

British Steel Pension Scheme Information Debriefing following August 2024 Trustee Board Meeting:

Integrated Risk Management (IRM) Framework Update

- The Trustee regularly monitors the key investment, funding and covenant risks facing the Scheme. The aim of this ongoing assessment is to enable the Trustee to take appropriate action promptly if required
- There were no material changes in the risks facing the Scheme since the last meeting

Operational Review

- Now that the Scheme has insured liabilities in full, the Trustee considered how this would impact future operations and governance. The Trustee was updated on the transfer of Scheme administration to L&G and arrangements to support the operations of the Trustee board thereafter

Investment Strategy

- The Scheme's investment holdings now primarily comprise insurance policies which produce a cash flow into the Scheme which exactly matches the benefit entitlements of the Scheme membership
- The Trustee considered expert advice on the investment strategy in relation to residual scheme assets and agreed on future reinvestment options for specific holdings

Investment Operations

- The Trustee was updated on plans for the realisation of its illiquid investments
- Representatives from LGIM presented its quarterly investment management report
- The Trustee was briefed on recent developments in connection with the Scheme's remaining property holdings
- A cashflow analysis was reviewed by the Trustee which confirmed that the Scheme had sufficient assets remaining to meet its projected future running costs

Actuarial Update

- Although the Scheme has insured liabilities in full, the Trustee is still required to carry out a full valuation at least once every three years. The next triennial valuation is due as at 31 March 2024
- The Scheme Actuary presented his draft results in respect of the 2024 actuarial valuation which confirmed that the Scheme remained fully funded
- The draft documentation will now be shared with the Company for its comments and it is anticipated that the valuation will be finalised in late 2024 and the results published thereafter

Technical Update

- The Trustee noted recent developments in pensions law and regulation which could impact on the Scheme

Audit and Risk

- The Scheme auditor updated the board on progress towards conclusion of its 2024 statutory audit. No material deficiencies had been identified and, subject to the finalisation of its review, the auditor expected to issue an unqualified audit report.
- Drafts of the Scheme's Annual Report for 2024 and the Financial Statements were reviewed by the Trustee. The board gave covering approval for these to be signed following completion of the auditor's report and to be published on the Scheme website thereafter.
- The Trustee approved the publication of its 2024 Climate Change Report www.bspspensions.com/Uploads/Documents/00/00/10/87/DocumentDocument_FILE/Climate-Change-Report-March-2024.pdf
- The Trustee reviewed the Risk Register and approved a number of changes

Trusteeship

- The Trustee recognises the importance of retaining the existing broad range of skills, knowledge and experience across the Trustee board as the Scheme progresses towards eventual buyout and wind-up.
- The Trustee approved a number of changes to its constitution in order extend the current terms of appointment for existing Trustee directors to the earlier of 31 March 2027 and the date the trustee company is wound up

Remuneration Committee Update

- The Trustee was updated on recent actions of the Remuneration Committee

Data Update

- The Data Working Group (**DWG**) oversees issues on behalf of the board relating to Scheme benefits as affected by rectification of Guaranteed Minimum Pensions (**GMPs**) and GMP equalisation as required by law together with other identified data cleanse activities
- The board was briefed on the recent activities of the DWG

Member Communications

- The Trustee was briefed on the timetable and arrangements for member communications over the forthcoming year

Administration Report

- The Trustee board was briefed on a range of operational and administrative matters
- The board approved an updated list of Authorised Signatories
- As at 31 March 2024, Scheme membership was 64,352 comprising 11,823 deferred pensioners and 52,529 members whose benefits were currently in payment
- No complaints had been received under the Scheme's service standard complaints procedure

Dates and Locations of Scheduled Meetings

- The Trustee board noted the dates for the next scheduled meetings as being 28 November 2024, 27 February 2025, 29 May 2025, and 28 August 2025