



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transition or identify the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transition or identify the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2020

Marathon Asset Management LLP

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	-	n/a							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	🔒	n/a	✓						
LEI 05	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 06	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							
CM1 02	Assurance of last year`s PRI data	✓	Public							
CM1 03	Other confidence building measures	✓	Public							
CM1 04	Assurance of this year`s PRI data	✓	Public							
CM1 05	External assurance	🔒	n/a							
CM1 06	Assurance or internal audit	🔒	n/a							
CM1 07	Internal verification	✓	Public							
CM1 01 End	Module confirmation page	✓	-							

# Marathon Asset Management LLP

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Marathon's sole business is the provision of regional, global and international equity management to institutional clients. All divisions and support functions are dedicated solely to these efforts and 100% of Marathon's revenues are derived from asset management activities.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

**OO 02.2** | Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

97

**OO 02.4** | Additional information. [Optional]

Masanaga Kono, an analyst focusing on Japanese corporate engagement, is based in Tokyo. All other staff are located in Marathon's office in London, UK. The number of staff is as at 31st December 2019.

<b>OO 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO 03.1** | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3** | Additional information. [Optional]

Marathon has no affiliations other than indirectly through Marathon Asset Management (Services) Limited with companies in the Marathon Group which act as fund management companies, general partners or investment management companies offering services in specific countries.

<b>OO 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Peering</b>	<b>General</b>
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**OO 04.1** | Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** | Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		50	391	057	206
Currency	USD				
Assets in USD		50	391	057	206

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

	trillions	billions	millions	thousands	hundreds
Total AUM		10	305	569	542
Currency	USD				
Assets in USD		10	305	569	542

Not applicable as we do not have any assets under execution and/or advisory approach

## OO 06.1

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	99	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	1	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges

## OO 06.2

Publish asset class mix as per attached image [Optional].

**OO 06.3** | Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** | Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** | Indicate the breakdown of your organisation's AUM by market.

	Developed Markets
--	-------------------

92.19

	Emerging Markets
--	------------------

7.77

	Frontier Markets
--	------------------

0.04

	Other Markets
--	---------------

0

	Total 100%
--	------------

100%

**OO 09.2** | Additional information. [Optional]

Please note the above figures are excluding hedge funds and cash balances.

### Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** | Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11	Mandatory	Public	Gateway	General
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Other asset classes with dedicated modules

Hedge Funds and/or Fund of Hedge Funds

Closing module

Closing module

**OO 12.2**

Additional information. [Optional]

Listed equity responses also apply to hedge funds.

# Marathon Asset Management LLP

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 01.1**

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

**SG 01.2**

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Stewardship Code</b> <input checked="" type="checkbox"/> Other, specify(2) <b>SRD II statement</b>	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Marathon's investment philosophy is focused on an assessment of the capital cycle and management. As an active long-term investor, with a typical holding period of around eight years, sustainability has always been an integral part of Marathon's investment decision-making process. Marathon's primary objective - the fiduciary duty to add value within clients' agreed risk parameters - is enhanced by considering material ESG issues.

Marathon portfolio managers aim to consider all material issues and weigh them against what is reflected in the current market price of a stock. ESG is included within their overall analysis of stocks; rather than treating it as a stand-alone issue, to be assessed in a different manner. A company with ESG concerns could still be an attractive investment, if the issues are outweighed by other considerations, including valuation. Portfolio managers utilise external ESG research services for additional input, including MSCI and ISS.

Marathon's primary focus is finding companies that it believes are able to generate good returns over time, but the firm also has a strong track record of engagement with company management, to encourage long-term value creation. Effective stewardship and shareholder engagement are reflected in Marathon's thoughtful and patient investment philosophy.

No

**SG 01.6**

Additional information [Optional].

Please refer to Marathon's Sustainability site for further information.

<https://www.marathon.co.uk/sustainability/>

**SG 01 CC****Mandatory to Report Voluntary to Disclose****Public****Descriptive****General****SG 01.6 CC**

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Transition and physical climate-related risks and opportunities are factored into the investment process by the individuals on the investment team. Marathon's investment team aim to consider all material issues and weigh them against what is reflected in the current market price of a stock. Portfolio managers integrate assessment of all ESG factors including climate related risks and opportunities within their overall analysis of stocks, rather than treating it as a stand-alone issue in making investment decisions.

