

Beatson Clark Pension Scheme (the “Scheme”)

Implementation Statement

Purpose of this statement

This implementation statement has been produced by Beatson Clark (Trustees) Limited, as the Trustee of the **Beatson Clark Pension Scheme (“the Scheme”)** to set out the following information over the year to **30 June 2025**:

- How the Trustee’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee’s Statement of Investment Principles (SIP) in force at the review date describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in 2025 and has been made available online here:

[2025 Beatson Clark Statement of Investment Principles](#)

There were no changes to the Trustee’ stewardship policy over the year to 30 June 2025.

The Trustee decided not to set stewardship priorities for the Scheme for the time being because the Scheme solely invests through pooled investment vehicles where the Scheme’s asset only represents a small proportion of the capital invested in the funds. The Trustee understands that it is constrained by the policies of the managers. However, the Trustee takes the stewardship priorities, climate risk, and ESG factors into account at manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually through its Implementation Statement.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such the Trustee delegates responsibility for carrying out voting and engagement activities to the Scheme’s investment managers. The Trustee’ expectation is that the investment managers will utilise voting rights and engage with underlying companies so as to promote good corporate governance, accountability and to better understand how those companies incorporate Environmental, Social and Governance (“ESG”) factors into their business.
- The Trustee has an expectation that the investment managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme’s underlying holdings on such matters; viewing ESG factors as financially material. The Trustee does not currently impose any specific

restrictions on the investment managers with respect to ESG issues but will review this position from time to time.

- At the Scheme's year-end, the Scheme's investment managers with material asset holdings were Legal & General Asset Management ("L&G Asset Management") and M&G Investments ("M&G"). The Trustee meets as necessary to discuss performance of the funds and update on important issues.
- Annually the Trustee receives and reviews voting information and engagement policies from the asset managers. These are reviewed to ensure alignment with policies. This exercise was undertaken following the accounting year-end on 30 June 2025 and the results of this exercise are set out in detail below.

Having reviewed the above in accordance with its policies, the Trustee is comfortable that the actions of the investment managers are in alignment with the Scheme's stewardship policies.

**Prepared by Beatson Clark (Trustees) Limited, as the Trustee of the Beatson Clark Pension Scheme
October 2025**

Voting Data

As at 30 June 2025, the Scheme holds a 100% of assets in gilts, credit and property. The Scheme's holdings have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates. Therefore, no voting data is presented for the purpose of this Implementation Statement.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	L&G Asset Management	M&G	M&G
Fund names	Maturing Buy and Maintain Credit Funds	PP Total Return Credit Investment Fund	PP UK Property Fund
Number of entities engaged on behalf of the holdings in this fund in the year	2025 – 2029 Fund: 132 2030 – 2034 Fund: 141 2035 – 2039 Fund: 84 2040 – 2054 Fund: 97	13	Data not provided
Number of engagements undertaken at a firm level in the year	3,643		395

Source: L&G Asset Management and M&G Investments.

Examples of engagement activity undertaken over the year to 30 June 2025

L&G Asset Management

Nippon Steel Corporation

L&G Asset Management identified Nippon Steel as lagging in its policy engagement disclosures in 2022. Following continuous engagement and a lack of progress, L&G Asset Management have co-filed a shareholder resolution requesting greater transparency on their climate policy engagement activities in their 2024 AGM. This resolution received 28% support, one of the highest levels of support recorded for a climate-related shareholder resolution in Japan.

Since co-filing the shareholder resolution, L&G Asset Management have met with Nippon Steel three times and attended a site visit - a further step towards transparency and engagement with shareholders. In addition to an increased willingness to acknowledge and listen to the concerns of their global shareholder base regarding decarbonisation, L&G Asset Management noted specific intentions regarding improvements in disclosures.

L&G Asset Management are pleased to see that, ahead of its 2025 AGM, Nippon Steel has published its first ever Industry Association Review and a set of policy positions, including a commitment to positive policy engagement in Japan for policies relating to climate change and energy. This followed disclosures on its direct lobbying activities earlier in the year. These are encouraging first steps towards aligning the company's policy engagement with its long-term strategy and decarbonisation objectives. L&G Asset Management will continue to work with

the company, aiming to further strengthen investor confidence and support the integration of transparent and strategic advocacy efforts.

M&G - PP Total Return Credit Investment Fund

Hannover Rueck SE

M&G engaged with German reinsurer Hannover Re to ensure they had a plan to address thermal coal exposure, as well as oil & gas, and to encourage the company to calculate and publish its category 15 scope 3 emissions, to publish clear, near-term and net zero absolute emission reduction targets, and to have these targets validated by the SBTi. M&G also asked for some additional enhancement to the way it discloses climate data.

Hannover Re had a short-term scope 1 & 2 GHG emissions reduction target that it met at the end of 2023, and it now aims to reduce its asset management emissions footprint (corporate bonds, covered bonds, equities) by 30% by 2025, using a 2019 baseline). It appeared that reference to 2030 operational emissions reduction targets and net zero for 2050 had been removed from its sustainability reporting, but this was not entirely clear.

M&G met with the company's head of sustainability, a specialist on its sustainability team and a member of the investor relations team. Hannover Re confirmed that it was undertaking the process of calculating its category 15 scope 3 emissions, but that it was a time-consuming process. It said it would be publishing new targets in line with CSRD, but that the requirements were intense, taking up a lot of capacity. Given the specific impacts on target setting, decision makers in the company were shying back from committing to targets before the requirements of CSRD have fully bedded in (the regulation has been constantly changing, and certainty is difficult). Once the company completes the first reporting cycle, it can then revisit the idea of SBTi approved targets (we will revisit this after its first CSRD report is published next year).

In terms of coal exposure, the company has a strategy in place to phase out of coal by 2038 on the P&C book, which is easier to reach in some parts of the business than it is in others, hence why the target is 2038. The current position on oil, gas and coal is more around exclusions – i.e. excluding exposure for all new risks. Deep sea mining is also excluded. Of note, the company is also explicitly committed to the expansion of renewable energy underwriting, ranging across on- and off-shore wind, solar and geothermal, as well as expanding technologies like green hydrogen.

M&G are now aiming to encourage enhanced disclosure ahead of the company's next sustainability report, and after its first CSRD report, to ensure clarity and consistency in the targets it has in place.