



# BG PENSION SCHEME

(Scheme Registration Number 10254985)

ANNUAL REPORT FOR THE YEAR ENDED

31 MARCH 2025

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## Chair's Report 2025

### Insurance Policy

Following completion of the 2023 valuation, the Trustee focused on finding the best way to 'lock in' this level of security for members' benefits against possible future shocks such as a sudden increase in life expectancy. In September 2024, an important step in further improving the security of the benefits payable from the Scheme was taken through the purchase of an insurance policy ("the Policy") with Legal and General Assurance Society Limited ("L&G"). This policy replaces the previous investments held to support the Scheme's benefits and represents £1,110 million (91%) of scheme assets.

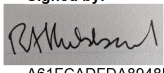
The payments made by L&G to the Trustee under this policy will be used to fund all current and future benefit payments as they fall due. This means that the funding risks associated with the BGPS have been further reduced, which benefits all members.

### Funding

The Scheme actuary's annual funding update showed that the funding of the Scheme has improved over the year to 31st March 2025. As noted above, the Scheme had more than sufficient assets to purchase the Policy, with residual assets over and above the cost of this being held within the Scheme. The combination of the insurance policy plus the retained assets means that the Scheme should remain more than fully funded for many years, and should be financially independent of the sponsor.

### Climate Change Report

The 2025 BGPS Climate Change Report has been published. Following the purchase of the Policy with L&G, there is no requirement for future reports. However, the Trustee continues to focus on climate change through ongoing engagement with L&G and when selecting new investments.

Signed by:  
  
A61FCADFDA8948F...  
Richard Hubbard

Chair of Trustee, BG Pension Scheme

# The Trustee’s Report

## Introduction

This report relates to the operation of the BG Pension Scheme (the “Scheme”) during the year ended 31 March 2025.

The Scheme is a defined benefit occupational pension scheme and provides benefits for former employees of BG Group Limited (formerly BG Group plc) and its subsidiary companies in the United Kingdom. The Scheme is established under Trust and the Trustee is ultimately responsible for the running of the Scheme.

The Scheme was established under Trust by the Trust Deed and Rules dated 4 July 2001.

Full details of the Scheme’s benefits can be found in the member guide (see “Contact for further information” on page 7).

## Management of the Scheme

The Scheme has a corporate Trustee, BG Group Pension Trustees Limited. The names of the directors who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated/ appointed by	Date of appointment	Date of resignation
Richard Hubbard, Capital Cranfield Pension Trustees Ltd (Chair)	Employer		
Tsira Kemularia	Employer		
Kenneth Lynch	Members		
Jonathan Peachey	Members		
Sinead Lynch	Employer		30 September 2024
Carl Henrickson	Employer	2 December 2024	
Haydn Jones	Employer		
Stephen Wheeler	Members		

The Scheme Rules contain provisions for the appointment and removal of Trustee Directors.

Three of the seven Trustee Directors are elected by members of the Scheme.

Three other Trustee Directors are appointed by the Employer. Company Nominated Directors (CNDs) may cease to be Trustee Directors by resigning from the position or by removal by the Employer. The final Trustee Director is a professional Independent Chair of the Trustee who is appointed / removed by the Employer.

The Trustee is responsible for the management of the Scheme. Meetings of the Trustee Directors are held at least quarterly, and resolutions are passed by majority but there is no casting vote for the Chair and any two Member Directors or Company Nominated Directors may veto any decision.

The Trustee believes good pension scheme governance is of the utmost importance and has processes in place to ensure the Scheme is managed to very high standards.

BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## The Trustee's Report (Cont)

### Management of the Scheme (Cont)

The Trustee regards internal controls as an ongoing process and considers matters of governance and risk management at each quarterly Trustee meeting.

The Trustee Directors receive regular training to ensure their knowledge and understanding of pensions issues in general and Scheme matters in particular is kept up to date.

The Trustee has delegated the day-to-day management and operation of the Scheme's affairs to professional organisations.