For further information on Marathon's approach to Sustainability, please view the page linked below:

<https://www.marathon.co.uk/sustainability/>

No

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

Marathon's investment edge lies in its assessment of the capital cycle, management and valuation - not in forecasting climate risks. Many factors - not just capital cycle, supply-side factors - will determine the extent and impact of climate change. These may include business innovation and market responses; unanticipated actions by governments and regulators; and changes in demand. Portfolio managers take these risks into consideration, but often consider them to be too uncertain to drive investment decisions.

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

Although we feel that Marathon's longstanding investment approach is fully compatible with the objectives of the TCFD, as a small firm, Marathon has to be highly selective over which external organisations to actively engage with. Supporting TCFD or other initiatives is currently under consideration, however.

**SG 01.9  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

Marathon's investment philosophy is focused on fundamental, bottom-up qualitative analysis to evaluate businesses and the industries within which they operate. ESG factors are integrated into the investment process by the individuals on the investment team, rather than attempting to form a top-down firm view. At present, there are no plans to change this approach.

Marathon portfolio managers analyse climate related factors in the same manner as other factors that they consider likely to drive risk or returns over the long term. This includes assessing materiality; management strategy in response to climate-related risks; and the extent to which climate-related risks may be balanced against other considerations, including valuation.

**SG 1.10  
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

<http://www.marathon-london.com/media/1214/esg-policy-april-19.pdf>

- Attachment (will be made public)

Attachment

[File 1:esg-policy-april-19.pdf](#)

- Fiduciary (or equivalent) duties
- Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.marathon.co.uk/media/1255/uk-stewardship-code-q120.pdf>

Attachment (will be made public)

Attachment

[File 1:uk-stewardship-code-q120.pdf](#)

Engagement policy

URL/Attachment

URL

URL

<https://www.marathon.co.uk/media/1329/engagement-policy-statement.pdf>

Attachment (will be made public)

Attachment

[File 1:engagement-policy-statement.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

URL

[https://vds.issgovernance.com/repo/584/policies/Proxy\\_Voting\\_Policy-Jan\\_2020.pdf](https://vds.issgovernance.com/repo/584/policies/Proxy_Voting_Policy-Jan_2020.pdf)

Attachment (will be made public)

Attachment

[File 1:Proxy\\_Voting\\_Policy-Jan\\_2020.pdf](#)

Other, specify (1)

Other, specify (1) description

Stewardship Code

URL/Attachment

URL

URL

<https://www.marathon.co.uk/media/1255/uk-stewardship-code-q120.pdf>

Attachment (will be made public)

Attachment

[File 1:uk-stewardship-code-q120.pdf](#)

Other, specify (2)

Other, specify (2) description

SRD II statement

URL/Attachment

URL

URL

<https://www.marathon.co.uk/media/1329/engagement-policy-statement.pdf>

Attachment (will be made public)

Attachment

[File 1:engagement-policy-statement.pdf](#)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<http://www.marathon-london.com/media/1214/esg-policy-april-19.pdf>

Attachment

File Attachment

[esg-policy-april-19.pdf \[292KB\]](#)

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<https://www.marathon.co.uk/media/1329/engagement-policy-statement.pdf>

Attachment

File Attachment

[engagement-policy-statement.pdf \[109KB\]](#)

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<http://www.marathon-london.com/media/1214/esg-policy-april-19.pdf>

Attachment

File Attachment

[esg-policy-april-19.pdf \[292KB\]](#)

ESG incorporation approaches

URL/Attachment

URL

URL

<http://www.marathon-london.com/media/1214/esg-policy-april-19.pdf>

Attachment

File Attachment

[esg-policy-april-19.pdf \[292KB\]](#)

Active ownership approaches

URL/Attachment

URL

URL

[https://vds.issgovernance.com/repo/584/policies/Proxy\\_Voting\\_Policy-Jan\\_2020.pdf](https://vds.issgovernance.com/repo/584/policies/Proxy_Voting_Policy-Jan_2020.pdf)

Attachment

File Attachment

[Proxy\\_Voting\\_Policy-Jan\\_2020.pdf \[92KB\]](#)

