

Implementation Statement (“IS”)

Biffa Pension Scheme (the “Scheme”)

Scheme Year End – 31 March 2025

The purpose of the Implementation Statement is for us, the Trustee of the Biffa Pension Scheme, to explain what we have done during the year ending 31 March 2025 to implement our policies and achieve our objectives as set out in the Statement of Investment Principles (“SIP”).

It includes:

1. A summary of any review and changes made to the SIP over the year;
2. How our policies in the SIP have been followed during the year; and
3. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services.

This statement relates to the DB Section of the Scheme only. A separate statement is available for the DC Section.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

Despite all managers having robust stewardship policies in place, some investment managers were unable to provide all the information requested. As set out in our Engagement Action Plan, we will encourage Aon to engage with these managers to encourage them to provide detailed and meaningful disclosures about their stewardship activities and better understand their engagement practices.

1. Changes to the SIP during the year

We reviewed the SIP during the year and updated it in September 2024.

The changes made included:

- The introduction of the Securis Catastrophe Bond Fund and Synthetic Credit to the portfolio, as agreed as part of the 2024 strategy work.
- An update to the Current and Long Term Strategic Allocation and Trigger Strategy to reflect the allocations to these new investments.
- An update to the current target level of liability hedging to reflect that this has been increased to 92%.

The Scheme's latest SIP can be found here: <https://pensioninformation.aon.com/biffa>

2. How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Investment Objectives

"The Trustee aims to invest the DB Section assets prudently with a view to ensuring that the benefits promised to members are provided. In setting the investment strategy, the Trustees' primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk."

As part of meeting the Scheme's investment objectives, the Trustee monitors the funding level on a quarterly basis. This allows the Trustee to consider the current funding level within the context of the long-term funding objective. The funding level is monitored on a daily basis by the Scheme's investment advisor and actuary in line with the funding level trigger strategy and reviewed from time to time.

The portfolio is constructed to deliver an overall total return in line with achieving the long-term funding objective. The Trustee actively manages the portfolio, making changes to the asset classes, fund managers and allocation as the Trustee sees fit to ensure it remains well diversified and on track to meet the Scheme's objective.

Investment Strategy

"The Scheme's Long Term Strategic allocation chosen to meet the investment objectives is set out [in the SIP]."

The Trustee has put in place a de-risking strategy to move the Current Strategic Asset Allocation to the Long Term Strategic Allocation based on the estimated funding level of the Scheme."

The investment strategy outlined in the SIP is monitored frequently to ensure the strategy remains appropriate.

The Trustee regularly conducts deep dives into parts of the Scheme's investment strategy. Over the course of the year the following strategies were reviewed:

- Insurance Linked Securities (May 2024)
- Active Global Fixed Income Strategy (September 2024)
- Active Global Equity Strategy (November 2024)
- Active Diversifiers Strategy (February 2025)

The Trustee discussed the Scheme's investment strategy in Q2 2024 and agreed to reduce the overweight equity allocation. It was agreed that these proceeds, alongside excess cash in the Trustee's Bank Account would be used to introduce a new allocation to Insurance Linked Securities (ILS) and expedite the planned investment in Credit Default Swaps (CDS). The Scheme's strategic targets were updated to allow for the new ILS and CDS investments.

The Trustee agreed to complete a more detailed investment strategy review following the finalisation of the 2024 triennial actuarial valuation.

Investment Risk Measurement and Management

“The Trustee has identified a number of risks which have the potential to cause deterioration in the Scheme’s funding level and therefore contribute to funding risk.”

The SIP outlines risks which have the potential to cause deterioration in the Scheme’s funding level. The Trustee reports on several of the risks associated with the Scheme’s investments annually in the investment risk disclosure report which accompanies the Reports and Accounts. In this report, the Trustee monitors the risks associated with the DB, DC and Additional Voluntary Contributions (“AVCs”) portions of the Scheme, concentrating on market risks, credit risk, interest rate risk, inflation risk and others. Other areas in which the Trustee monitors the risks outlined in the SIP includes Aon’s quarterly monitoring report that monitors ongoing performance and risks as part of the regular reporting.

In Q3 2023, following agreement to advice from Aon, the Trustee submitted a partial redemption request for the M&G Inflation Opportunities Fund (the “Fund”). In Q4 2023, M&G announced that the Fund would be suspended on account of potential loss of value from leasehold reform which meant that the Trustee’s redemption request could not be met until the suspension was lifted. In Q4 2024, M&G announced it would be creating side pockets for the ground rent assets, so the Fund suspension could be lifted. With the resumption of trading, the initial redemption request was completed in the first quarter of 2025. A request for the redemption of the remaining funds was submitted in Q4 2024, following advice from Aon. It is anticipated that these remaining proceeds will be paid out in tranches over the next 12 – 18 months. The Trustee continues to monitor latest developments with assistance from Aon.

The Trustee’s administration team monitors the cashflow requirements of the Scheme on a monthly basis and have authority to disinvest from assets when required to fulfil pension obligations. The Scheme invests some of its assets in daily traded funds so that assets are readily accessible for disinvestment purposes. In addition, the fiduciary arrangement has an agreed monthly disinvestment which is paid out for cashflow purposes unless otherwise stated.

In November 2024, the Trustee reviewed the existing cashflow management policy and deemed it appropriate for a further 12 months, subject to it being updated to reflect the Scheme’s current funds.

Arrangements with Investment Managers and Custodians

“The Trustee regularly monitors the Scheme’s investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee’s policies, including those on non-financial matters. This includes monitoring the extent to which investment managers:

- *make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and*
- *engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.”*

The Trustee receives a Quarterly Monitoring Report (“QMR”) from the Scheme’s investment advisor outlining the valuation of all investments held, monitoring the performance of these investments and recording any transactions encountered during the quarter. Investment returns are compared with appropriate performance objectives to monitor the relative performance of these investments. The asset allocation is also monitored and compared to the strategic asset allocation set out in the SIP.

Within the QMR, the Trustee also receives an overview of each manager, produced by Aon’s Investment Manager Research (“IMR”) team, giving a quarterly update on the manager.

The Trustee received verbal reports on the Scheme’s investment strategy, performance, and longer-term positioning of the portfolio at each quarterly Trustee meeting.

“Day to day control of custody arrangements is delegated to the custodians.”

The investment managers' custodians provide independent performance measurement services. The custodians provide performance monitoring on a quarterly basis and covers a range of different time periods.

"Before appointment of a new investment manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies."

When deciding to invest in the Securis Insurance Linked Securities Fund, the Trustee reviewed its governing documentation and considered it aligned with the Trustee's policies.

Investment Manager Cost Monitoring

"The Trustee receives annual cost transparency reports from AIL, their fiduciary manager. These reports present information in line with prevailing regulatory requirements for fiduciary managers."

"For investment managers other than AIL, the Trustee collects annual cost transparency reports and asks that investment managers provide this data in line with appropriate reporting standards. The Trustee works with its investment adviser and investment managers to understand these costs in more detail where required."

During the year, the Scheme's fiduciary manager produced their Cost Disclosure report, covering the assets held under the fiduciary arrangement. The report provided insights into how the Scheme's fiduciary manager and the underlying investment managers are remunerated, including details on the fiduciary fee, underlying management fees, transaction costs and Scheme expenses.

The Trustee and the investment consultant collate annual cost transparency reports that cover all remaining investment managers in line with the appropriate Cost Transparent Initiative ("CTI") template for each asset class. The CTI templates help the Trustee better understand transaction costs and other hidden costs, such as administration and auditing fees. CTI templates for the remaining managers will be shared with the Trustee post Scheme year end.

Evaluation of Investment Manager Performance and Remuneration

"The Trustee assesses the performance of their managers on a rolling three-year basis. The remuneration paid to the investment managers are provided annually."

The Trustee regularly reviews the performance of the investment managers and the fees paid to them as part of the ongoing monitoring of the Scheme's portfolio, supported by the Scheme's investment advisor.

