

J W Muir Group Plc Staff Pension Scheme (the "Scheme") – Annual Engagement Policy Implementation Statement

1. Introduction

This statement sets out how, and the extent to which, the Scheme's Engagement Policy has been followed during the year running from 1 May 2024 to 30 April 2025 (the "Scheme Year"). This Statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and subsequent amendments; and the statutory and non-statutory guidance from the Department of Work and Pensions.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year. The latest SIP can be found publically online at the link below: <https://www.muirgroup.co.uk/company-statements/>

The statement does not cover AVC investments or insurance policies.

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Scheme and review of the Statement of Investment Principles ("SIP") during the Scheme Year, respectively.

Sections 3, 4 and 5 include information on the engagement and key voting activities of the underlying investment managers of the Scheme and also sets out how the Scheme's engagement and voting policy has been followed during the Plan Scheme. **The Trustees can confirm that all policies in the SIP on investment rights (including voting) and engagement have been followed during the Scheme Year.**

2. Statement of Investment Principles

2.1 Investment Objectives of the Scheme

The Trustees have adopted the following primary objectives to help guide them in the strategic management of the assets and control of various risks to which the Scheme is exposed:

- The Trustees seek to invest the Scheme's assets so as to maximise the likelihood:
 - that benefits will be paid to members as they fall due; and
 - of continued long-term financial support from the Sponsoring Employer.

2.2 Review of the SIP

During the Scheme Year, there were no changes made to the SIP. There has been no changes in the investment strategy or investment policy governing the Scheme's assets.

3. Engagement

As set out in the SIP, the Trustees have given the appointed investment manager ("aberdeen Plc"/"aberdeen") full discretion in the evaluation of ESG factors, including climate change considerations. The Trustees also consider how ESG, climate change and stewardship are integrated within investment processes in appointing new investment managers.

Of the Scheme's investments with Aberdeen, the Voting and Engagement policies and activities are most relevant for the mandate where equities are held indirectly through the aberdeen Diversified Growth and Income Fund.

Commented [EA1]: I am in contact with Derek Adam for an updated link. This is 2020 and we have a 2023 SIP..

- The Trustees look to review their investments regularly, in regards to their approach to ESG and their voting and stewardship activities. The Trustees will also ensure they remain comfortable the manager's engagement policies are in line with their own.
- An investment performance report, produced by the Scheme's investment consultant, is reviewed by the Trustees on an ad-hoc basis- this includes ratings from the investment consultant. Where managers may not be highly rated from an ESG perspective the Trustees have discussed the reasons with the investment consultant.
- The Scheme's investment manager engaged with companies over the period under review on a wide range of different issues, including ESG matters. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (e.g. those linked to the Paris agreement). These engagement initiatives are driven mainly through regular engagement meetings with the companies that the investment manager invests in or by voting on key climate-related resolutions at companies' Annual General Meetings.

See sections 4 and 5 below for more details on how the Trustees' policies on engagement have been implemented, as well as its policies on the exercise of investment rights (including voting).

4. Voting Activity

The Trustees have delegated their voting rights to the investment manager. The Trustees expect that the votes attached to the Scheme's holdings are exercised whenever practical by the Scheme's investment manager and that the manager should engage with the companies in which they have invested with the aim of ensuring ESG factors, including climate change considerations are properly taken into account in the companies' business strategies.

The investment manager is expected to provide voting summary reporting (where applicable) on a regular basis annually. The aim is for these to be reviewed as appropriate as part of a wider ESG review of the Scheme's investment manager.

The Trustees, as appropriate, will challenge the investment manager in relation to voting and engagement. It is expected that, when the investment manager presents to the Trustees at future meetings, the Trustees will ask the investment manager to highlight key voting and engagement activity and the impact on the portfolio.

The Trustees do not use the direct services of a proxy voter. Aberdeen utilise the services of ISS for their voting requirements.