Reporting

URL/Attachment

URL

URL

<http://www.marathon-london.com/media/1214/esg-policy-april-19.pdf>

Attachment



File Attachment

[esg-policy-april-19.pdf \[292KB\]](#)

- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- We do not publicly disclose any investment policy components

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

Marathon maintains a Conflicts of Interest Policy which covers all potential conflicts of interest which may arise within the investment process. As outlined within the policy, in order to maintain the highest degree of integrity in the conduct of Marathon's business and to maintain personal independent judgment, staff must avoid any activity or personal interest that creates, or appears to create, a conflict between personal interests and the interests of Marathon's clients. It is Marathon's policy that all clients will be treated fairly in accordance with relevant regulatory requirements.

Marathon's Conflicts of Interests Policy, Stewardship Code and Corporate Engagement Policy (including proxy voting and conflicts of interest) are all available publicly on the Marathon website.

No

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

Marathon's investment framework is focused on assessing the capital cycle, management and valuation. One of the key characteristics of Marathon's investment process is its multi-counsellor approach, whereby all portfolio managers are responsible for conducting their own stock level analysis and for the buy/sell decisions within their regionally focused portfolios. Investors are remunerated based on the rolling three-year relative performance of their individual portfolios. Consideration of ESG issues and exercising effective stewardship, is part of the overall investment performance goal - rather than being set as additional or separate objectives.

### Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

#### Roles

- Board members or trustees
- Internal Roles (triggers other options)

#### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)

#### Other description (1)

Client Manager

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)
- External managers or service providers

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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Please refer to previous sections for information about portfolio manager responsible investment implementation and to section 07.4 for additional information on oversight/accountability.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
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0

<b>SG 07.4</b>	Additional information. [Optional]
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Marathon does not have a dedicated team focusing on ESG integration at firm level. Instead, ESG factors are integrated into the investment process by the individuals on the investment team. As such, all portfolio managers and analysts or trainee portfolio managers are responsible to some degree for integrating ESG research into their investment approach.

Additionally, Ben Kottler, Client Manager for North America, takes the lead on ESG. Whilst the majority of Ben's time is spent servicing Marathon's clients he is responsible for overseeing ESG policies and procedures across the firm. Additionally, within the Japan team we have one analyst focused on corporate engagement, Masanaga (Masa) Kono. Masa is responsible for engaging with Marathon's investee companies in Japan to strive to improve their corporate governance practices for the ultimate benefit of Marathon's clients.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**AIMA**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment

Description

Marathon actively promotes and encourages staff to educate themselves on responsible investment initiatives and ESG. Marathon has begun sponsoring staff to take the CFA UK Certificate in ESG Investing.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment

	Description
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The Global Investment Review (GIR), written by members of the investment team, is published eight times a year and offers unique insight into topical issues including ESG. It represents the most effective way for clients to understand Marathon's investment approach.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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Marathon's investment team, compliance team and client managers periodically attend and participate in industry conferences to educate themselves and promote responsible investment activities.

<b>Outsourcing to fiduciary managers and investment consultants</b>				
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<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
- No, we do not use investment consultants.

<b>SG 12.7</b>	Additional information [Optional].
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Marathon does not make use of third-party investment consultants.

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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### SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

## Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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### SG 16.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved				
Hedge funds - DDQ	<table border="1"> <tr> <td></td> <td>Select whether you have responded to the PRI Hedge Fund DDQ</td> </tr> <tr> <td colspan="2"> <input type="radio"/> Yes  <input checked="" type="radio"/> No                 </td> </tr> </table>		Select whether you have responded to the PRI Hedge Fund DDQ	<input type="radio"/> Yes <input checked="" type="radio"/> No	
	Select whether you have responded to the PRI Hedge Fund DDQ				
<input type="radio"/> Yes <input checked="" type="radio"/> No					
Hedge funds	Hedge funds are managed in the same way as long-only equities.				