Environmental, Social, and Governance ("ESG") considerations

"...the Trustee expects AIL to:

- Where relevant, assess the integration of ESG factors in the investment process of underlying managers;*
- Use its influence to engage with underlying managers to ensure the Scheme's assets are not exposed to undue risk; and*
- Report to the Trustee on its ESG activities as required"*

The Trustee undertakes an annual review of the entirety of the Scheme's investments, which includes assessing ESG and related issues. In February 2025, the Trustee attended a Training Day. As part of the training, Aon presented on Responsible Investment, to help the Trustee better understand the climate-related risks and opportunities to mitigate these within the Scheme's investment portfolio.

As part of the regular asset class deep dive sessions at Trustee meetings, the Trustee also asks that managers report on their ESG activities where relevant.

"The Trustee reviews the stewardship activities of its investment managers covering both engagement and voting actions, on appointment, on an annual basis, and whenever the need arises. The Trustee will review the alignment of the Trustee's policies to those of the Scheme's investment managers and ensure its managers, or other third parties,

use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This will include AIL monitoring its underlying asset managers' voting and engagement activities and engaging with these managers to promote good corporate governance, accountability, and positive change."

The Trustee delegates engagement and voting activities to the Scheme's underlying managers. Aon also actively engages with asset managers; this is used to support Aon in their fiduciary services.

Aon's Investment Manager Research ("IMR") team is responsible for researching, rating, and monitoring investment managers across all asset classes. This includes some aspects on the manager's alignment with the Trustee's policies generally, for example, whether the manager is expected to achieve the performance objective and a review of their approach to ESG issues. Aon invests only in buy-rated managers. IMR meet with each of buy rated managers on a quarterly basis to receive an update on the portfolio performance and any major developments. IMR also meets with managers on an ad-hoc basis if there are significant changes to any monitoring points which raise concern (changes to investment team, poor performance, etc.)

Governance

"The Trustee's policy is to review their direct investments and to obtain written advice about them at regular intervals (normally annually). These include vehicles available for members' Additional Voluntary Contributions."

Securis was appointed as a new manager to the portfolio with the introduction of ILS. The Trustee received written advice from their adviser in relation to this investment.

The Trustee has delegated the mix of underlying funds invested in through fund solutions to the Scheme's fiduciary manager.

The Scheme provides a diversified range of investments for members with AVC assets including equity, fixed income, and lifestyle strategies. The Trustee considers information on the AVCs during the quarterly meetings. A review of the AVCs is completed on an annual basis.

Our Engagement Action Plan

Based on the work we have done for the IS, we have decided to take the following steps over the next 12 months:

1. Two of the managers we invest in via Aon Investments Limited (AIL) were unable to provide us with all the information that we requested regarding their engagement activities. This includes GQG (who did not provide any fund level engagement information) and Harris Associates (who did not provide a breakdown of themes engaged at both firm and fund level). AIL will engage with these managers on our behalf to let them know our expectations for better disclosures in the future.
2. We will invite each of our investment managers, including AIL, to a meeting to get a better understanding their voting and engagement practices, and how these help us fulfil our Responsible Investment policies.

3. The implementation of our stewardship policy including the exercise of our voting rights

As above, the Trustee has delegated the exercise of its voting rights as well as engagements with underlying security issuers to investment managers.

The rest of this section sets out the stewardship activities, including the exercise of our voting rights, carried out on our behalf over the year to 31 March 2025.

Based on the information provided, we are comfortable that most managers are carrying out stewardship activities that are in line with our expectations and policies set out in the SIP. Where managers have been unable to provide the requested information, we are engaging with these managers (via AIL) to set expectations regarding the provision of this data in the future.

Aon's engagement activity

We invest some of the Scheme's assets in AIL's Active Global Equity, Active Global Fixed Income and Active Diversifiers Strategies. These are fund of funds arrangements, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed Aon's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and defined contribution default strategies which have a net zero carbon emissions profile by 2050.

