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The Mouchel Business Services Limited Pension Scheme – Money Purchase Section ('Scheme')

31 March 2025 Implementation Statement

July 2025

1. Introduction

The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering the Mouchel Business Services Limited Pension Scheme – Money Purchase Section ("the Scheme").

This Implementation Statement covers the Scheme year from 1 April 2024 to 31 March 2025. It sets out:

- Details of any review of and/or changes made to the Statement of Investment Principles ("SIP");
- How, including the extent to which in the opinion of the Trustee, the Scheme's SIP has been followed over the year;
- How, including the extent to which, the Trustee's policies on exercising voting rights and engagement have been followed over the year; and
- The voting by or on behalf of the Trustee, including the most significant votes cast and any use of a proxy.

A copy of the Implementation Statement and latest SIP is available on the following website: Mouchel Business Services Ltd Pension Scheme (Money Purchase Section) (MBSMP) - Kier Group Pension Trustees website (kierpensions.co.uk)

The Trustee believes that it has acted in accordance with and followed the policies set out in the SIP over the Scheme year.

2. Summary of changes to the SIP during the Scheme year

The SIP is reviewed annually and was last updated during the Scheme year. As such, the Trustee has fulfilled its obligation to review the Scheme's SIP at least every three years.

The key update reflected as part of this last review was the Trustee's policy on investing in illiquid assets within the default strategy.

3. Implementation of the Trustee's SIP policies during the Plan Year: DC Section

The tables below set out the actions taken by the Trustee over the year to 31 March 2025 in order to follow various policies within the SIP.

Policy	Trustee actions over the Scheme year
Investment Objectives	The Trustee is satisfied that the Scheme's investment objectives were met during the Scheme Year for the following reasons: • For members who are further from retirement, the Scheme's default strategy generated returns above inflation over the 5 years to 31/03/2025. • For older members, the Scheme's default strategy switches to lower risk investments as they approach retirement. • The Scheme offered alternative investment options to reflect the variety of ways that members can draw their benefits in retirement. • The Scheme offered a self-select range which provided access to multiple asset classes. During the previous Scheme year, the Trustee undertook a full investment strategy review which considered the Scheme's investment objectives. Following the review, the following changes were implemented in relation to these objectives, in April 2024: • Replacing the underlying asset allocation for Mouchel Global Equity fund (from LGIM All World Equity Index to a blend of BlackRock Equity funds with an ESG tilt). • Replacing the LGIM Cash fund with the LGIM Sterling Liquidity Fund in the default strategy. • Closing two underperforming self-select funds which had been previously flagged by the Trustee; the CT Responsible UK Equity Growth Fund and Standard Life Diversified Growth and Income Pension Fund. • Mapping members in the legacy lifestyle arrangement to the current default strategy. • Setting up two additional lifestyle strategies targeting cash and annuities at retirement. • Adding the HSBC Islamic Equity Index to the self-select range. • Adding a Global Equity ESG fund to the self-select range.
Default Strategy	**Aims and Objectives of the default strategy** • Covered the Investment Objectives section. **Trustee's policies in relation to the default strategy** • Covered in the Investment Strategy section

	The kinds of investment to be held • Covered in the Investment Strategy section **Risks (including the ways in which risks are to be measured and managed)** • Covered in Risks section **Expected return on investments** • Covered in Investment Strategy section **Environmental, Social and Governance ("ESG") considerations** • Covered in Other Risks section **Realisation of investments** • Funds used within the default strategy are unitised, pooled funds which are dealt daily. **Financially and non-financially material investment considerations** • Covered in Other Risks section **Corporate governance and stewardship policy** • Covered in Other Risks section **Exercise of rights (including voting rights) attaching to the investments** • Covered in Other Risks section **Best interests of members and beneficiaries** • During the Scheme year, changes to the Scheme's investment strategy were implemented as outlined in the Investment Objectives section.
Investment Strategy	The Trustee is satisfied that the policies in this section of the SIP were followed during the Scheme year, for the following reasons: • During the Scheme year, the Trustee assessed performance against the underlying Investment Manager's selected benchmarks on a quarterly basis. • The Trustee is comfortable that the range of investment options offered to members are adequately diversified and suitable for different attitudes to risk. • The Trustee removed two underperforming self-select funds in April 2024. In implementing the changes to the investment strategy in April 2024, the Trustee took advice on the mix of active and passive investment options available.
Strategy Implementation	The Trustee is satisfied that the policies in this section of the SIP were followed during the Scheme year, for the following reasons:

	• The available fund options offer members a diversified range of investments from which they can select according to their individual circumstances.
	• Contributions were invested in line with member's selected choice of funds during the Scheme year. For members who didn't make an active selection, their contributions were invested in the default strategy.
	• The Trustee, in conjunction with its' advisers, undertook a transition project in April 2024 to implement changes to the Scheme's investment strategy; potential risks and costs to members arising from this transition were mitigated as far as possible by:
	  ○ Sending targeted communications to ensure members were aware of the changes.
	  ○ Transitioning assets on multiple days.
	  ○ Holding regular project calls throughout the transition to ensure a smooth process.

Monitoring	The Trustee is satisfied that the policies in this section of the SIP were followed during the Scheme year, for the following reasons: • During the Scheme year, the Trustee monitored the performance of the investment managers against their own benchmarks on a quarterly basis. • As a result of this monitoring, two funds in the self-select range were flagged as having consistently underperformed their respective benchmarks and were removed from the investment strategy in April 2024. Further detail is provided in the Investment Objectives section. • The Statement of Investment Principles and Statement of Investment Arrangements were updated during the Scheme year (further detail in Section 2). • During the Scheme year, the Trustee maintained a record of all investment related decisions that were taken, together with the rationale in each case.
Fees	The Trustee is satisfied that the policies in this section of the SIP were followed during the Scheme year, for the following reasons: • Member charges in the default strategy were reduced as a result of the changes implemented in April 2024. • Adviser fees were paid in accordance with the relevant agreements. • During the Scheme year, the Trustee undertook a Value for Members assessment and is satisfied that the fees charged are acceptable and provide good value for members.
Risks	The Trustee is satisfied that the key risks to themselves and to the Scheme's members were mitigated as far as possible for the following reasons: • The Trustee undertook an annual value for members assessment, to assess whether the Scheme continues to offer good value for members. • The Trustee continues to offer a range of funds reflecting asset classes expected to provide long term returns in excess of price inflation. • The Trustee offers a range of investment strategies to reflect different retirement incomes.

	• The Trustee monitors the performance of the underlying investment managers on a regular basis. • Where necessary, the Trustee received input from their advisers on member communications, to ensure they weren't misleading or unclear. • The Trustee offers a default strategy which incorporates lifestyling, designed to phase members into lower risk investments as they approach retirement. The Trustee only offers funds which are considered sufficiently liquid.
Other Risks	The Trustee is satisfied that the policies in this section of the SIP were followed during the Scheme year, for the following reasons: • The Trustee continues to delegate responsibility for monitoring and voting on decisions relating to its Underlying Manager holdings to the Platform Manager, which implements its fund voting policy. • Performance of the investment managers was undertaken on a quarterly basis. • The Trustee monitored transaction costs throughout the Scheme year. • The Trustee continues to delegate consideration of financially material factors to the underlying investment managers, who consider these factors for funds that are available to beneficiaries through the default arrangement and as self-select funds, when making funds available on its investment platform. • When making investment decisions during the Scheme year, the Trustee did not take into account non-financial matters when making investment decisions as part of the default strategy. • The Trustee did not invest in illiquid assets within the default strategy, during the Scheme year.

4. How the Trustee's policies on exercising voting rights and engagements have been followed over the Scheme Year

The Trustee's policy on undertaking engagement activities in respect of the Scheme's investments is set out in full in the SIP. Broadly, the Trustee's policy is that the Investment Managers are responsible for undertaking engagement activities, although the Trustee has noted its preference for the Investment Managers to engage with companies rather than boycott particular shares or companies. The Trustee also expects the Investment Managers to engage with issuers of debt or equity to improve their medium- to long -term performance.

The Scheme's Investment Adviser is Schroders IS Limited, which is part of the Schroders Group. Schroders Group has a long history of engagement and active ownership, dated back to 1998 where the global asset manager appointed its first governance resource and since then have recorded and monitored ESG engagement spanning more than 20 years.

The Trustee has aligned its stewardship priorities with the Investment Adviser's Engagement Blueprint, which sets out the six engagement themes the Scheme's Investment Adviser believes to be most financially material: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Trustee has chosen **Climate**, **Natural Capital & Biodiversity,** and **Human Rights** as the focus for its stewardship actions.