### The Sponsoring Employer

The name and address of the Sponsoring Employer is as follows:

BG Group Limited  
Shell Centre  
2 York Road  
London  
SE1 7NA

### Participating Employers

BG Energy Holdings Limited  
BG International Limited

### Scheme Audit

The financial statements on pages 23 to 36 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

### Tax status of the Scheme

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustee's knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## The Trustee's Report (Cont)

### Scheme advisers

The Trustee retains a number of professional advisers in connection with the operation of the Scheme. The advisers currently appointed are as follows:

Scheme Actuary	Martin Bell, WTW
Independent Auditor	Crowe U.K. LLP
Investment Managers	CB Richard Ellis Investors ("CBRE") Henderson Investment Management Limited ("Henderson") - until 31 July 2024 Insight Investment ("Insight") M&G Investment Management Limited ("M&G") SCOR Investment Partners ("SCOR") TwentyFour Asset Management ("24") – until 4 July 2024 Wellington Management Company LLP ("Wellington") – until 20 June 2024
Investment Consulting Advisers	Shell Asset Management Company B.V. – until 30 September 2024 Hymans Robertson LLP Lane Clark & Peacock LLP – until 30 November 2024
Investment Custodian	The Northern Trust Company
AC Manager	Aegon
Annuity Provider	Legal & General Assurance Society Limited ("L&G") – from 11 September 2024
Legal Advisers	Mayer Brown International LLP Shell International Limited Hogan Lovells International LLP – appointed 5 December 2023
Administrator of the Scheme benefits	Barnett Waddingham LLP
Bankers	Lloyds Bank plc
Secretary to the Trustee	Rachael Macpherson

### Changes in and other matters relating to Scheme advisers

Excepted as noted above, there have been no changes to Scheme advisers and other matters during the Scheme year under review.

## The Trustee's Report (Cont)

### Financial development of the Scheme

During the year the value of the net assets fell by £113,187,000 to £1,243,579,000 as at 31 March 2025. The decline comprised net withdrawals from dealings with members of £51,701,000 together with a net decrease in the value of investment assets of £61,486,000.

### Going concern

The Trustee continues to monitor the operation of the Scheme and currently has no significant concerns regarding the Scheme's ongoing ability to fulfil its operational, cashflow and benefit payment requirements, or to respond to critical communications from its members.

Improvements in the Scheme's funding position in recent years have enabled the Trustee to take an important step in further improving the security of the benefits payable from the Scheme, by investing in an insurance policy with Legal & General Assurance Society Limited (L&G). This policy replaces the previous investments held to support the Scheme's benefits. The payments made by L&G to the Trustee under this policy will be used to fund all current and future benefit payments as they fall due. This means that the funding risks associated with the BGPS have been further reduced, which will benefit all members.

The Trustee monitors the strength of the Sponsor on an ongoing basis and has assessed the ability of the Company to support the Scheme for the 12 months after the date that the report and accounts are signed. As part of the assessment, the Trustee considered the strength of the Company balance sheet.

The Trustee monitors the Company on the availability of a capped £1 billion corporate guarantee provided by Shell Group Holdings Limited which provides a promise to pay if a Participating Employer fails to pay an amount due in respect of its obligation to the Scheme. The capped guarantee is effective until 2029. A reduced guarantee based on the funding at that time and currently anticipated to be nil, will then be available until 2034.

Having had due consideration of the above and having discussed with relevant parties, the Trustee considers that the Scheme remains a going concern for the foreseeable future.

### GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that benefits should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

The Trustee has set up a subgroup to deal the issue and progress updates are provided to the Trustee. The Scheme Actuary has completed calculation payments totalling £529,749, these were paid in August 2025.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes. Payments to former members who transferred out of the scheme and ex-spouses who received a transfer payment have been estimated at less than £100,000. Tracing of and payment to these individuals will take place in the coming financial year and recognised in the financial statements.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## The Trustee's Report (Cont)

### General Code of Practice

Following the publication of the Pension Regulator's new General Code of Practice on 10 January 2024, the Trustee is considering the impact of this on the Scheme's governance arrangements to ensure there is an appropriate effective system of governance and will be completing its Own Risk Assessment ahead of the end of the next financial year.

