MERCER

# MacTaggart Scott & Company Limited Pension and Life Assurance Scheme

## Engagement Policy Implementation Statement

**Introduction**

This Statement sets out how, and the extent to which, the stewardship policy and related policies on environmental, social and governance ("ESG") factors and climate change set out in the in the Statement of Investment Principles ("SIP") have been followed during the year to 31 December 2025. 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 guidance from the Department of Work and Pensions.

The statement includes information on the engagement and key voting activities (where applicable) of the underlying investment managers of the Scheme and sets out how the Scheme's engagement and voting policy has been followed during the Scheme Year in respect of the Scheme's assets.

**The Trustees can confirm that all policies in the SIP on engagement in relation to the Scheme's assets have been followed during the Scheme Year.**

**Investment Objectives of the Scheme**

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. As set out in the SIP, the Trustees' primary objective is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustees also aim to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Scheme.

MERCER

## Review of the SIP

Over the twelve-month period to 31 December 2025, no changes were made to the Scheme's SIP. The SIP was last updated in December 2024 to reflect changes made to the investment strategy following advice from their investment consultant, Mercer. The current SIP is available at the link below:

https://mactag.com/wp-content/uploads/2026/02/Statement-of-Investment-Principles-SIP-2024.pdf

## Policy on ESG, Stewardship and Climate Change

The Trustees understand that they must consider all factors that have the potential to impact upon the financial performance of the Scheme's investments over the appropriate time horizon. This includes, but is not limited to, environmental, social and governance factors. However, over the year, stewardship activities were not a relevant consideration for the Trustees given the nature of the investments.

The Scheme's SIP includes the Trustees' policies on ESG factors, stewardship and climate change. The policies in question were last reviewed in December 2024. The Trustees keep their policies under regular review with the SIP subject to review at least triennially.

## Scheme's Investment Structure

The Scheme's only investment is a Trustee Investment Policy ("TIP") with Mobius Life Limited ("Mobius"). Mobius provides an investment platform and enables the Scheme to invest in pooled funds managed by third party investment managers.

As such, the Trustees have no direct relationship with the Scheme's underlying investments managers.

MERCER

**Engagement**

The Trustees have monitored the ESG credentials of the investment manager over the year on a quarterly basis, via the investment performance report provided by the Scheme's investment consultant. However, over the year, engagement activities were not a primary consideration for the Trustees given the nature of the majority of investments.

The Trustees, through the investment consultant, do encourage their investment managers to consider whether adherence to the UK Stewardship Code and the United Nations Principles for Responsible Investment ("UNPRI") is appropriate for their mandate. The Scheme's sole investment manager, Legal & General ("L&G"), are formal signatories to the UK Stewardship Code as well as the UN Principles for Responsible Investment.

Further to the above and following recent regulatory requirements, the Trustees have identified ESG as their engagement key theme/priority. Therefore, the Trustees may feel the need to engage with Mobius or the underlying investment manager on issues related to:

- Environmental – For example: actions/initiatives requiring publication of a business strategy that is aligned with the Paris Agreement on climate change; resolutions on climate related activities that would result in significant biodiversity loss;

- Social – For Example: actions/initiatives relating to Human rights violations in its various forms (e.g. slavery; human trafficking; sexual harassment, etc).

- Governance – For example: actions/initiatives that would be at odds with the expectations of the UK Corporate Governance Code (e.g. matters of excessive or inappropriate executive remuneration or lack of board diversity).

L&G published their main engagement activity during the year to 31 December 2025 in their "Active ownership 2025" report. Please find below a link to the full report:

Active Ownership 2025

MERCER

## Voting Activity

As noted earlier, the Scheme has no direct relationship with the pooled funds it is ultimately invested in, and therefore no voting rights in relation to the Scheme's investments. The Trustees have therefore effectively delegated their voting rights to the manager of the funds the Scheme's investments are ultimately invested in.

Given the nature of the underlying assets, there was no voting activity undertaken within the mandates during the year to 31 December 2025.

Following the regulatory requirements, the Trustees were asked to provide their own definition of significant votes, in line with the engagement priorities disclosed above.

The Trustees consider a significant vote as any vote relating to material holdings (a company that represented at least 1.5% of the year-end market capitalisation of any fund in which the Scheme was invested during the majority of the year), in each of the following thematic areas:

- Climate Change: including (but not necessarily limited to) low-carbon transition and physical damages resilience;
- Human Rights: including (but not necessarily limited to) modern slavery, pay & safety in the workforce and supply chains and abuses in conflict zones; and/or
- Diversity, Equity and Inclusion: including (but not necessarily limited to) equal pay, board equality, and inclusive & diverse decision-making.

The Trustees will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry.