

The NMR Pension Fund

Implementation Statement

For year ending 31 March 2025

June 2025

This implementation statement covers and references the DB Section of the Fund and the Fund's DB SIP only.

Separate documentation is available for the DC Section of the Fund.

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Section 1: Introduction

This document is the Annual Implementation Statement (the “Statement”) prepared by the Trustee of the NMR Pension Fund (the “Fund”) covering the “Fund Year” from 1 April 2024 to 31 March 2025 in relation to the Statement of Investment Principles (“SIP”).

The purpose of this statement is to:

- Detail any reviews of the SIP that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review.
- set out the extent to which, in the opinion of the Trustee, the Trustee’s engagement policies set out within the Fund’s Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 have been followed during the year; including policies on engagement and voting.

The Fund makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact. The Trustee confirms that the investments which the Fund holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

A copy of this implementation statement is made available on the following website:

<https://www.rothschildandco.com/en/legal/nmr-pension-fund/>

The Fund’s SIP was updated once over the Fund Year. The two relevant SIPs over the Fund Year are:

1. June 2023 – this was the version in place as at the start of the Fund Year.
2. March 2025 – the Fund’s SIP was updated to reflect the revised investment strategy agreed by the Trustee during the year and to update the wording around non-financial material considerations.

For the purpose of assessing how the Scheme’s SIP has been followed, the remainder of this statement specifically focusses on the SIP agreed in March 2025.

Section 2: Adherence to the SIP

In this section, we provide an overview of the Trustee’s DB Investment Objectives and set out how the Trustee’s policies as detailed in the SIP have been followed throughout the Fund Year.

2.1 Investment objectives

The SIP sets out the principal responsibilities and investment policy objectives of the Trustee for the Fund. The Trustee is satisfied that the high-level objectives, as set out in the SIP, have been followed.

As noted in the previous Statement, following consultation with the Sponsor the Trustee has agreed to establish a buffer over time relative to the Fund’s liabilities in order to reduce reliance on the Sponsor.

2.2 Implementation of the Trustee’s policies

The section below highlights the key policies of the Trustee and details how they have been implemented during the Fund Year. Further detail on voting and engagement activity is set out later within this Statement.

To promote greater oversight of the Trustee’s responsible investment activities, a responsible investment committee has been established. This “Pensions Responsible and Sustainable Investment Committee” (PRSIC) is made up of 3 Trustee members and meets regularly, with a mandate to report to the Fund’s Pensions and Investment Sub-Committee (PISC) and to the Trustee Board. During the year, the Committee undertook several engagement-related activities, including:

- A review of the Fund’s Responsible Investment Policy that sets out the approach adopted by the Trustee with respect to engagement and ESG.
- Engaging with the Fund’s investment managers and investment consultants on topics consistent with its sustainable investment beliefs as well as the views of the Sponsor.
- Reviewing analysis setting out the Fund’s estimated carbon emissions and other key climate change metrics.
- Preparation of the Trustee’s annual Principles for Responsible Investment (PRI) submission.
- Publishing the latest version of the Fund’s annual Climate Report outlining the Trustee’s approach to governance, reporting, monitoring, and strategy in relation to climate related risks and opportunities.

The table below sets out further detail the Trustee’s policies within the SIP and how these have been met during the Fund Year.

Policy area	Approach and actions taken over the Fund Year
<p>Section 15, 17 & 20</p> <p>Set general investment policy, but delegate the responsibility for selection of specific investments to appointed investment managers</p>	<p>During the Fund Year, after a detailed review and discussion the Trustee agreed to update its investment beliefs statement. Following completion of this process, an investment strategy review was conducted which led to the decision to modestly increase the target level of return from the Fund’s portfolio.</p> <p>The selection of specific investments remains delegated to the Fund’s investment managers and the PISC reviews the performance of the managers against appropriate benchmarks on a quarterly basis.</p>
<p>Section 16</p> <p>Prior to appointing an investment manager, the</p>	<p>During the year the PRSIC continued to follow its formal process for assessing the RI characteristics of proposed investments for the Fund. This takes into account factors such as a fund’s exposures to sectors</p>

