

# Implementation Statement for the year ended 30 April 2025

## Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Mactaggart & Mickel Limited Retirement Benefits Scheme (the "Scheme") have followed their policies in relation to the management of ESG risks and stewardship of assets over the 12-month period to 30 April 2025 ("the reporting year").

## Purchase of a bulk annuity policy

On 21 March 2024, the Trustees completed the purchase of a bulk annuity policy with Aviva, insuring all accrued member liabilities. The insurance policy is now the sole asset of the Scheme. The Trustees are in the process of 'buying out' the Scheme, which involves Aviva creating individual policies for each member in line with the benefits due under the Scheme Rules. This process will take several months to complete. Once the process has been completed, the Scheme will hold no assets or liabilities and therefore the Trustees will seek to wind-up the Scheme.

While the bulk annuity policy is now the sole asset of the Scheme, and as such many of the Trustees' previous investment responsibilities are no longer relevant, the Trustees are required to ensure there is appropriate ongoing investment governance until the point at which the Scheme is wound up. This governance responsibility includes maintaining the Statement of Investment Principles document as well as producing an annual Implementation Statement.

## The Trustees' policies in relation to ESG risks and stewardship of assets

Due to the nature of the Aviva insurance contract (which is effectively irreversible) the Trustees have no control or influence over underlying assets that Aviva invest. As such, the most recent version of the Statement of Investment Principles document, dated April 2024, removed all of the Trustees' previous policies in regard to management of ESG risks and stewardship of assets. This is common practice when a pension scheme completes a buy-in transaction.

However, prior to the purchase of the Aviva insurance contract, the Trustees held assets that were subject to the Trustees' previous policies on ESG and Stewardship of assets (as documented in the Statement of Investment Principles dated September 2020). A summary of these previous policies is set out below:

- **Beliefs:** the Trustees believe that there can be financially material risks relating to environmental, social and governance ('ESG') issues.
- **Management of ESG risks:** the Trustees previously delegated the ongoing monitoring and management of ESG risks to the Scheme's investment managers. The Trustees required the investment managers to take ESG risks into consideration within their decision-making.
- **Exercising rights:** the Trustees previously delegated responsibility for the exercise of rights (including voting rights) attached to Scheme's investments to the investment managers and encouraged them to engage with investee companies and vote whenever it was practical to do so on financially material matters including those deemed to include a material ESG risk in relation to those investments.
- **Manager selection:** As part of the insurer selection process the Trustees received advice on the extent to which Aviva consider ESG risks in their investment decision making process for their asset portfolio. The Trustees were satisfied that Aviva's management of ESG risks was in line with their previous policies.

## Voting activity

Some investments - most notably the investment in public and private equity - come with voting rights where investors can use their vote to help shape the direction of the company. The annual implementation statement requires trustees to set out details of voting activity on investments held. As the Aviva insurance contract is now the sole asset of the Scheme, the Scheme no longer holds any assets which have voting rights attached.