### Scheme membership

	Number as at start of year	Changes in year	Number as at end of year
Preserved pensioners	870		
adjustment		(3)	
transferred out		(1)	
retired		(49)	
		(53)	817
Pensioners and dependants	1,018		
adjustment		4	
new pensioners		49	
new dependants		6	
pensions ceased		(4)	
died		(11)	
		44	1,062
Total members	1,888		1,879

The member numbers shown above reflect the number of member records held by the Scheme. All members are now covered by the insurance policy.

### Pension increases

Pensions in payment from the Scheme are reviewed in April each year and normally increase in line with inflation as measured by the Retail Prices Index (RPI) for the year to the previous September. The five pension increases awarded up to and including April 2025 were as follows:

April 2025	April 2024	April 2023	April 2022	April 2021
2.7%	8.9%	12.6%	4.9%	1.1%

No discretionary increases were applied during the year.

### Transfer values

All Cash Equivalents Transfer Values paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments.

No discretionary benefits are included in the calculation of transfer values.

A Cash Equivalents Transfer Values is the amount which a Scheme member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.



BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## The Trustee's Report (Cont)

### Climate Change Report

The Trustee has published its 2025 Climate Change Report which is available to download at <https://pensions.shell.co.uk/bg-pension-scheme.html> The report follows the framework set out by the Taskforce for Climate-related Financial Disclosure. It covers the Trustee's assessment of the potential impact of climate-related financial risk on the Scheme and how the Trustee is responding to and managing this risk.

### Contact for further information

If, as a Scheme member, you wish to obtain further information about the Scheme, including copies of the Scheme documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to or telephone:

BG Pension Scheme  
Barnett Waddingham LLP  
Decimal Place  
Chiltern Avenue  
Amersham  
HP6 5FG

Tel: 0800 004 2009 or 0333 1111 222

Alternatively, you can contact the Scheme administrators online at:

<https://logon.clarity.com/shared/contact>

or email: [BGPS@Barnett-Waddingham.co.uk](mailto:BGPS@Barnett-Waddingham.co.uk)

## The Trustee's Report (Cont)

### Statement of Trustee's Responsibilities

#### Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension Scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

#### Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, maintaining, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

## The Trustee's Report (Cont)

### Report on Actuarial Liabilities

The most recent actuarial valuation of the Scheme, performed by Martin Bell of Willis Towers Watson, was completed as at 31 March 2023 (the valuation date) and the Actuary's report was published on 1 November 2023. This is the sixth valuation of the Scheme carried out under the Pensions Act 2004 and used the Partly Projected Unit Method.

Following discussions with the Employer and the Actuary, the Trustee has determined and agreed with the Employer the assumptions used to calculate the "technical provisions". This is the amount needed to be held by the Scheme to provide for benefits that will be paid from the Scheme in the future, reflecting the funding objective agreed between the Trustee and the Employer. It is based on Pensionable Service to the valuation date and assumptions about the various factors that will influence the Scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live.

#### Assumptions

The technical provisions are calculated on the following key assumptions (please note that as the financial assumptions have been derived using term dependent assumptions using yield curves, single equivalent rates have been shown for ease of comparison. Further details can be found in the Statement of Funding Principles):

Principal actuarial assumptions for valuation as at 31 March 2023	
Discount rate	3.9% pa
Rate of salary increases	4.7% pa
Price inflation	3.5% pa RPI, 3.2% pa CPI
Rate of deferred pension increases	3.7% pa
Rate of pension increases	3.5% pa non GMP, 2.3% pa Post 88 GMP and 0% pa Pre 88 GMP
Post retirement mortality – current and future pensioners	90% of the "SAPS S3 Male (amounts) All Pensioners Light" and 85% of the "SAPS S3 Female (amounts) All Pensioners Light" series using the CMI core projection model (2022 version) with a long-term rate of improvement of 1.5% pa to the valuation and thereafter, initial addition of 0.5% pa to the valuation date and 0.75% pa thereafter.