- **Climate**: Climate risk and over-sight, Climate alignment including decarbonising and minimising emissions, climate adaption and carbon capture and removal
- **Natural Capital and Biodiversity**: Nature-related risk and management, circular economy, pollution and waste, sustainable food and water, deforestation
- **Human Rights**: Overarching approach to human rights, works and communities, customers and consumers

Given the Trustee believes that these themes are issues material to the long-term value of the investments. These issues also reflect expectations and trends across a range of stakeholders, and by strengthening relationships with these stakeholders, business models become more sustainable, which ultimately should enhance the value added to the Scheme's investment, and hence benefit the Scheme's members and beneficiaries. Therefore, the Trustee believes that companies that address those issues, when they are material and relevant, will drive improved financial performance for the Scheme.

5. Background to voting and procedures

This statement includes information on the underlying investment managers investing in securities. Where proxy voting agents have been used, this has been included in the voting information.

On behalf of the Trustee, monitoring of voting and engagement was carried out by the Advisory Manager through regular investment and operational due diligence meetings with the Underlying Investment Managers.

The Scheme's investments are made via pooled investment funds via the Platform Manager, Fidelity, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, monitoring and voting, whether for corporate governance purposes or other financially material considerations, is delegated to the underlying Investment Managers.

The Trustee has delegated responsibility for monitoring and voting on decisions relating to their underlying Manager holdings to Fidelity, which implements its fund voting policy.

At the fund manager level, Fidelity holds voting rights, and at the underlying company/stock level, the underlying fund manager holds the voting and engagement rights.

To ensure all relevant voting and engagement is covered, this statement includes information on Fidelity's voting and engagement record as well as those of the underlying managers. Where proxy voting agents have been used, this has been included in the voting information.

6. Trustee's conclusions on voting & engagement

The platform provider, Fidelity, did not vote on behalf of the Trustee. This is due to their policy not to vote/engage at the fund level as they cannot represent all their underlying investors that way. This is common practice in the industry.

Specifically, the Trustee noted that:

- Each relevant manager demonstrated very high levels of voting rights being acted on, where voting is relevant. Where the voting was irrelevant, the Investment Manager showed they carried out a good level of engagement activities over the Scheme Year.
- Challenge to management was demonstrated through votes by the Investment Managers against management.
- The ESG data quality provided by the investment managers has improved since the previous Scheme Year.
- Of the Scheme's three engagement priorities, the general themes of the voting and engagement activity were mostly in relation to Climate and Human Rights, with less focus on Natural Capital and Biodiversity.

The Trustee is satisfied that the voting and engagement activity undertaken by the Investment Managers is in line with the Trustee's policies contained in the SIP and that no changes are required to these policies at this time. The Trustee will keep the position under review.

7. Voting by the Underlying Investment Managers

There are 4 funds that form the default strategy. Set out below is the voting statistics and examples for the most material equity holdings during the period that held voting rights. For the DC section, the Trustee has defined significant votes as those which fit the criteria below:

- The votes are related to the engagement priorities set by the Trustee.
- The votes are considered significant by the Trustee, as well as the underlying investment manager.

The allocation to the Legal and General Investment Management ("LGIM") Sterling Liquidity fund has not been considered.

Asset class	Fund name	Maximum allocation within DC blended fund
Equity	BlackRock ACS World ESG Screened and Optimised Equity Tracker Fund (50% GBP Hedged) ("BlackRock ESG")	90%
Equity	BlackRock Aquila Connect Emerging Markets Equity ("BlackRock EM")	10%
Multi-Asset	LGIM Multi-Asset	100%

- LGIM use Institutional Shareholder Services, "ISS", for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.

Voting and engagement activity undertaken by the Underlying Managers is set out below:

Equity voting statistics	BlackRock ESG	BlackRock EM	LGIM Multi-Asset
Total meetings eligible to vote	434	2,608	10,365
Total resolutions eligible to vote	6,679	22,300	105,710
% of resolutions did you vote on for which you were eligible?	92%	98%	99.8%
% did vote with management?	97%	88%	76.6%
% vote against management?	2%	11%	22.3%
% abstained	0%	3%	1.1%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	0%	0%	13.8%

Source: All data in this section has been provided by the Investment Manager as at 31 March 2025.