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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### SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Disclose all voting decisions</li> <li><input type="radio"/> Disclose some voting decisions</li> <li><input type="radio"/> Only disclose abstentions and votes against management</li> </ul>
	<p>Frequency</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>

Hedge Funds



## Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

### SG 19.2

#### Additional information [Optional]

Portfolio managers have always voted their own proxies at Marathon, as we consider the ability to influence management to be an integral part of the investment management function. Votes are made on a case-by-case basis, rather than relying solely on formulaic rules, outside services, or a box-ticking process. Marathon subscribes to advice from ISS, but portfolio managers are directly responsible for proxy voting decisions, on the basis of their in-depth knowledge and assessment of company management and business models. Marathon's individual proxy votes are published on our website, plus aggregated data across all votes.

<https://www.marathon.co.uk/stewardship/proxy-voting-dashboard/>

# Marathon Asset Management LLP

## Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e., not combined with any other strategies)
- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	100	%

- Screening and integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Marathon's investment framework is focused on an assessment of the capital cycle, management and valuation. As a long-term investor, Marathon must critically assess issues of sustainability alongside a variety of other factors, in determining the quality of an investment. Indeed, it is arguable that Environmental, Social and Governance issues have a greater bearing on the long-term outcome than they do over the next 6-12 months, the average investor time-frame.

Marathon's portfolio managers aim to consider all material issues and weigh them against what is reflected in the current market price of a stock. It is important to note that portfolio managers make the decision, integrating assessment of ESG within their overall analysis of a stock, rather than treating it as a stand-alone issue, or outsourcing to a separate team. A company with ESG concerns could still be an attractive investment, if the issues are outweighed by other considerations. After all, our fiduciary duty is to add value within clients' agreed risk parameters. Consideration of ESG is one of a number of factors in this process.

With that said, Marathon's investment philosophy places particular importance on corporate governance issues, specifically through the detailed analysis of the behavioural aspects of management. Marathon's close and continuous engagement directly with investee companies helps to foster long-term relationships. Oversight of company management includes objective assessments and analysis of strategy, financial performance and capital planning alongside consideration of a range of applicable corporate governance issues. Similarly, when

Marathon seeks to understand a company's future strategy, consideration of material environmental and social issues will also be included. As part of this assessment, Marathon aims to observe how a company engages with environmental factors like climate change in order to assess the potential future risks to the business and management's responsiveness to these issues. Companies that are not sustainable over the longer term are unlikely to pass muster.




**LEI 01.3** If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Marathon has been utilising MSCI ESG Research services since June 2019, to provide in-depth research on individual stocks.

### (C) Implementation: Integration of ESG factors

<b>LEI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 08.1** Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	 Environmental <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 Social <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 Corporate Governance <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2

Additional information. [Optional]

All portfolio managers utilise MSCI ESG Research as part of their investment analysis.

LEI 09

Mandatory

Public

Core Assessed

PRI 1

LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

# Marathon Asset Management LLP

## Reported Information

### Public version

### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<http://www.marathon-london.com/sustainability/>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)

Issues a portfolio manager considers material, including ESG.

- (Proxy) voting approach

## Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other; (specify)

Portfolio Managers evaluate ISS voting recommendations. If their vote does not follow ISS advice, they will record reasons.

- Other
- None of the above

No

**LEA 01.4** Do you outsource any of your active ownership activities to service providers?

- Yes
- No

**LEA 01.6** Additional information [optional]

Whilst Marathon is not an activist investor in terms of making outside bets and then conducting public campaigns for change, our approach has been to meet with companies on a frequent basis over the long holding periods and engage in discussions about decision making. There have been numerous private disagreements over the years and sometimes this has led us to express our concerns to boards. The approach is active in the sense of asking difficult questions rather than presuming that we know better on how a company should be run. Indeed, we have witnessed a number of activist campaigns over the years which, although possibly delivering a short-term benefit to shareholders, have been detrimental to long-term shareholder interests.

In Japan, Marathon has advocated corporate governance reform on a frequent basis and it is our view that the pace of change is now greatly underappreciated by investors. As mentioned above, we have one analyst, Masanago Kono, who joined the firm in 2015 and is based in Tokyo. Masa focuses on corporate governance issues, engaging with senior management of portfolio companies addressing issues such as cash deployment, the separation of Chairman and CEO roles and proxy voting.

