily engage through direct dialogue but may use other tools such as written correspondence to share our perspectives. Engagement also informs our voting decisions.*
>
> *We hold ourselves to a very high standard in our investment stewardship activities, including proxy voting. To meet this standard, BIS is comprised of BlackRock employees who do not have other responsibilities other than their roles in BIS. BIS is considered an investment function. While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format.*
>
> *Investment stewardship is how we use our voice as an investor to promote sound corporate governance and business practices to help maximize long-term shareholder value for our clients, the vast majority of whom are investing for long-term goals such as retirement. We are committed to transparency in the stewardship work we do on behalf of clients. We inform clients about our engagement and voting policies and activities through direct communication and through disclosure on our website.*

BlackRock UK Equity Fund

BlackRock were eligible to vote on 2,381 resolutions. They voted on 98.8% of these. Votes: For 94%, Against 4%, Abstained 2%.

Aquila Life World (Ex UK) Equity Index Fund

BlackRock were eligible to vote on 27,464 resolutions. They voted on 93.7% of these. Votes: For 93%, Against 6%, Abstained <1%.

High proportions of voting and evidence of not always voting with management are both indicators of good stewardship.

Most significant votes

BlackRock Investment Stewardship periodically publish detailed explanations of significant votes in “vote bulletins”.

We have selected three vote bulletin examples as evidence of significant votes:

1. AMAZON

Date: 27/05/2020

Resolution: Multiple

Vote: Against all 12 shareholder proposals

BIS regularly reviews Amazon’s governance structure and risk profile. In prior engagements with the company’s board and management, we have discussed a range of material issues driving long-term shareholder value, including corporate governance practices, sustainability efforts, enterprise risk management, and human capital management.

During our most recent engagement, in addition to discussing human capital management, we discussed the topics raised in the shareholder proposals to be voted on at the annual meeting and the company’s oversight and management of those issues that are relevant to their business model. This included the company’s plans to improve its disclosure on food waste and food diversion management and its efforts to monitor the use of certain technologies and enforce compliance with its product policies. Amazon has demonstrated a commitment to adopting best practices in corporate governance (e.g. 90% board independence, 50% board gender diversity, and balanced board tenure). As a result of past engagements, the company has agreed to enhance its governance policies, as noted by management’s proposal to lower the threshold for shareholders to request a special meeting.

The company received the following 12 shareholder proposals:

- *Create a report on effects of food waste*
- *Create a report on customer use of certain technologies*
- *Report on potential customer misuse of certain technologies*
- *Report on efforts to restrict certain products*
- *Request for a mandatory independent board chair policy*
- *Create an alternative report on gender/racial pay*
- *Report on certain community impacts*
- *Report on viewpoint discrimination*
- *Create a report on promotion data*
- *Request for a reduction in threshold for calling special shareholder meetings*
- *Request for a specific supply chain report format*
- *Request for additional reporting on lobbying*

After thorough review of the company’s existing disclosures, along with insights gleaned from multiple engagements, BlackRock determined that Amazon is actively addressing those material issues raised by the various shareholder proposals. Some of the proposals were too prescriptive in their request for additional information, such as requesting an alternative report on gender/racial pay in addition to the one the company already publishes and a specific supply chain report format beyond the report currently available on the company’s website specifically addressing human rights. For a subset of the proposals, including the request for a report on customer use of certain technologies and an additional report on lobbying, the company is already meeting the best practices guidelines.

We will continue to engage with the company regarding the governance of and reporting on material business risks and opportunities.

2. EXXONMOBIL

Date: 27/05/2020

Resolution: Elect Director Angela F Bray and Kenneth C Frazier

Vote: Against

The issue of climate risk and transition-readiness are paramount investment concerns for BlackRock as we consider the financial risks facing companies in the years ahead.

We have had a long history of multiyear, intensive engagements with Exxon on a wide range of nuanced governance issues, including board composition, board shareholder engagement, corporate strategy, and oversight of climate risk, among other topics. Over the last several years, we have intensified our focus with the company on the financial risks of a transition to a lower carbon economy, and on BlackRock's desire, as a long term investor, for more fulsome information on the company's approach to overseeing and managing these risks.

