

Annual Engagement Policy Implementation Statement

Norson Group Limited Pension Scheme

Introduction

This statement sets out how, and the extent to which, the Engagement Policy within the Statement of Investment Principles ('SIP') produced by the Trustees, has been followed during the year to 30 September 2024 (the "Scheme Year"). This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

The Trustees believes it is important to consider the policies in place in the context of the investment objectives they have set. The main objective of the Scheme included in the SIP is to invest the assets of the Scheme in the best interest of their members and beneficiaries, with secondary objectives summarised as:

- The acquisition of suitable assets of appropriate liquidity that will generate income and capital growth to meet, together with contributions from the employers, the cost of current and future benefits that the Scheme provides as set out in the Trust Deed and Rules.
- To limit the risk of the assets failing to meet the liabilities over the long term.
- To minimise the long-term costs of the Scheme by maximising the return on the assets while having due regard to the preceding objectives.
- To ensure that sufficient assets are available to meet members' benefits as and when they fall due.
- To assist in achieving the long- and short-term funding objectives described in the Trustees' Statement of Funding Principles.
- To invest Scheme assets so as to obtain the best rate of return compatible with the above aims while governing exposure to risk.

During the Scheme Year there was a significant change to the investment strategy. Following an improvement in funding level since the 2022 actuarial valuation and the need to transfer the assets from the incumbent provider, Mattioli Woods, the Trustees reviewed the investment strategy and agreed to transfer the assets to abrnn and de-risk to a portfolio to better align to the Scheme's liabilities. In September 2024, the Scheme's entire holdings, was disinvested from Mattioli Woods and transferred to abrnn.

Norson Group Limited Pension Scheme – Annual Engagement Policy Implementation Statement

Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The SIP includes the following policy on ESG, Stewardship and Climate Change:

- The Trustees leave the extent to which social, environmental (including climate risk/opportunities) and governance are taken into account in investment decisions to the discretion of the underlying Investment Managers.
- The Trustees will regularly review the extent to which social, environmental or ethical considerations are taken into account in investment decisions with their Investment Advisers and its impact in relation to financially material considerations including climate change.
- The Trustees' policy is to encourage the exercising of rights (including voting rights) attaching to investments, but responsibility for exercising such rights is delegated to those managing the investments.
- With regards to stewardship, the Trustee wishes to encourage best practice in terms of corporate activism. It therefore encourages its investment managers to discharge their responsibilities in respect of investee companies in accordance with relevant legislation and codes.
- The Trustees accept that the assets invested in pooled funds are subject to the underlying Investment Managers' policies on corporate governance. The Trustees are satisfied that this corresponds with their responsibility to invest the assets in the best interests of members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of their members and beneficiaries.
- The Trustees will review annually the effectiveness of their Investment Advisers' stewardship in relation to this policy, or more frequently should circumstances require.

Trustee Engagement with Investment Managers

- The Trustees accept that the assets invested in pooled funds are subject to the underlying Investment Managers' policies; therefore, the asset manager will not be able to directly align their strategy with the Trustees' policy.
- By using pooled funds, the Trustees are able to disinvest and realise their funds from a specific asset manager without penalty or delay, should they underperform or act outside the Trustees' investment objectives, stewardship and environmental, social and governance requirements.
- The Trustees delegate the review of portfolio costs and investment performance monitoring to their Investment Adviser. Their Investment Adviser reports regularly (no less than quarterly) and makes recommendations that incorporate analysis of these factors as part of their agreement with the Trustees.

Voting Activity and Manager Engagement

Norson Group Limited Pension Scheme – Annual Engagement Policy Implementation Statement
The Trustees have delegated their voting rights to the investment managers. The Trustees do not use the direct services of a proxy voter.

Page 3

Where applicable, the Trustees expect the Scheme's investment managers, unless impracticable, to exercise all voting rights attaching to shares or securities and take account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The managers are authorised to exercise discretion to vote as they think fit, but in doing so reflect the best interests of the Scheme.

The DWP released a set of Implementation Statement requirements on 17 June 2022, "Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance" to be adopted in all Implementation Statements for schemes with years on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a "most significant vote".

This is applicable to those funds with equity holdings, however, due to the fixed income nature of the funds held over the Scheme Year and the fact the growth/equity assets were all transitioned to fixed income assets ahead of the Scheme year end there are currently no voting rights assigned to the Scheme.

For and on behalf of the Norson Group Limited Pension Scheme

March 2025