Additionally, with regard to proxy voting, portfolio managers at Marathon have always voted their own proxies. Whilst we receive helpful advice from proxy advisory services like ISS, decisions are made on a case-by-case basis utilising the specific knowledge gained over many years. The key for us is that the portfolio manager knows the companies and the individuals involved and is responsible for the investment.

## Engagement

<b>LEA 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,2,3</b>
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**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.



Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
----------	---

- Yes  
 No

LEA 03.3	Additional information. [Optional]
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Marathon's portfolio managers spend considerable time assessing whether company managers are on the side of shareholders when it comes to capital allocation, incentives and overall integrity.

Whilst Marathon is not an activist investor in terms of making outsize bets and then conducting public campaigns for change, our approach has been to meet with companies on a frequent basis over long holding periods and engage in discussions about decision making. We have a dedicated corporate governance specialist, Masanaga Kono, on the ground in Japan. There have been numerous private disagreements over the years and sometimes this has led us to express our concerns to boards. The approach is active in the sense of asking difficult questions rather than presuming that we know better on how a company should be run. On occasion, private engagement is ineffective and we feel that a more proactive approach is warranted. One recent example was with Lixil Group, a Japanese based toilet and plumbing business that Marathon had invested in for over 16 years. In November 2018 the company abruptly removed their CEO. Despite attempts to discuss this with management and the nominations committee, we were left with considerable concerns about corporate governance and disclosure. As a result, Marathon, together with other local and foreign shareholders, called an EGM. The new CEO and COO resigned and on 25th June 2019 a slate of new directors was elected, included the previous CEO Kinya Seto, who may well be reinstated at CEO.

Similar engagements have also been conducted in the UK, for example with IG Group.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 04.1** Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input checked="" type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input checked="" type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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**LEA 05.1** Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

**LEA 05.2** Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

**LEA 06.2** Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

Direct dialogue with investee companies.

No

**LEA 06.3** Additional information. [Optional]

Marathon is committed to confronting important corporate issues to achieve the best outcome for our client base. The firm's preference is to undertake this work directly with investee companies, and may involve dialogue with the board and senior independent directors, letters and other escalation methods available to shareholders.

Occasionally, Marathon may get involved alongside other shareholders to look to resolve a critical issue collaboratively if in the best interest of our clients; for example, where fighting an action collectively could have a material impact upon shareholder value, or an investment decision was based potentially upon false or misleading information.

LEA 08	Mandatory	Public	Gateway	PRI 2
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**LEA 08.1** Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track
<b>Collaborative engagements</b>	<input type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input checked="" type="radio"/> We do not track

**(Proxy) voting and shareholder resolutions**

LEA 12	Mandatory	Public	Descriptive	PRI 2
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

**Based on**

- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Portfolio managers have always voted their own proxies at Marathon, as we consider the ability to influence management to be an integral part of the investment management function. Votes are made on a case-by-case basis, rather than relying solely on formulaic rules, outside services, or a box-ticking process. Marathon subscribes to advice from ISS, but portfolio managers are directly responsible for proxy voting decisions, on the basis of their in-depth knowledge and assessment of company management and business models. Marathon's individual proxy votes are published on our website, plus aggregated data across all votes.

<https://www.marathon.co.uk/stewardship/proxy-voting-dashboard/>

<b>LEA 12.3</b>	Additional information.[Optional]
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Marathon's voting records are provided to clients on a quarterly basis. Separately, the firm's voting track record is publicly disclosed on the firm's website (with a 180-day lag). Further disclosures are made in the Stewardship Code statement, also found on our website. On an annual basis, Marathon will update this policy and identify any significant matters that have arisen in connection with voting activity during the previous twelve months.

<b>LEA 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 15.1</b>	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

<b>LEA 15.2</b>	Indicate the reasons for raising your concerns with these companies ahead of voting.
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- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

<b>LEA 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 16.1</b>	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
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- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

**LEA 16.2**

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

Explain

Company requests information.

**LEA 16.3**

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 17****Mandatory****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

100

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

**LEA 17.3**

Additional information. [Optional]

Please refer to the link below for the most recent numbers:

<https://www.marathon.co.uk/stewardship/proxy-voting-dashboard/>

**LEA 19****Mandatory****Public****Core Assessed****PRI 2**

**LEA 19.1**

Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

Yes

No

# Marathon Asset Management LLP

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1**

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)