<p>Trustee will seek to understand the manager's approach to sustainable investment (including engagement)</p>	<p>subject to exclusions by the Sponsor, the investment consultant's assessment of the investment manager's ESG capabilities and the carbon emissions associated with the investment (where available).</p> <p>During the Fund Year, the PISC added two new equity funds, which are managed by an existing investment manager. The Trustee is comfortable that each of these funds and their investment manager comply with the policies set out in the Fund's SIP.</p>
<p>Section 18</p> <p>The Trustee delegates the detailed monitoring of the Fund's investment managers to the investment consultant</p>	<p>The PISC reviews the Investment Consultant's ratings of the Fund's investment managers on a quarterly basis and considers the consultant's view on the investment capabilities of the Fund's managers, with particular focus on any changes to ratings.</p> <p>During the year the Fund's Investment Consultant downgraded the rating of one of the Private Debt managers. Following discussions with the PISC, it was agreed that the holding in the relevant fund should be fully redeemed.</p>
<p>Section 19</p> <p>The Trustee expect their investment managers to use their engagement activity to drive improved performance</p> <p>The Trustee expect investment managers to consider relevant matters including capital structure of investee companies, actual and potential conflicts and other stakeholders</p>	<p>The PRSIC monitors the Fund's investment managers' engagement activities through annual Sustainable Investment reports, with the last review being undertaken in March 2025.</p> <p>In addition, the PISC reviews the voting activity that managers have undertaken on the Fund's behalf. As part of this the Trustee considers quantitative and qualitative aspects to voting, such as the proportion of eligible votes cast and what the manager deems to be a significant vote.</p>
<p>Sections 21, 22 & 30</p> <p>Pay managers an ad valorem fee which includes consideration of long-term factors and engagement</p> <p>Review costs incurred for managing the Fund's assets at least annually, including turnover costs</p>	<p>The PISC reviews the costs and charges associated with their investment arrangements annually, which includes transaction and turnover costs, operating expenses and other charges as provided by the Investment Consultant under MiFID II regulations.</p>
<p>Section 24</p> <p>The Trustee reviews that their managers are taking steps to integrate ESG into their investment decision making processes</p>	<p>The Trustee regards proper consideration and integration of responsible investment ('RI') and stewardship to be of critical importance to the achievement of the Fund's objectives.</p> <p>As part of reviewing whether the Fund's managers are taking steps to integrate ESG into their investment processes, the Trustee has considered the following over the Fund Year:</p> <ul style="list-style-type: none"> Investment Consultant's assessments – These set out the investment consultant's views on each manager's ESG integration, voting (where applicable) and engagement for that strategy. Where applicable, these reports include commentary

	<p>on a manager’s voting and engagement activities over a 12-month period and detail of the strengths and weaknesses in their approach.</p> <ul style="list-style-type: none"> • Investment Consultant’s ESG dashboard – This sets out the ESG metrics of the Fund’s portfolio, including information on the carbon emissions of the Fund’s investments and how climate change may impact the portfolio. • Peer group comparison – As part of their monitoring, the Trustee has benchmarked its approach to UK institutional peers. <p>In addition to the above, the PRSIC and the Fund’s investment consultant meet regularly to discuss responsible investing matters, including whether the Fund’s managers are effectively integrating ESG into their investment processes. As set out in further detail within the voting and engagement section of this statement, where the PRSIC does not regard a manager to be taking steps to integrate ESG appropriately, it has typically invited the manager to a meeting to discuss this matter in further detail.</p> <p>As noted previously, for any new strategies considered or selected over the Fund Year, the Trustee has explicitly considered the ESG credentials of the portfolio.</p>
<p>Section 25</p> <p>The Trustee expects their investment managers to consider a range of sustainable investment factors including climate change</p>	<p>The PRSIC reviews how ESG factors are incorporated into the Fund’s current investments through reviewing the Investment Consultant’s reporting.</p> <p>In addition, the PRSIC has reviewed analysis prepared by the Fund’s Investment Consultant that sets out a number of metrics for the aggregate portfolio and how these compare with relevant benchmarks. It has also considered climate focused solutions alongside other investment opportunities as part of assessing how to decrease the carbon emissions of the Fund’s overall portfolio.</p> <p>The Trustee has continued to monitor climate metrics for the Fund and reports these in the Fund’s annual Climate Report, which was most recently published October 2024. This report includes the Fund’s Carbon Journey Plan to target net-zero by 2050.</p>
<p>Section 26</p> <p>The Fund’s investment managers are encouraged to become signatories to the Principles for Responsible Investment (‘PRI’) and to report their adherence to the PRI on an annual basis.</p>	<p>The Fund’s investment managers are encouraged to sign up to the PRI where applicable and possible to do so. Whether an investment manager is signed up to the PRI is monitored by the PRSIC on an annual basis alongside other initiatives that a manager may be part of.</p> <p>In November 2024, the Trustee asked all managers who were not a PRI signatory to comment on their rationale for this. The Trustee was satisfied that those that are not signatories are either in the process of becoming a signatory or evaluating the actions required to sign up. The Trustee notes that for some managers it is not practical for them to become a signatory.</p>
<p>Section 27</p> <p>Maintaining alignment by providing the Fund’s investment managers with a copy of the most recent SIP with the managers to confirm the Fund’s assets</p>	<p>The Fund’s investment managers have been provided with a copy of the Fund’s SIP and asked to confirm that their management of the Fund’s assets is aligned with the principles set out.</p>

