

St Austell Brewery Company Limited Retirement Benefits Plan

Statement of Investment Principles – Implementation Statement

The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated January 2023 have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 1 January 2024 to 31 December 2024. Whilst the SIP refers to the DC Section of the Plan, this Section was transferred to a Master Trust on 21 July 2023, and this Statement is therefore only in respect of the remaining DB Section of the Plan.

Investment objectives of the Plan

The Trustees' objectives for setting the investment strategy of the Plan have been set broadly with regard to the Plan's Statutory Funding Objective set out in the Statement of Funding Principles.

The Trustees' primary objectives are set out on page 2 of the SIP and are as follows:

- To ensure the Plan is able to meet the benefit payments promised as they fall due, from a combination of investment returns and planned contributions.
- To aim to hold a portfolio of assets that will achieve returns in excess of investment returns indicated in the Statement of Funding Principles, without exposing the Plan to excessive risk.
- To achieve a level of investment return which is consistent with that assumed in the Recovery Plan from the most recent Actuarial Valuation.

The Trustees appreciate that these objectives are not necessarily mutually exclusive.

The Trustees also recognise that it is currently necessary to accept some risk in the investment strategy to achieve the long-term funding objective.

Review of the SIP

The SIP was last reviewed in January 2023. The Trustees updated the SIP to reflect changes in the Plan's investment strategy that were made over the prior Plan year.

Prior to this, the SIP had last been updated in September 2020.

The Trustees have a policy on financially material considerations relating to Environmental, Social, and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustees' SIP.

The Trustees' policies on financially and non-financially material considerations, as well as engagement and voting activities, were not updated over the year.

Following the discharge of the DC Section of the Plan in 2023, and further changes to the DB Section's investment strategy in 2024, the January 2023 SIP does not reflect the Plan's investment arrangements as at the year end. The Trustees intend to update their SIP in due course.

Investment managers and funds in use

The Trustees' investment strategy for the Plan as at the start of the year was as shown in the below table. The January 2023 SIP in force at the start of the year does not reflect this strategy, given changes to the investment strategy made over the prior Plan year.

Asset Class	Fund	Target Asset Allocation
Equities	St Austell Brewery Shares	3.0%
Corporate bonds	Schroders All Maturities Corporate Bond Fund	97.0%
Government bonds	LGIM Over 15 Year Gilts Index Fund	
	LGIM 2068 Gilt Fund	
	LGIM 2071 Gilt Fund	
	LGIM All Stocks Index-Linked Gilts Index Fund	
	LGIM Over 5 Year Index-Linked Gilts Index Fund	
	LGIM 5-15 Year Index-Linked Gilts Index Fund	
	LGIM Over 15 Year Index-Linked Gilts Index Fund	
Cash	LGIM Cash Fund	
Total		100.0%

The Trustees revised the Plan's investment strategy during the year to reduce growth asset risk, and in doing so redeemed the Plan's holding in employer-related shares held via BlackRock. The proceeds from this redemption were re-invested into the protection asset allocation.

The Trustees' investment strategy in place as at the end of the year is as shown in the table below.

Asset Class	Fund	Target Asset Allocation
Corporate bonds	Schroders All Maturities Corporate Bond Fund	100.0%
Government bonds	LGIM Over 15 Year Gilts Index Fund	
	LGIM 2068 Gilt Fund	
	LGIM 2071 Gilt Fund	
	LGIM All Stocks Index-Linked Gilts Index Fund	
	LGIM Over 5 Year Index-Linked Gilts Index Fund	
	LGIM 5-15 Year Index-Linked Gilts Index Fund	
	LGIM Over 15 Year Index-Linked Gilts Index Fund	
Cash	LGIM Cash Fund	
Total		100.0%

Investment governance

The Trustees are responsible for making investment decisions, and seek advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant, who were appointed from June 2024. XPS Investments Limited were the Plan's investment consultant prior to Broadstone's appointment.

The Trustees do not actively obtain views of the membership of the Plan to help form their policies set out in the SIP as the Plan is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustees have put in place strategic objectives for Broadstone, as the Trustees' investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, effective from November 2024. These objectives cover assistance with securing the Plan's liabilities with a bulk annuity provider in a risk-controlled and cost-effective way, assignment of any residual Additional Voluntary Contribution (AVC) benefits, provision of ad-hoc investment advice, support with scheme management and compliance, and service standards.

Monitoring of investment arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with the Investment Managers (as detailed below), the Trustees receive performance reports on a quarterly basis from the Investment Managers, together with performance reports from Broadstone on a quarterly basis to ensure the investment objectives set out in their SIP are being met.

Trustees' policies

The table below sets out how, and the extent to which, the relevant policies in the Plan's January 2023 SIP have been followed.

