

British Steel Pension Scheme

Information Debriefing following November 2023 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
- The Trustee considered how the IRM framework might be developed as a result of changes to the Scheme's risk exposure now that benefits were insured in full

TSUK Update

- The Trustee and its advisers received a helpful and balanced update from the Chief Financial Officer of Tata Steel UK Ltd on the Company's most recent financial performance and projected future results

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 was briefed on changes to the arrangements for the oversight of investment matters and approved proposals for the ongoing review of the suitability of the investment strategy in respect of the Scheme's residual assets

Investment Operations

- 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
- Certification in respect of recent property valuation summaries was confirmed to the board and the relevant valuations were approved
- The Scheme's Head of Investments updated the Trustee on various operational matters
- A cashflow analysis was reviewed by the Trustee which confirmed that the Scheme had sufficient assets remaining to meet its projected future running costs

Audit and Risk

- Following the Trustee's decision that there was no longer a requirement for a separate Audit and Risk Committee, matters which had previously been overseen by that committee would now revert to the full Trustee board for consideration
- The Trustee considered and approved a revised and updated Risk Register
- The Trustee reviewed Scheme expenditure against budget for the period to 30 September 2023
- As part of its consideration of Scheme governance operations, the Trustee reviewed and approved updates to its Conflicts of Interest Protocol and was briefed on recent developments relating to the handling of personal information (GDPR), the Scheme's Business Continuity plan and the Scheme's Cyber Security Policy

Actuarial Update

- The Scheme Actuary presented his final report in respect of the Scheme's annual funding update as at 31 March 2023. The Trustee noted that details will be circulated to members via the Autumn edition of the Scheme's Newsbrief which will be issued in December
- The Trustee regularly reviews and, from time to time, changes the Scheme's actuarial factors taking into account the advice of the Scheme Actuary. The Trustee was updated on arrangements to implement the most recent review

Technical Update

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

Data Working Group Update

- The Data Working Group (**DWG**) oversees issues on behalf of the board relating to the equalisation of Scheme benefits and the reconciliation and rectification of Guaranteed Minimum Pensions (**GMPs**) and benefit analyses arising from de-risking or other activities
- The board was briefed on the recent activities of the DWG

Restoration Working Group Update

- Following completion of the final buy-in transaction with L&G, arrangements have been progressed in relation to the restoration award to members, as set out in the rules that were agreed when the Scheme was set up
- As part of that process, the Trustee has consulted with Scheme Officers and taken advice from the Scheme's legal and actuarial advisers. Payments of this type are uncommon and therefore the Trustee has taken specialist legal advice on the basis on which the awards will be made
- The Trustee gave final approval to the calculation basis and proposed timetable for the restoration payments details of which will be included in the Autumn edition of the Scheme's Newsbrief which will be issued in December

Remuneration Committee Update

- The Chairman briefed the Trustee on the work of the Remuneration Committee

Performance Management

- Pensions Regulator guidance requires trustees to regularly assess the performance of key advisers and to take steps to address any performance issues which are identified
- Additionally, trustees are required to set strategic objectives for their investment consultants
- The Trustee considered the results of a review of the Scheme's main professional advisers. Trustee directors are generally satisfied with the standards of service provided and the Scheme advisers were reappointed accordingly
- Updated strategic objectives for the Scheme's investment consultants were considered and adopted by the Trustee

Member Communications

- The Trustee reviewed a draft of the Autumn 2023 Newsbrief, which will be issued to members during the week commencing 11 December

Administration Report

- The Trustee board was briefed on a range of operational and administrative matters
- As at 30 September 2023, Scheme membership was 65,567 comprising 12,137 deferred pensioners and 53,430 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 29 February 2024, 30 May 2024, 29 August 2024, and 28 November 2024