This is in line with our view that the risks of climate change and the transition to a lower carbon economy present material regulatory, reputational, and legal risks to companies that may significantly impair their financial position and ability to remain competitive going forward.

We have centered our engagements with Exxon around our broader request to companies and, as a carbon intensive company, to Exxon specifically, to align reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). In response to an investor vote, Exxon released its Energy and Carbon Summary in 2018 which follows the four pillars of the TCFD framework. However, despite yearly incremental adjustments, we do not believe that full adherence with the fourth pillar of the TCFD has been achieved.

As we have discussed during our most recent conversations with Exxon Mobil Corporation (Exxon), we continue to see a gap in the company's disclosure and action with regard to several components of its climate risk management. We see this as a corporate governance issue that has the potential to undermine the company's long -term financial sustainability. Our approach to investment stewardship is grounded in an expectation that the board will oversee and advise management, influencing management's approach to key business issues.

When effective corporate governance is lacking, we believe that voting against the re-election of the responsible directors is often the most impactful action a shareholder can take. The directors in the boardroom, the independence of their voices, and the value of their collective experience are meaningful determinants of their ability to provide direction and leadership management and to oversee and drive management's performance.

3. ROYAL DUTCH SHELL PLC

Date: 19/05/2020

Shareholder resolution: Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions

Vote: Against

BIS believes that as companies face material climate risks, they must demonstrate that management have assessed how climate may impact operations and determined an appropriate business strategy. As we describe in our commentaries on our Approach to Engagement on Climate Risk and Emissions, Engagement, and Transition to a Low-Carbon Economy, we expect robust disclosures of climate-related risks and opportunities in line with the recommendations of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Greater transparency will contribute to improved market-level data, better engagements with shareholders, and more informed voting decisions aligned with long-term value creation.

Shell is a leader among its peers regarding existing disclosures. The company makes comprehensive climate related disclosures in a dedicated Climate Report (aligned with TCFD), in the sustainability report, and the annual report. This includes an extensive discussion of its business resiliency. As a fiduciary on behalf of our clients, BIS has engaged with Shell over the past several years on a range of governance and material sustainability topics, including climate-related disclosures. As part of our engagement and voting process, we reviewed relevant company disclosures ahead of this year's annual general meeting. Shell's disclosures are consistent with our expectation of large carbon emitters with a previous history of engagement with BIS on the topic.

The shareholder proposal requested that Shell set and publish targets across Scope 1, 2 and 3, aligned with the Paris Agreement. The proponent argued that Shell's ambition to reduce its net carbon intensity by 50% by 2050 in a growing energy system would not ultimately lead to the level of absolute emissions reduction necessary to achieve the goals of the Paris Agreement. The proponent asked for more "aspirational" targets. Since the submission of the shareholder proposal, Shell has updated its climate commitments to more aggressively reduce its carbon footprint, and to become a "net-zero emissions energy business" by 2050 or sooner. This commitment now includes:

- *Scope 1&2: net zero on all emissions from the manufacture of all products by 2050;*
- *Scope 3: reducing the Net Carbon Footprint of its energy products by around 65% by 2050 (up from a previous target of around 50%), and by around 30% by 2035 (up from a previous target of around 20%), both now consistent with the Paris Agreement goal to limit the average temperature rise to 1.5 degrees Celsius;*
- *A transition towards serving businesses and sectors that by 2050 are also net-zero emissions.*

BIS has been engaged with Shell on its climate commitments for a number of years and was engaged with the company throughout the process of this latest upgrading of its commitments. Most of Shell's Scope 3 emissions are the Scope 1 emissions of their customers. Because no single oil & gas company is fully in control of the global energy mix, Shell's Scope 3 commitments will only be achievable if key stakeholders such as policymakers, businesses and consumers accelerate the development and use of low-carbon technologies, incentivize more energy efficiency, reduce demand for fossil fuels, and remove emissions from the atmosphere.

Ian Taylorson – Trustee (signatory)
Signed on behalf of the Trustees of the Maritz Pension Plan