## The Trustee's Report (Cont)

### Report on Actuarial Liabilities (Cont)

A summary of the funding position at the valuation date is as follows:

<b>31 March 2023</b>	
Market value of assets	£1,445 million
Technical provisions	£1,416 million
Past service surplus	£29 million
Funding ratio	102%

Note both the assets and technical provisions include Additional Contributions (ACs) of £16m.

The previous valuation was carried out as at 31 March 2020 and showed a funding ratio of 95%. The investment performance of the Scheme's assets relative to the Scheme's liabilities, and changes to the demographic assumptions have contributed to the increase in the funding level. However, these have been partially offset by the changes in some financial assumptions.

A schedule of contributions reflecting the contributions agreed following the 31 March 2023 actuarial valuation with effect from 1 April 2023 has been adopted by the Trustee and the Employer as shown on page 38. The actuary's certification of this schedule is shown on page 37.

The Trustee and the Employer have agreed that no further contributions will be paid to the Scheme, based on the results of the actuarial valuation at 31 March 2023.

The next actuarial valuation date is 31 March 2026.

The financial statements on pages 23 to 36 do not take into account liabilities which fall due after the year end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Scheme and the level of contributions payable.

## The Trustee's Report (Cont)

### Investment managers

As at 31 March 2025, the Scheme's residual assets (excluding the insurance Policy) are held between four investment managers: CBRE, M&G, SCOR and Insight.

CBRE manage an active unlisted property fund of funds. CBRE has stopped monitoring performance against benchmark since liquidation commenced in June 2021.

M&G manage the Illiquid Credit Opportunities Fund ("ICOF") fund, which has a target of SONIA + 5%.

SCOR runs an insurance-linked securities (ILS) mandate and invested in catastrophe bonds and over the counter insurance-linked contracts. SCOR ILS is also in liquidation and performance is not being reported as of June 2022.

Insight manages a Liquidity fund on behalf of the Scheme. Insight Liquidity Fund has a benchmark of SONIA.

The insurance Policy is held with L&G. L&G is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. In entering the Policy, the Trustee received written advice from its professional advisers. The Trustee carried out extensive due diligence assessment on L&G, noting the regulatory environment in which the insurer must operate.

The mandates that were terminated during the year in the run-up to entering into the Policy, were as follows:

- **Wellington Management** managed a local currency emerging market debt mandate, investing in sovereign and quasi-sovereign government bonds issued in each country's own currency. In addition to providing diversification by asset class, emerging market debt offers diversification from developed markets more generally, which tend to be the primary focus of even very highly diversified asset portfolios. The fund's benchmark target was the J.P. Morgan GBI-EM Global Diversified index. This mandate was terminated in June 2024.
- **TwentyFour** ran a diversified portfolio consisting of European and Australian asset-backed securities (ABS) with minimum credit rating of BBB-. The mandate hedge non-sterling currency exposure back to GBP and does not use leverage. The aim of the fund is to provide an attractive level of income relative to prevailing interest rates whilst maintaining a strong focus on capital preservation. The fund's target was SONIA + 1.5% p.a. This mandate was terminated in July 2024.
- **Janus Henderson** managed a multi-asset credit strategy. This mandate was terminated in August 2024. The mandate had a performance aim of cash + 5% per annum.
- **M&G** ran an actively managed investment grade GBP corporate bond mandate for the Scheme. This mandate was terminated in September 2024 and had a performance aim of matching the iBoxx Sterling Collateralized and Corporates Index, with the interest exposure hedged back to duration of zero years.
- **Insight Investments** has managed an LDI and liquidity fund for the Scheme since 27 November 2014. The LDI mandate aimed to match a liability benchmark for the Scheme, however, Insight were given discretion to take active management decisions.

## The Trustee's Report (Cont)

### Voting policy, and social, environmental and ethical considerations

#### Voting rights

Stewardship involves using tools such as engagement and voting to shape corporate behaviour. A consequence of the Trustee predominantly investing via pooled funds is that stewardship activities are delegated to the investment managers.

