

Engagement Policy Implementation Statement (“EPIS”)

AMG UK Group 2006 Pension Plan (the “Plan”)

Plan Year End – 31 December 2024

The purpose of the EPIS is for us, the Trustee of the AMG UK Group 2006 Pension Plan, to explain what we have done during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. 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, and the ‘most significant’ votes cast over the reporting year.

The EPIS has been prepared by the Trustee and covers the Retirement Benefits Plan (RBP) Section of the Plan covering the Plan year from 1 January 2024 to 31 December 2024.

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

We delegate the management of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. The Plan does not invest in equities and so does not have any voting responsibilities.

The appointed fiduciary manager selects the underlying investments managers on behalf of the Trustee. As such, the Plan delegates monitoring of ESG integration and stewardship of the underlying managers to the fiduciary manager.

How voting and engagement policies have been followed

The Plan is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, most of the investment managers were able to disclose good evidence of engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report. As noted earlier, given the Plan does not invest in equities, it does not have any voting responsibilities. Resultantly, there is no voting activity to report on.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Plan is invested in where available.

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

The Plan's stewardship policy can be found in the SIP: [Statement of Investment Principles](#)

Our Engagement Action Plan

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

1. We will invite our fiduciary manager to a meeting to get a better understanding of how it is engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.
2. We will undertake more regular meetings with our fiduciary manager if required, to ensure our fiduciary manager is using its resources to effectively influence positive outcomes in our relevant funds.

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 Environmental, Social and Governance ("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

Our fiduciary manager's engagement activity

We delegate the management of the Plan's assets to our fiduciary manager, Aon. Aon manages the Plan's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying investment managers to Aon.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

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 investment managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
PIMCO - Climate Bond Strategy	254	>1,517	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board, Management and Ownership Strategy, Financial & Reporting - Capital Allocation Other - ESG Bonds
Robeco - Sustainable Development Goals ("SDG") Credit Income Fund	12	324	Environment - Climate Change Social - Human and Labour Rights Governance - Shareholder Rights; Board Effectiveness - Other
Aegon Asset Management ("Aegon") - European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Leadership - Chair/CEO; Remuneration Other - General Disclosure
M&G Investments ("M&G") - Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; Climate Action 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion Governance - Remuneration
Royal London Asset Management ("RLAM") - Absolute Return Government Bond Fund	33	710	Environment - Climate Transition Risk Social - Just Transition; Mental Health; Financial Inclusion Governance - Remuneration; Corporate Governance

Source: Investment managers

Data limitations

This report does not include commentary on certain asset classes such as 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.