

NRAM Pension Scheme

Annual Implementation Statement

Scheme year ending 5 April 2025

Section 1: Introduction

- 1.1 This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the NRAM Pension Scheme ("the Scheme") covering the scheme year to 5 April 2025. The purpose of this statement is to:
 - (i) Set out the extent to which, in the opinion of the Trustee, the engagement policy under the Scheme's Statement of Investment Principles ("SIP") has been followed during the year
 - (ii) Describe the voting behaviour by, or on behalf of, the Trustee over the year
- 1.2 A copy of this implementation statement will be made available on the following website www.nrampensions.com alongside the Scheme's SIP.

Section 2: Updates to the SIP

- 2.1 The SIP is reviewed (and if necessary revised) at least annually and following any significant changes in investment policy. In June 2024 the SIP was reviewed, with updates made to Section 4 and Section 5. These updates were made to reflect the Scheme's change in investment manager from State Street Global Advisors LDI Pooled funds to Insight Investment Bespoke fund. The Trustee also revised the wording in 4.11 around the exercising of rights (including voting right) to better reflect the Scheme's circumstances.
- 2.2 During the Scheme year there were two versions of the SIP in place, dated June 2021 and June 2024. For the purposes of this document all references are made to the June 2024 SIP.

Section 3: Adherence to the SIP

Investment Objectives and Risk Management (covering Section 3 of the SIP)

- 3.1 The objectives of the Scheme are assessed on a quarterly basis, through the provision of funding position updates and regular risk monitoring by the Investment Consultant and Scheme Actuary.
- 3.2 The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. As such, they consider material risks on a quarterly basis, monitor the efficiency of the Scheme's liability matching assets against their liabilities and receive regular ESG reporting. In addition, the Trustee reviews the risk register quarterly to assess the impact and relevance of all risks to the Scheme.

Asset Allocation principles (covering 4.1 through to 4.5 of the SIP)

- 3.3 The Trustee reviews the level of the liability hedging quarterly as part of their regular monitoring and monitors performance of the Scheme's investments relative to the Investment Managers benchmark.
- 3.4 The Trustee reviews the Scheme's asset allocation quarterly and receives information from the Scheme's Investment Consultant on market movements and economic conditions at each Trustee meeting or more frequently if required.
- 3.5 Over the year, the Trustee reviewed their investment manager arrangements and agreed to terminate the appointment with State Street Global Advisors ("SSgA") and appoint Insight Investments to manage a bespoke pooled LDI fund for the Scheme. The decision was taken by the Trustee as part of a review of the strategy and with the aim to provide more flexibility to the Scheme's LDI assets.

Sustainable / Responsible investment (covering 4.8 through to 4.11 of the SIP)

- 3.6 The Trustee's policy is to delegate to the investment managers the extent to which Environmental, Social and Governance ("ESG") considerations are taken into account. During the year, the Trustee has received regular updates from its advisors on ESG and Sustainable Investment topics. The Trustee considers climate risk and ESG within the risk register as part of each quarterly Trustee meeting.
- 3.7 As part of the process of appointing Insight Investments as the Scheme's LDI manager, the Trustee, with assistance from the Scheme's Investment Consultant, considered Insight's approach to ESG and Sustainable Investment relative to other potential asset managers. The Trustee was comfortable with Insight's approach.
- 3.8 During the year, the Trustee has met with Insight and also received regular quarterly reports, covering areas including ESG, and noted no concerns.
- 3.9 In addition, the Scheme holds buy-in policies with Aviva Annuity UK Limited and Additional Voluntary Contributions which constitute a range of funds managed by Legal & General ("LGIM"). As part of the governance review of the AVC arrangements over the year, the Trustee considered the current fund options and LGIM's approach and noted no concerns. The Trustee instructed a review of the ESG policies of Aviva by the Scheme's Investment Consultant which was considered during the November 2024 Trustee Meeting. The Trustee was comfortable with the outcome of the review and noted no concerns at this time.

Section 4: Voting and engagement

- 4.1 The Trustee's policy is to delegate authority for the exercising of rights (including voting rights) attaching to investments to the investment managers.
- 4.2 The Scheme currently invests in UK Gilts, UK Index-linked Gilts and cash. These assets do not have any relevant voting rights for the investment manager to exercise and as such no voting information for the Scheme's assets is provided. Whilst the buy-in might have voting rights attached to the assets, these votes are not reviewed by the Trustee. Given the immateriality of the Additional Voluntary Contributions, the Trustee has not reviewed the votes attached to the Lifestyle Strategy Funds, of which only the LGIM Diversified Fund and Global Equity (30:70) Index Fund are relevant.
- 4.3 Insight take account of ESG considerations through their choice of counterparties and report counterparty ESG ratings to the Trustee within all quarterly reports. They also engage with the Debt Management Office (DMO) and the UK government on ESG issues in respect of the Scheme's government bond investments. Insight provided the Trustee with examples of their engagements, which the Trustee has detailed below. The example below has been provided to indicate Insight's general engagement and aren't exposures within the Scheme's holdings.
 - i. A European Bank: Insight engaged with a European bank to discuss several environmental and social issues, including the bank's alignment with the Greenhouse Gas Protocol. Following Insight's initial engagements, the bank has since implemented a structured governance process to manage the environmental and social risks associated with transactions. Insight have also provided further recommendations to the bank around improving their ESG processes and continues to engage with them and monitor progress.

Section 5: Summary and conclusions

- 5.1 Overall, the Trustee believes that the policies and principles within the SIP have been adhered to during the Scheme year.