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 March 2025.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
GQG Global Equity Fund	655	100.0%	1.7%	1.8%
Harris Associates Global All Cap Equity Fund	746	100.0%	1.2%	0.0%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
GQG Partners ("GQG")	To augment our independent research, we use Institutional Shareholder Services Inc. ("ISS") as an additional source of information to guide our voting. While we find ourselves voting with ISS on the majority of issues, we do not blindly follow their lead and will vote against their recommendations when we deem it necessary.
Harris Associates L.P.	We use our own Harris policy that ISS implements on our behalf.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, AIL asked the Scheme's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the Appendix.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
BlackRock UK Property Fund*	<i>Not provided</i>	3,384	Environment - Climate Risk Management; Other Company Impacts on the Environment Social - Human Capital Management; Social Risks and Opportunities, Diversity and Inclusion Governance - Remuneration; Corporate Strategy; Business Oversight/Risk Management; Board Composition and Effectiveness
GQG Global Equity Fund*	<i>Not provided</i>	54	Social - Inequality; Public Health Governance - Leadership - Chair/CEO; Remuneration; Shareholder Rights
Harris Associates Global All Cap Equity Fund*	~200	~1,200	Environment - Climate Change Social - Product Safety
Aegon European Asset Backed Securities Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting) Other - General Disclosure
M&G Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; Climate Action 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion
Arrowstreet ESG Global Equity Long/Short Fund*	<i>Not provided</i>	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics; Accounting and Taxation
Caius Capital International Fund	>30	>30	Governance - Board Effectiveness - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group Alternative Risk Premia Fund*	<i>Not provided</i>	66	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Remuneration
Marshall Wace Market Neutral ESG Tops Fund*	<i>Not provided</i>	<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact
M&G Inflation Opportunities Fund*	<i>Not provided</i>	406	Environment - Climate Change Social - Human Capital Management; Human and Labour Rights Governance - Board Effectiveness - Diversity; Remuneration Other - Multiple ESG Topics

Source: Managers. *BlackRock, GQG, Harris Associates, Arrowstreet, Man Group, Marshall Wace and M&G (for the Inflation Opportunities Fund) did not provide fund level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- BlackRock did not provide the requested fund-level engagement data. The manager stated that that this data is not available for property funds due to limited applicability to the asset class.
- GQG did not provide fund level engagement information as they conduct engagements at a firm level only. GQG confirmed that in the previous reporting years it has attempted to accommodate clients' requests for fund level reporting, however GQG made a decision this year to continue tracking engagement data on firm level only due to efficiency reasons.
- Harris Associates do not currently track the number of individual engagements and were therefore unable to provide the complete information requested.
- Arrowstreet and Man Group did not provide fund level engagement data as engagement is conducted at the firm level.
- Marshall Wace provided limited engagement information but did provide detailed illustrative examples of its engagement activity at a firm level and stated that the manager undertakes engagement initiatives at the firm rather than strategy level.
- M&G stated that there were no engagements carried out for the M&G Inflation Opportunities Fund for the reporting period.

This report does not include commentary on certain asset classes such as liability driven investments or cash because of the limited materiality of stewardship to these asset classes. Furthermore, this report does not include the AVCs due to the relatively small proportion of the Scheme's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

GQG Global Equity Fund	Company name	Meta Platforms, Inc.
	Date of vote	29 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.5
	Summary of the resolution	Amend Corporate Governance Guidelines
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No, It is not GQG Policy to disclose voting intention to companies pre-vote.
	Rationale for the voting decision	A vote FOR this proposal is warranted, as it would enhance the lead independent director duties.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>
	On which criteria have you assessed this vote to be most significant?	This vote was deemed significant based on the topic, size of holdings, dissent level and it was a vote against Management.
Harris Associates Global All Cap Equity Fund	Company name	Glencore plc
	Date of vote	01 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.2
	Summary of the resolution	Approve 2024-2026 Climate Action Transition Plan
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	N/A
	Rationale for the voting decision	After engaging with the company and NGOs, we decided to support the 2024-2026 Climate Action Transition Plan and will continue to monitor the situation.
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to monitor the situation, and to conduct and escalate engagement as needed.
	On which criteria have you assessed this vote to be most significant?	Significant exposure to climate risk

Source: Managers