<p>are managed in line with the SIP</p>	
<p>Section 28</p> <p>Engage with a manager further to encourage alignment between a manager's portfolio and the Trustee's policies in the event of misalignment</p> <p>Consider terminating an investment manager should alignment be deemed to remain unsatisfactory following engagement</p>	<p>As part of regular manager monitoring, the PISC reviews information on performance targets and the Investment Consultant's skill assessments of each manager where available. These skill assessments provide ratings and commentary on the Fund manager's approach, portfolio management, opportunity set, investment professionals, alignment between investment professionals and the fund's objectives, the firm and the team's stability.</p> <p>These reports are then discussed with the PISC with any material changes that may impact an investment manager's ability to manage a strategy being reported to the PISC on a quarterly basis and more frequently if required.</p> <p>Over the Fund Year, the Trustee has not terminated their agreement with a manager on ESG grounds, however, detail of the Trustee's engagement with the Fund's managers to encourage alignment is set out in more detail below.</p>
<p>Section 29</p> <p>The Trustee closely monitors the Fund's activities related to its stewardship priorities, Climate Change and Diversity & Inclusion.</p>	<p>The Trustee has continued to consider climate change and Diversity & Inclusion as engagement priorities. As such, the Trustee's annual monitoring report prepared by the Investment Consultant places emphasis on these areas. These areas have also been considered when reporting on key votes in this report.</p>

Section 3: Voting and engagement

The Trustee has delegated the day-to-day integration of ESG and stewardship activities (including voting and engagement) to the Fund's investment managers. However, the Trustee recognises that it retains ultimate responsibility for the actions of the Fund's investment managers and undertakes monitoring as part of assessing whether they are appropriately considering ESG risks and opportunities. Where a manager has been identified as not appropriately integrating ESG, the Trustee will engage with the manager. Further detail of the Trustee's engagements over the Fund Year is set out below.

Overall, following the review carried out, the Trustee remains comfortable with the investment managers' approaches to ESG integration and noted no cause for concern.

Engagement and Stewardship

The Trustee also understands the importance of engaging with investment managers in respect of the underlying assets as part of the Fund's Stewardship activities. One element of this is its public Responsible Investment Policy which outlines its approach to engagement with the underlying investment managers on behalf of its members. Some of the ways in which the Trustee does this is:

- Encouraging participation in collaborative initiatives, such as the PRI, UK Stewardship Code. To this effect the Trustee monitors the involvement of its managers in these on an annual basis.
- Ensure that the overall policy of the Scheme's pooled investment managers is consistent with the Trustee's objectives and that it is being effectively applied in practice.
- Inviting the Fund's investment managers to Trustee or sub-committee meetings to discuss areas such as engagement and their ESG approach. This is intended to help the Trustee to understand if a manager's approach is consistent with the Trustee's beliefs. During the current year, Voya and Zouk were invited to present at the PRSIC meetings to discuss their overall ESG approach at both a fund and a company level. Both of the managers outlined some key themes in their discussions with the Trustees including:
 - o the introduction of ESG software to monitor the ESG metrics at the fund level;
 - o updating responsible investment policies to reflect the changes in overall investment process;
 - o fund performance and investment opportunities through sustainable assets.

The PRSIC was satisfied with the progression made by the managers in their engagement and ESG approach.

- The Fund is a signatory of the Principles of Responsible Investment (PRI) a global network of financial institutions working together to implement its six aspirational principles to provide a framework of possible actions for incorporating environmental, social and corporate governance factors into investment practices across asset classes.

Voting activity

As part of monitoring the stewardship of the Fund's investments, the voting activities of the Fund's equity investment manager has been set out below. This includes any votes cast on the Trustee's behalf, detail on the investment manager's use of proxy voting and examples of votes cast that it deems to be significant. As voting rights are only available on listed equity assets, data has only been provided for the Fund's listed equity manager, Legal & General Investment Management (LGIM).

The table below reflects the voting data as provided by LGIM. Where details of multiple significant votes were provided, the Trustee has adopted an approach, where possible, of setting out examples of where shareholder votes have made an impact or votes by shareholders that have encouraged the relevant company to change its behaviour as a result.

The Trustee believes that stewardship that has the potential to drive positive change for investors is in member interests and believes it to be of increased importance given the Fund is considered to be a long term investor.