#### Responsible Investment – Environmental, Social and Governance (“ESG”) considerations

The Trustee is a responsible steward for the assets in which it invests. The Trustee's primary concern is to act in the best financial interests of its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

In taking material financial factors, including corporate governance, environmental (such as financial risks relating to climate change) and social considerations into account, the Trustee expects to both protect and enhance the value of the Scheme in the long term. The Trustee considers ESG, and financial risk from climate change, in a manner which is consistent with the Trustee's investment objectives, legal duties and other relevant commitments.

The Trustee expects all investment managers:

- where relevant to assess the integration of ESG factors in the investment process
- to use their influence to engage with underlying managers to ensure the Scheme's assets are not exposed to undue risk; and
- report to the Trustee and its advisers on its ESG activities.

In passive mandates, the Trustee recognises the choice of benchmark dictates the assets held by the Investment Manager and that the manager has minimal discretion to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the market and believe this approach is in line with the basis on which their current strategy has been set.

In active mandates, the Trustee recognises that the manager has freedom to exercise discretion as to the choice of assets held. The Trustee expects the manager to take into account all financially material factors in the selection of assets within their portfolios and to be able to demonstrate their approach when challenged.

#### Members' views on ESG and Non-financial Factors

In setting and implementing the Scheme's investment strategy the Trustee does not explicitly consider non-financial factors, as defined under the Occupational Pension Schemes (Investment) Regulations 2005, as amended.

The Trustee sets and implements the Scheme's investment strategy in line with the principles set out in the Statement of Investment Principles. The complex nature of asset liability modelling and the requirement for professional expertise in investment management means that the Trustee does not involve members and beneficiaries in this process. Members can contact the Trustee to share views and concerns about any aspect of the running of the Scheme.

The Trustee and its Advisers do not engage directly with the underlying portfolio but believe it is sometimes appropriate for its investment managers to engage with key stakeholders, which may include corporate management, regulators and governance bodies relating to their investments, to improve corporate behaviours, improve performance and mitigate financial risks. The Trustee will review engagement activity undertaken by their investment managers as part of its broader monitoring activity.

## The Trustee's Report (Cont)

### Monitoring

The Trustee's Advisers aim to meet with all their investment managers on an annual basis. The Advisers provide the Investment Managers with an agenda for discussion, including, where appropriate, ESG issues. Investment managers are challenged on the impact of any significant issues, including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

### Remuneration

Remuneration for each mandate is determined at the inception of each mandate based on commercial considerations and typically set on an ad valorem basis. Where appropriate to the nature of the mandate, the term of the mandate and the role the mandate plays within the investment strategy, the Trustee may agree to a fee structure where the manager is incentivised to deliver outperformance relative to an agreed benchmark, typically in conjunction with a lower ad valorem fee. The Trustee periodically reviews the fees paid to all of its managers against industry standards.

### Portfolio turnover

The Trustee has expectations of the level of turnover within each mandate which is determined at the inception of the mandate, based on the Trustee's knowledge of the manager, investment process and the nature of the portfolio. Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee expects managers to report on at least an annual basis on the underlying assets held within the portfolio and details of any transactions over the period.

The Trustee will challenge its managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

The Trustee will request turnover costs incurred by the asset manager over the Scheme reporting year.

### Investment principles

The Trustee has produced a Statement of Investment Principles as required by section 35 of the Pensions Act 1995 and a copy of the statement is available on request. The Statement of Investment Principles incorporates the Trustee's investment strategy. An updated Statement of Investment Principles was signed in September 2024 following the purchase of the Policy.

A copy of the Statement of Investment Principles is available from the following website:

<https://pensions.shell.co.uk/bg-pension-scheme.html>

### Investment objectives and strategy

#### Changes in investment strategy during the period

Over the year to 31 March 2025, the Trustee implemented the following strategic changes for the Scheme.

In September 2024, the Trustee entered into the Policy with L&G that is expected to meet the benefits of all Scheme members in full. In return for the payment of a premium, L&G makes monthly payments to the Scheme to match the insured liabilities and cover benefit payments to members. L&G covers the longevity risks of members as well as the investment risks of the assets under the Policy.