Requirement	Policy	Implementation of Policy
Selection of Investments	<p>Following advice from the investment consultant, the Trustees have set the investment policy and objectives with regard to the Plan's liabilities and funding level. The Trustees intend to achieve these objectives through investing in a diversified portfolio of return-seeking assets (e.g. equities, property and multi asset funds) and liability matching assets (e.g. corporate bonds and gilts).</p> <p>The Trustees recognise that the return on return-seeking assets, whilst expected to be greater over the long-term than that on liability matching assets, is likely to be more volatile. A mixture across asset classes should nevertheless provide the level of returns required by the Plan to meet its liabilities at an acceptable level of risk (of underperforming the liabilities) for the Trustees, and an acceptable level of cost to the Principal Employer.</p>	<p>Further to investment strategy changes made in the prior Plan year, the Trustees redeemed the last remaining growth assets during the year to 31 December 2024.</p> <p>The Trustees will update their policy on the selection of investments in a revised SIP in due course.</p>

Requirement	Policy	Implementation of Policy
<p>Balance of Investments</p>	<p>The Trustees rely on professional Investment Managers for the day-to-day management of the Plan’s assets. However, the Trustees retain control over some investments. In particular, the Trustees make decisions about pooled investment vehicles in which the Plan invests and any AVC investment vehicles.</p> <p>The Trustees’ policy is to regularly review the investments over which they retain control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustees will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within the SIP.</p>	<p>No deviation from this policy over the year to 31 December 2024.</p>
<p>Delegation to Investment Managers</p>	<p>The Trustees rely on professional Investment Managers for the day-to-day management of the Plan’s assets. However, the Trustees retain control over some investments. In particular, the Trustees make decisions about pooled investment vehicles in which the Plan invests and any AVC investment vehicles.</p>	<p>No deviation from this policy over the year to 31 December 2024.</p>
<p>Maintaining the Target Asset Allocation</p>	<p>The Trustees review the asset allocation on a periodic basis to ensure that the Plan assets are allocated in a manner that is consistent with the objectives as detailed in the SIP.</p> <p>The Trustees monitor the actual asset allocation of the Plan. If the asset allocation moves more than +/-5% from the benchmark allocation noted in the SIP, the Trustees will decide whether to amend the asset allocation.</p>	<p>The asset allocation at the year end deviated from the target allocation shown in the January 2023 SIP, following changes to the investment strategy made over 2023 and 2024.</p> <p>As at the year end, the Trustees were in the process of reviewing their hedging targets and following completion of this review will revise the SIP to ensure consistency between the asset allocation and the Trustees’ targets.</p>

Requirement	Policy	Implementation of Policy
<p>Realising Investments</p>	<p>In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustees will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Plan.</p> <p>The Trustees have considered how easily investments can be realised for the types of assets in which the Plan is currently invested. As such, the Trustees believe that the Plan currently holds an acceptable level of readily realisable assets. The Trustees will also take into account how easily investments can be realised for any new investment classes they consider investing in, to ensure that this position is maintained in the future.</p> <p>The Trustees will hold cash to the extent that they consider necessary to meet impending anticipated liability outflows. A bank account is used to facilitate the holding of cash awaiting investment or payment.</p>	<p>No deviation from this policy over the year to 31 December 2024.</p>
<p>Performance Benchmarks and Objectives</p>	<p>The corporate bond fund used during the year is actively managed, and the Investment Manager has been set a performance objective to achieve returns in line with, or in excess of, a market benchmark.</p> <p>The fixed interest gilt funds and index-linked gilt funds used during the year are index-tracking, meaning that their objective is to track the total return on a specified market index, within a specified margin of error over a specified timeframe.</p> <p>The single stock gilt funds used during the year each invest in a single gilt issued by the UK Government. The funds are expected to provide a gross of fees return in line with the total return on their respective specific underlying securities.</p> <p>The cash fund aims to deliver a stable rate of return consistent with short-term high quality money market instruments and is benchmarked against the Sterling Overnight Index Average Rate (SONIA).</p>	<p>The funds' performance benchmarks and objectives were reviewed on a quarterly basis over the year to 31 December 2024.</p> <p>There were no changes to the funds' performance benchmarks and objectives over the year.</p>