Examples of most significant votes and engagement carried out by the underlying managers

LGIM

Climate Change: Unilever Plc. ("Unilever")

In May 2024, LGIM in favour of a resolution to approve Unilever's Climate Transition Action Plan ("CTAP"). The rationale for the voting decision was:

- LGIM understand CTAP to meet its' minimum expectations. This includes the disclosure of scope 1, 2 and material scope 3 Greenhouse Gas ("GHG") emissions and short, medium and long-term GHG emissions reduction targets consistent with a 1.5°C Paris goal. Despite the Science Based Targets Initiative ("SBTi") recently removing their approval of the company's long-term scope 3 target, LGIM note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. LGIM therefore remain supportive of the net zero trajectory of the company at this stage.

LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.

Human Rights: Amazon.com, Inc ("Amazon")

In May 2024, LGIM voted in favour of a resolution requiring Amazon to report on customer due diligence. The rationale for the voting decision was:

- Enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, in LGIM's view, there remains a need for increased, especially publicly available, transparency on this topic.

This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, LGIM believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of LGIM's baseline expectations surrounding AI. LGIM would welcome additional information on the internal education of AI and AI-related risks.

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.

BlackRock

Climate: Shell Plc

In May 2024, BlackRock Investment Stewardship ("BIS") supported a management proposal to approve Shell's Energy Transition Strategy. BIS supported this management proposal because, in their view, Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities and continues to demonstrate progress against its Energy Transition Strategy.

At the same meeting, BIS voted against a shareholder proposal advising Shell to align its medium-term emissions reduction targets covering the greenhouse gas (GHG) emissions of the use of its energy products (scope 3) with the goal of the Paris Climate Agreement. BIS did not support this shareholder proposal because, in their view, the proposal is overly prescriptive. It is the role of company leadership to set and implement the company's strategy. In their assessment, support of this proposal would contradict the Energy Transition Strategy 2024 that has been put forward by the board and management team.

Human Rights: Tesla Inc.

In June 2024, BIS supported the shareholder proposal regarding reporting on harassment and discrimination prevention efforts because BIS deem this issue to be material to the long-term financial interests of shareholders, and greater disclosures on this issue would help investors better assess risks at the company. The shareholder proposal requested that the board "oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of Tesla's efforts to prevent harassment and discrimination against its protected classes of employees. Tesla continues to face significant material legal and reputational risks due to high-profile controversies, including ongoing harassment and discrimination allegations.

This shareholder proposal was also on the ballot at Tesla's August 2022 AGM, and it received approximately 46% shareholder support, including from BIS. Tesla subsequently made some enhancements to its disclosures, such as reporting on types of complaints received and employee training initiatives. Even so, these disclosures do not provide investors with a clear sense of how many of these complaints are specifically related to harassment and discrimination, or whether any remediation efforts have been sufficient to minimise the risk of additional adverse verdicts.

BIS determined that support for the proposal was warranted as the request is aligned with the long-term financial interests of their clients.

Human Rights: Tesla Inc.

Also in June 2024, BIS voted against a proposal requiring Tesla to adopt a non-interference policy respecting freedom of association. The shareholder proposal requested that the board "adopt and disclose a Noninterference Policy ("Policy") upholding the rights to freedom of association and collective bargaining in its operations, as reflected in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work ("Fundamental Principles").

Tesla's workforce is largely non-unionised. In 2022, a shareholder proposal requesting that Tesla adopt a policy on respecting rights to freedom of association and collective bargaining received approximately 32% shareholder support, including from BIS. At the time, the company's Global Human Rights Policy did not explicitly mention the right to freedom of association or collective bargaining in the context of its operations, a practice that was lagging compared to other automotive peers. Since then, Tesla updated its Global Human Rights Policy to include respecting rights to freedom of association and collective bargaining in conformance with local law.

Based on BIS's assessment, Tesla's Global Human Rights Policy already contains components of the shareholder proposal's request, including a commitment to upholding higher standards where national law and international human rights standards differ. Therefore, BIS determined that support for this shareholder proposal was not warranted.

Over the past several months, BIS has closely followed developments related to the ongoing labour dispute in Sweden to understand how the dispute may impact returns to investors, including BlackRock's clients. BIS will continue to monitor the situation and engage to evaluate how Tesla's Global Human Rights Policy is being implemented in this context.

Appendix 2 – ESG, Voting and Engagement Policies

Links to the voting and engagement polices for both Investment Manager and Underlying Investment Managers can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
LGIM	https://www.lgim.com/uk/en/capabilities/investment-stewardship/
BlackRock	https://www.blackrock.com/corporate/insights/investment-stewardship