Significant voting data

Manager Name: LGIM

Use of proxy voting: LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM do not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustee does not have a bespoke voting policy in place for the strategy given its pooled fund structure. However, through considering analysis undertaken by the Trustee's Investment Consultant, the Trustee considers that the adoption of the manager's voting policy is in the best interests of the Fund's members. If the Trustee or the Fund's investment consultant consider that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: <https://www.lgim.com/uk/en/capabilities/investment-stewardship/>

Strategy: LGIM MSCI World Adaptive Capped 2x Index Fund

Eligible votes to cast: 21,418
% of eligible votes cast: 99.48%
% of votes with management: 76.23%
% of votes against management: 23.24%
% of votes abstained from: 0.53%

Significant vote cast

Company: Glencore Plc

Approximate % size of holding (as a % of investment in the strategy): 0.17%

Resolution: Approve 2024-2026 Climate Action Transition Plan

Vote cast: Against

Rationale for voting decision: Climate Change: A vote against was applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. While LGIM notes the progress the company has made in terms of disclosure, it remains concerned over the company's thermal coal activities, as it remains unclear how the planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario.

Outcome of the vote: The resolution passed

Rationale for inclusion as a significant vote: LGIM is publicly supportive of so called "Say on Climate" votes. It expects 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 deems such votes to be significant, particularly when LGIM votes against the transition plan.

Strategy: LGIM Heitman Global Prime Property Securities Fund

Eligible votes to cast: 909

% of eligible votes cast: 100.00%

% of votes with management: 81.52%

% of votes against management: 18.48%

% of votes abstained from: 0.00%

Significant vote cast

Company: SL Green Realty Corp.

Approximate % size of holding (as a % of investment in the strategy): 1.88%

Resolution: Elect Director Craig M. Hatkoff

Vote cast: Against

Rationale for voting decision: Diversity & Inclusion: A vote against was applied as LGIM expects a company to have at least one-third women on the board.

Outcome of the vote: The resolution passed

Rationale for inclusion as a significant vote: LGIM views gender diversity as a financially material issue for its clients, with implications for the assets LGIM manages on their behalf.

Strategy: LGIM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund

Eligible votes to cast: 38,030

% of eligible votes cast: 99.71%

% of votes with management: 79.70%

% of votes against management: 19.02%

% of votes abstained from: 1.28%

Significant vote cast

Company: Shell plc

Approximate % size of holding (as a % of investment in the strategy): 1.04%

Resolution: Approve the Shell Energy Transition Strategy

Vote cast: Against

Rationale for voting decision: Climate change: A vote against was applied. LGIM acknowledges the substantive progress the company has made in respect of climate related disclosures over recent years, and it views positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, LGIM expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.

Outcome of the vote: The resolution passed

Rationale for inclusion as a significant vote: LGIM is publicly supportive of so called "Say on Climate" votes. It expects 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 deems such votes to be significant, particularly when LGIM votes against the transition plan.

Strategy: LGIM World Developed Equity Index Fund

Eligible votes to cast: 29,050
% of eligible votes cast: 99.68%
% of votes with management: 78.39%
% of votes against management: 21.28%
% of votes abstained from: 0.33%

Significant vote cast

Company: Exxon Mobil Corporation

Approximate % size of holding (as a % of investment in the strategy): 0.69%

Resolution: Revisit Executive Pay Incentives for GHG Emission Reductions

Vote cast: Against

Rationale for voting decision: Climate Change: A vote against was applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

Outcome of the vote: Failed

Rationale for inclusion as a significant vote: This shareholder resolution is considered significant due to misleading proposals (shareholder resolutions brought with the aim of undermining positive environmental, social and governance behaviours) are a relatively recent phenomenon. Such proposals often appear to be supportive of, for example, the energy transition but, when considered in depth, are actually designed to promote anti-climate change views.

Strategy: LGIM Future World Global Equity Index Fund

Eligible votes to cast: 55,096
% of eligible votes cast: 99.80%
% of votes with management: 81.00%
% of votes against management: 17.89%
% of votes abstained from: 1.11%

Significant vote cast

Company: Meta Platforms, Inc.

Approximate % size of holding (as a % of investment in the strategy): 1.34%

Resolution: Elect Director Peggy Alford

Vote cast: Against

Rationale for voting decision: Diversity & Inclusion: A vote against is applied as LGIM expects a company to have at least one-third women on the board. Outcome of the vote: Not Given

Rationale for inclusion as a significant vote: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets it manages on their behalf.

Strategy: LGIM WTW Global Diversified Equity Index Fund

Eligible votes to cast: 17,936
% of eligible votes cast: 99.98%
% of votes with management: 80.29%

% of votes against management: 18.68%

% of votes abstained from: 1.03%

Significant vote cast

Company: Alphabet Inc.

Approximate % size of holding (as a % of investment in the strategy): 1.88%

Resolution: Elect Director John L. Hennessy

Vote cast: Against

Rationale for voting decision: Diversity & Inclusion: A vote against is applied as LGIM expects a company to have at least one-third women on the board.

Outcome of the vote: The resolution passed

Rationale for inclusion as a significant vote: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf. It also considers this vote to be significant as it supports the principle of one share one vote.

Section 4: Summary and conclusions

The Trustee considers that all engagement policies and principles within the Fund's SIP were adhered to over the Fund Year.