Requirement	Policy	Implementation of Policy
Investment Management Charges	<p>The annual investment management charges of some of the funds used during the Plan year are set out in Appendix III of the SIP and are as follows:</p> <ul style="list-style-type: none"> • Schroders All Maturities Corporate Bond Fund: 0.250% • LGIM All Stocks Index-Linked Gilts Index Fund: 0.100% (for the first £5 million invested) 0.075% (for the next £5 million invested) • LGIM Cash Fund: 0.125% (for the first £5 million invested) 0.100% (for the next £5 million invested) <p>The annual investment management charges the funds used during the Plan year which are not included in the SIP are as follows:</p> <ul style="list-style-type: none"> • LGIM Gilt and Index-Linked Gilt Index Funds: 0.100% (for the first £5 million invested) 0.075% (for the next £5 million invested) • LGIM 2068 Gilt and 2071 Gilt Funds: 0.100% (for the first £5 million invested) 0.075% (for the next £5 million invested) 	<p>There were no changes to the investment management charges for the funds used over the year to 31 December 2024.</p>
Financially and Non-Financially Material Considerations	<p>The Trustees' policy on financially and non-financially material considerations is set out on page 5 of the SIP and in full below.</p>	<p>No deviation from this policy over the year to 31 December 2024 (see below).</p>
Engagement and Voting Rights	<p>As the Plan invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the Investment Managers. The Trustees encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance, as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.</p>	<p>No deviation from this policy over the year to 31 December 2024.</p> <p>None of the Plan's pooled fund investments held over the year have voting rights attached to their underlying investments.</p>
Additional Voluntary Contributions ('AVCs')	<p>The Plan holds funds accumulated in respect of AVCs separately from the assets backing defined benefits, with The Prudential Assurance Company Limited and Legal & General Investment Management Limited.</p>	<p>No changes to the AVC arrangements over the year to 31 December 2024.</p>

Financially and non-financially material considerations

The Trustees have considered their approach to ESG factors for the long-term time horizon of the Plan and believe there can be financially material risks relating to them. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's Investment Managers. The Trustees require the Plan's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees' views on how ESG issues are taken account of in each pooled fund asset class used during the Plan year are set out below.

Asset Class	Active/Passive	Trustees' Views
Corporate bonds	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk-adjusted returns. The Trustees also expect their Investment Manager to engage with the underlying investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Government bonds	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Active	

The Trustees will seek advice from the investment consultant on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

Furthermore, the Trustees, with the assistance of the investment consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this Statement.

When considering the selection, retention or realisation of investments, the Trustees have a fiduciary responsibility to act in the best interests of the beneficiaries of the Plan, although they have neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustees will review this policy if any beneficiary views are raised in future.

Voting rights

During the year, the Trustees invested in pooled investment funds with the Investment Managers, and they acknowledge that this limited their ability to directly influence the Investment Managers.

All voting activities for pooled fund assets have been delegated to the Investment Managers, as the Trustees are unable to vote on the underlying holdings, given the pooled nature of the Plan's investments. However, the pooled fund investments held with the Investment Managers over the period do not contain equity holdings, and as such Schroders and LGIM did not exercise any voting rights during the period on behalf of the Trustees.

With regards to the small allocation to St Austell Brewery shares held via BlackRock for a part of the year, the Trustees did not provide any voting instructions to BlackRock to execute on their behalf.

Engagement activities

The Trustees have also delegated engagement activities to the Investment Managers. A notable engagement activity of each pooled fund Investment Manager the Plan invested with during the year is provided below:

- **Schroders** have a long history of engagement with British multinational consumer products company, Unilever, on climate and nature related issues including on deforestation. Since 2020, Schroders have asked the Unilever management team to provide more transparency on their plans to reduce the greenhouse gas emissions linked to the firm across their supply chain, and have particularly sought more detailed reporting on emissions linked to animal agriculture (including feed production).

In 2024, following consultation on the development of Unilever's new climate strategy, Schroders note they are pleased to see that Unilever's finalised climate change transition plan includes explicit commitments to reduce absolute levels of forest, land, and agriculture greenhouse gas emissions that are incurred within their supply chain, alongside increasing efforts towards regenerative solutions (as may apply to their operations linked to agricultural production).

- **LGIM** engaged with Colgate-Palmolive, an American multinational consumer products company, focusing on the company's deforestation approach as well as challenges and opportunities in meeting their deforestation management commitments. LGIM met with the company's Chief Sustainability Officer, and explored how the company is ensuring supplier compliance and increased traceability across commodities in their supply chain, as well as the suitability of the company's escalation procedures for non-compliance.

LGIM also sought to encourage increased oversight from the Board of Directors, and prioritisation of the issue of deforestation within the company's risk management agenda. LGIM noted that the company have demonstrated progress in appreciating responsible sourcing as a critical issue, whilst building relationships and furthering engagement with their suppliers and ending relationships with those found to be non-compliant. LGIM note that, overall, the company meets their minimum expectations on deforestation management.

LGIM note that Colgate-Palmolive have introduced satellite imaging for monitoring purposes, and are undertaking the complex process of mapping palm oil derivatives. LGIM also note that the frequency of Board-level updates on deforestation has increased. LGIM will further engage with the company in 2025, with a focus on traceability progress across key commodities, along with collaborative efforts with their peers to eliminate net deforestation. LGIM will also look to further discuss the company's work on mapping and addressing deforestation risks in their supply chain.

The Trustees also consider an investment manager's policies on stewardship and engagement when selecting and reviewing investment managers.