## The Trustee's Report (Cont)

### Changes in investment strategy during the period (Cont)

In the run-up to entering into the Policy, the following mandates were closed:

Manager	Mandate	Date mandate ceased
Wellington	Emerging Market Debt	June 2024
TwentyFour	Asset Backed Securities	July 2024
Janus Henderson	Multi Asset Credit	August 2024
M&G	Corporate Credit Fund	September 2024
Insight	LDI	September 2024

### Investment Strategy

The primary objective of the Scheme (as stated in the Statement of Investment Principles) remains unchanged - to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

After entering into the Policy with L&G, the Scheme was left with some residual assets comprising of a cash fund, and mandates in run-off, which will be used to cover future expenses. The Trustees, in consultation with their Investment Adviser, are in the process of setting up a new investment strategy for the Scheme's residual assets, which is expected to be finalised in 2025-26.

### Asset allocation

At the end of the year, the actual proportion of investment assets of the Scheme held was as follows:

Asset Class	Actual asset valuation as at 31/3/25	Actual asset allocation as at 31/3/25 (%)
Property	9,312,639	0.8
Private Debt (Illiquid Credit)	19,186,021	1.2
Insurance-Linked Securities	1,112,664	0.1
Cash	98,184,392	6.7
Insurance Policy	1,110,000,000	91.2
<b>Total</b>	<b>1,237,795,716</b>	<b>100</b>



The Trustee’s Report (Cont)

Transfers between managers

Over the year to 31 March 2025, the Trustee carried out a number of transfers between managers.

The April 2024 £9.7m distribution from M&G Illiquid Credit Opportunities Fund (“ICOF”) was received by the Scheme and was reinvested in the Insight Liability Driven Investment (LDI) portfolio.

In March 2024, a decision was taken to liquidate the allocation to Janus Henderson Multi Asset Credit (“MAC”) . Implementation started in April 2024 and was finalised in August 2024. All proceeds were reinvested in the Insight LDI account as follows:

- Redemption 1 - £26m in May
- Redemption 2 - £26m in June
- Redemption 3 - £26m in July
- Redemption 4 - £29.5m in August

In June 2024, a decision was taken to liquidate the investments in Wellington Emerging Market Debt (“EMD”) and TwentyFour Asset Backed Securities (“ABS”) between June 28 and July 10. All proceeds were reinvested in the Insight LDI and Liquidity accounts as follows:

- Full redemption of Wellington EMD - £48.7m invested in Insight LDI in June
- Redemption 1 of TwentyFour ABS - £65m invested in Insight LDI in July
- Redemption 2 of TwentyFour ABS - £5m invested in Insight LDI, and £39.2m invested in Insight Liquidity in July

The distributions received from CBRE’s UK Property mandate during the year were reinvested as follows:

- £2.2m received in May reinvested in Insight LDI
- £5m received in August reinvested in Insight Liquidity, and £5.8m reinvested in Insight LDI
- £0.5m received in November reinvested in Insight Liquidity

In the run-up to entering into the Policy, holdings worth £14m from the M&G Corporate bond portfolio were sold in August, and proceeds invested in the Insight LDI fund.

The premium payment to L&G (in September 2024) for entering into the Policy consisted of in-specie transfer of holdings in the M&G Corporate bond portfolio and Insight LDI. The assets transferred were in excess of the premium quoted, which resulted in a refund to the Scheme from L&G of £11.3m, which was reinvested in Insight’s Liquidity Fund.

In October 2024, distributions from M&G’s ICOF fund worth £9.3m were invested in Insight’s Liquidity Fund.

In December 2024, the remaining balance from M&G’s Corporate Credit fund worth £1.2m was transferred to Insight’s Liquidity Fund.

Investment performance

The performances of the Scheme’s investments over periods to 31 March 2025 were:

	1 year (%)	3 years (% p.a.)
Return	4.6	-10.6
Benchmark/target*	4.3	-10.2
Relative	0.3	-0.4

\*some strategies have target returns rather than market benchmarks  
Note: Relative performance is calculated geometrically.