Over the 12 months to 31 March 2025 (closest available data date), the key voting activity on behalf of the Trustees was as follows:

Fund	Votable meetings/ resolutions eligible to vote on	Percentage of resolutions voted on	Percentage of meetings with at least one vote against, withheld or abstained	Number of votes against management
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aberdeen Diversified Growth and Income Fund	634 / 8,587	97.9%	59.6%	1,057 (12.6%)
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Over the 12 months to 30 April 2025, the Trustee did not challenge the manager on its voting activity.

5. Significant Votes

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 year ends on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote":

- A significant vote is defined as one that is linked to the scheme's stewardship priorities/themes;
- A vote could also be significant for other reasons, e.g. due to the size of holding; and
- Trustees are to include details on why a vote is considered significant and rationale for the voting decision.

The Trustee's key themes which it has prioritised in the selection of significant votes as outlined in the SIP are: **climate change, biodiversity and modern slavery and pay & safety in the workforce.**

The significant votes highlighted below are those which align with the Trustee's key themes and votes deemed significant by aberdeen as they are either;

- Votes on shareholder ESG proposals where aberdeen have engaged with the proponent or company on the resolution
- Votes on management-presented ESG proposals
- Votes that focus on shareholder proposals where aberdeen have voted contrary to management recommendations

Significant Votes:

- aberdeen Diversified Growth and Income Fund
Novo Nordisk A/S Annual Shareholder Meeting on 27 March 2025
 - o Key Topics – Facility Safety (Pay & Safety in the Workplace)
 - o Holding size at date of vote – 0.03%
 - o Approve Proposal Regarding Regulated Working Conditions at Construction Sites
 - o Vote: against (with management). aberdeen believes the proposal lacks a compelling rationale, does not define certain descriptions such as "a good working environment" and does not consider the potential differences in labour laws and working practices across different countries. As such it would be unfair and onerous on a company to comply with such a broadly framed resolution.
 - o Outcome of vote – n/a
- aberdeen Diversified Growth and Income Fund
The Walt Disney Company Annual Shareholder Meeting on 20 March 2025
 - o Key Topics – Report on Climate Change (Climate Change)
 - o Holding size at date of vote – 0.04%
 - o Report on Climate Risk in Retirement Plan Options
 - o Vote: against (with management). aberdeen believes the company's 401(k) plan offers a range of investment options, which provides employees the flexibility to be able to invest

retirement savings in a manner that aligns with their preferences. The retirement plan is also managed by a third-party fiduciary rather than the board. A vote against is therefore warranted.

- o Outcome of vote – Fail

- aberdeen Diversified Growth and Income Fund

Deere & Company Annual Shareholder Meeting on 28 February 2025

- o Key Topics - Environmental & Social Counterproposal (Climate Change)
- o Holding size at date of vote – 0.04%
- o Establish a Board Committee on Corporate Financial Sustainability
- o Vote: against (with management). aberdeen are comfortable with the company's current approach to mitigate sustainability risks. The company already has in place disclosures of governance, strategy and metrics related to sustainability risks and opportunities that appear to be in line with US market practice. To add, aberdeen generally view committee structures are best left for the discretion of the board. A vote against is therefore warranted.
- o Outcome of vote – Fail

- aberdeen Diversified Growth and Income Fund

QUALCOMM Incorporated Annual Shareholder meeting on 18 March 2025

- o Key Topics - Report on Climate Change (Climate Change)
- o Holding size at date of vote – 0.03%
- o Report on Climate Risk in Retirement Plan Options
- o Vote: against (with management). aberdeen believe employees should be able to invest retirement savings in a manner that provides flexibility in diversifying their investments and pursuing their goals. It appears that it is possible for the QUALCOMM's employees to do so currently. A vote against this proposal is therefore warranted.
- o Outcome of vote – Fail

On behalf of the Trustees of the J W Muir Group Plc Staff Pension Scheme