

Implementation Statement

Berry Birch & Noble Staff Pension Fund

Scheme year end 30 June 2024

This implementation statement has been produced by the Trustee of the Berry Birch & Noble Staff Pension Fund ("the Scheme") to set out the following information over the year to 30 June 2024:

- How the Trustee's Environmental, Social and Governance ("ESG") policies have been followed over the year.
- The engagement activities undertaken by the Scheme's investment manager on behalf of the Trustee over the year.
- A description of how the Statement of Investment Principles (SIP) has been followed over the year.

Stewardship policy

In November 2023, the Trustee purchased a bulk annuity policy with Aviva. The Trustee notes that by securing Scheme benefits with the insurer, they have limited ability to influence the voting and engagement activities undertaken on behalf of the insurer. Responsibility for the engagement with the issuers of investments underlying the bulk annuity policy, including voting policy (where applicable), is the responsibility of the insurer.

During the reporting period, outside the bulk annuity policy, the Scheme held assets in the LGIM Over 15 Year Gilts Index Fund and the LGIM Cash Fund, with no invested assets held as at 30 June 2024. None of the investments held over the period have voting rights attached.

At this time, the Trustee has not set Stewardship priorities for the Scheme. The rationale for that decision is that the Trustee acknowledges that the Scheme is in the PPF Assessment Period and therefore the impact of ESG factors is not expected to be hugely significant. In addition, given the Scheme's purchase of the bulk annuity policy during this reporting period, and the fact that there were no residual invested assets as at 30 June 2024, the Trustee has decided not to set stewardship priorities at this time.

How voting and engagement policies have been followed

The Trustee considers their voting and engagement policies have been met in the following ways:

- In November 2023, the Trustee purchased a bulk annuity policy with Aviva. At the Scheme year-end, the Scheme held no invested assets outside the bulk annuity policy. Over the reporting period, the Scheme invested in passive gilts and cash, which have no voting rights attached.
- The assets held by the Scheme over the reporting period were pooled funds, and as such responsibility for carrying out voting and engagement activities, where applicable, was delegated to the Scheme's investment manager.
- The Trustee, with input from their investment consultant, annually receives and reviews (through their Implementation Statement) voting information and engagement policies of their investment manager, Legal & General Investment Management. This exercise was undertaken as at 30 June 2024.

- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment manager are in alignment with the Scheme's stewardship policies.

Voting Data

Voting is only applicable to assets with voting rights attached (i.e. equities). Over the 12-month period to 30 June 2024, the Scheme held no assets with voting rights attached, therefore there is no voting data or significant voting information to report. This also means there was no use of a proxy voting service over the period.

Engagement

LGIM engage with companies at a firm level as they are a predominantly passive manager, engagement data can therefore only be provided at a firm level. During the reporting period, the Scheme held assets in the LGIM Over 15 Years Gilts Index Fund and the LGIM Cash Fund. Therefore, there were no engagement activities undertaken within the Funds over the year. Nevertheless, the engagement activities of LGIM, at a firm level, are shown below.

Manager	Legal & General Investment Management
Does the manager perform engagement activities?	Yes, ongoing discussions with companies is a fundamental aspect of LGIM's responsible investment commitment. As a large index investor, it is important to them that they raise concerns and lay out expectations with regards to improvement in the planning and management of short and long-term ESG risks and opportunities. LGIM's Investment Stewardship team holds meetings with company board directors and executives. By engaging face to face with board members and senior executives they seek to continue progress towards their ESG targets and engage more with companies that are failing to meet these goals.
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes
Number of engagements undertaken at a firm level in the year	Engaged with 4,784 companies (5,003 individual engagements within these companies).

Examples of engagement activity undertaken over the year to 30 June 2024

APA

LGIM has been engaging with APA, Australia's largest energy infrastructure business, directly since early 2022 as one of their selected 'dial mover' companies. LGIM believe APA has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere. As part of LGIM's engagements, the company was identified as lagging their expectations on climate-related lobbying activities. In early 2022, LGIM set out their expectations for management-proposed 'Say on Climate' votes and the criteria they consider in assessing whether to support them. LGIM expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with the 1.5°C goal.

As a consequence, when APA Group brought its climate transition plan to a vote, LGIM were unable to support it. Although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no

later than 2025. LGIM initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of their Climate Impact Pledge engagement, and they have continued to build the relationship, setting out their expectations as per their net zero guide, and working with the company to understand the hurdles it faces and the challenges to meeting these expectations.

In their meeting with them in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target. This demonstrates the effect of LGIM's engagement strategy, fully aligned with their voting policy, to encourage progress towards decarbonisation.

Anglo American

The engagement was focused on restructuring the company's portfolio to focus on copper and high-grade iron ore, specifically:

- To clarify the value proposition from Anglo's portfolio of world-class assets by simplifying and focusing on commodities which will most benefit from the energy transition while reducing exposure to commodities with uncertain long-term demand.
- To support the growth of the copper business by strengthening the balance sheet through asset disposals.

LGIM started this engagement in April 2024, where they first presented ideas to Anglo American around portfolio restructuring. However, before the proposal could be circulated to management, BHP made an offer to buy Anglo American. LGIM, determined that an offer was not beneficial for shareholders and threatened to slow down the pace of copper growth globally. Anglo American consulted LGIM on its defence strategy, with five meetings with senior management and board members taking place.

On 14 May 2024, Anglo America announced its intention to significantly restructure its portfolio by exiting platinum, diamond, metallurgical coal and nickel businesses and pausing investment in its Woodsmith mine. Later that month the board announced it had refused BHP's offer. The portfolio restructuring is expected to take between 18 and 24 months to complete.

The outcome of this engagement so far has been a powerful, collaborative relationship with management and the board, with a willingness to continue conversations on further, more granular topics related to energy transition. LGIM will continue to monitor progress on the portfolio re-structuring decisions while continuing to engage on operational excellence, the company's decarbonisation of its own emissions and its low carbon ventures business.

How the SIP has been followed over the year

The Scheme's Statement of Investment Principles was updated to reflect the purchase of the bulk annuity policy with Aviva and sale of residual invested assets with LGIM. In the Trustee's opinion, the Statement of Investment Principles has been followed over the year in the following ways:

- The Trustee reviews the appropriateness of the Scheme's investment strategy on an ongoing basis but would consider it unlikely that any material future changes will be made prior to the buy-in with Aviva being completed and the Scheme being wound up.
- The Trustee acknowledges that the Scheme is in the PPF Assessment Period and therefore the impact of environmental, social and governance factors is not expected to be hugely significant. In part, this is due to the fact that the time horizon for the investment strategy is not expected to be long and the

Scheme only held assets in a gilts index fund and a cash fund for part of the year. In addition, ESG considerations cannot be meaningfully applied by the Trustee to the bulk annuity policy secured with Aviva.

- The engagement reports from the investment manager demonstrate that ESG considerations have not been disregarded.
- The Trustee has made no new manager appointments over the year that affect voting or engagement.

Prepared by the Trustee of the Berry Birch & Noble Staff Pension Fund

This Statement was agreed by the Trustee on 3 January 2025