## The Trustee's Report (Cont)

### Review of investment performance

#### Performance over the 12 month period to 31 March 2025

- The Scheme delivered a positive absolute return of 4.6% over the year to 31 March 2025, outperforming its benchmark return of 4.3% over the 12-month period. Positive relative performance was largely driven by the Scheme's holdings in the CBRE UK Property fund (5.7%), and Insight Liquidity (5.3%) mandates. M&G ICOF delivered a return of 8.2% underperforming its benchmark of 9.9%.
- **Performance for mandates terminated during the year (till the time they ceased)** - Insight LDI performed in line with its respective benchmark. M&G GBP Corporate Credit and TwentyFour AM's bond funds performed positively in absolute as well as relative terms. Henderson MAC provided positive absolute returns but underperformed its benchmark. Wellington's EMD fund had a negative return and underperformed its benchmark.

#### Performance over the 3 year period to 31 March 2025

- The Scheme produced negative absolute returns over the 3 year period of -10.6%, underperforming its benchmark return of -10.2%. The following mandates outperformed over this period, as compared to their respective benchmarks: CBRE UK Property Fund and Insight Liquidity Fund. M&G ICOF underperformed as compared to its benchmark over this period.
- **Performance for mandates terminated during the year (till the time they ceased)** - The following mandates performed in line with or outperformed during this period compared to their respective benchmarks: Insight LDI, M&G GBP Corporate Credit and Wellington EMD. The following mandates underperformed their respective benchmarks over this period: Henderson MAC and TwentyFour's bond fund.

### Custody of the Scheme's assets

The Trustee appointed the Northern Trust Company as global custodian with effect from 4 July 2001. Northern Trust also acts as custodian for CBRE, Insight, and SCOR.

Any shares held by Northern Trust are held in the name of NorTrust Nominees. NorTrust Nominees maintain records of each client's assets at the individual portfolio level. State Street Bank and Trust Company act as the custodian for M&G.

BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustee’s Report (Cont)

Approval of Trustee’s Report

This report, which includes the Implementation Statement, was approved by the Trustee on

Date: Sep 18, 2025

Signed on behalf of the Trustee:

Signed by: [Signature]  
A01FCADFDA0940F...  
Director

Signed by: [Signature]  
B89F8235B12F4D1...  
Scheme Secretary

# Independent Auditor's Report to the Trustee of the BG Pension Scheme

## Opinion

We have audited the financial statements of BG Pension Scheme for the year ended 31 March 2025 which comprise the fund account, the statement of net assets (available for benefits) and the related notes set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Scheme will continue in operation.

Our responsibilities and the responsibilities of the Trustee's with respect to going concern are described in the relevant sections of this report.

## Other information

The Trustee is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Independent Auditor's Report to the Trustee of the BG Pension Scheme (Cont)

### Other information (Cont)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of the Trustee for the Financial Statements

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We set out below the key areas which, in our opinion the financial statements are susceptible to material misstatement by way of irregularities including fraud and the extent to which our procedures are capable of detecting these.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for bias.
- Misappropriation of investment assets owned by the Scheme. This is addressed by obtaining direct confirmation from the investment manager of investments held at the Statement of Net Assets date.
- Diversion of assets through large investment transactions. Reviewing the AAF 01/20 for fund managers and custodians and testing investment transactions to the investment manager /custodian reports.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Independent Auditor's Report to the Trustee of the BG Pension Scheme (Cont)

### Auditor's Responsibilities for the Audit of the Financial Statements (Cont)

- Diversion of amounts receivable relating to bulk annuity policy. This is addressed by testing the amounts payable under the agreements with the bulk annuity provider in line with contract payment schedule.
- We have identified relevant laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, as the Pensions Acts 1995 and 2004 (and regulations made thereunder), FRS 102, and the Pensions Statement of Recommended Practice (SORP). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.
- Reviewing meeting minutes and any correspondence with the Pensions Regulator.
- Discussing whether there are any significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.


Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of Our Report

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:  
  
 3C8EAF7492C440...

**Crowe U.K. LLP**  
**Statutory Auditor**  
 London

**Date:** 19-Sep-2025

## Summary of Contributions payable in the year

During the year ended 31 March 2025, the contributions payable to the Scheme by the Employer under the Schedule of Contributions certified on 1 November 2023 were as follows:

	£'000
Employer deficit funding contributions	-
Contributions payable under the Schedule of Contributions	-

Signed on behalf of the Trustee:

Signed by:  
  
A61FCADFDA8948F...

Director

Signed by:  
  
B89F8235B12F4D1...

Scheme Secretary

Date: Sep 18, 2025

# Independent Auditor's Statement about Contributions to the Trustee of the BG Pension Scheme

## Statement about contributions payable under the Schedule of Contributions

We have examined the Summary of Contributions payable to the BG Pension Scheme for the Scheme year ended 31 March 2025 which is set out on page 21.

In our opinion contributions for the Scheme year ended 31 March 2025 as reported in the Summary of Contributions and payable under the Schedule of Contributions have, in all material respects, been paid at least in accordance with the Schedule of Contributions certified by the Scheme on 1 November 2023.

## Basis of opinion

Our objective is to obtain sufficient evidence to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

## Responsibilities of Trustee


As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for ensuring that there is, prepared, maintained, and from time to time revised, a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

## Auditor's responsibilities for the statement about contributions

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

## Use of our statement

This statement is made solely to the Scheme's Trustee in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee for our work, for this statement, or for the opinion we have formed.

Signed by:  
  
 3C8EAFF7492C440...

**Crowe U.K. LLP**  
**Statutory Auditor**  
 London

**Date:** 19-Sep-2025



## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

# The Financial Statements

## Fund Account

for the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
<b>Contributions and benefits</b>			
Employer contributions	4	-	-
		-	-
Other income	5	-	448
Benefits paid or payable	6	(48,437)	(40,769)
Payments to and on account of leavers	7	(1,159)	(3,149)
Administrative expenses	8	(2,105)	(2,418)
		(51,701)	(46,336)
<b>Net withdrawals from dealings with members</b>			
		(51,701)	(45,888)
<b>Returns on investments</b>			
Investment income	9	29,213	16,657
Change in market value of investments	10	(89,057)	(56,364)
Investment management expenses	11	(1,642)	(2,598)
<b>Net return on investments</b>			
		(61,486)	(42,305)
<b>Net decrease in the fund during the year</b>			
		(113,187)	(88,193)
<b>Net assets of the Scheme</b>			
At 1 April		1,356,766	1,444,959
At 31 March		1,243,579	1,356,766

The notes on pages 25 to 36 form part of these financial statements.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Statement of Net Assets

available for benefits as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
<b>Investment assets:</b>			
Insurance policy	16	1,110,000	-
Bonds	10	-	1,419,027
Bonds – insurance-linked	10	1,113	2,572
Pooled investment vehicles	13	105,240	332,318
Derivatives	14	-	105,724
AC investments	17	15,169	15,701
Cash	10	1,037	11,986
Other investment balances	15	5,349	12,987
		<b>1,237,908</b>	<b>1,900,315</b>
<b>Investment liabilities:</b>			
Derivatives	14	-	(61,300)
Cash due from broker	10	(113)	(36,950)
Other investment balances	15	-	(445,943)
		<b>(113)</b>	<b>(544,193)</b>
<b>Total net investments</b>		<b>1,237,795</b>	<b>1,356,122</b>
<b>Current assets</b>	22	<b>7,947</b>	<b>3,779</b>
<b>Current liabilities</b>	23	<b>(2,163)</b>	<b>(3,135)</b>
<b>Net assets of the Scheme at 31 March available for benefits</b>		<b>1,243,579</b>	<b>1,356,766</b>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 9 to 10 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 25 to 36 form part of these financial statements.

These financial statements were approved by the Trustee on

Date: Sep 18, 2025

Signed on behalf of the Trustee:

Signed by:   
 A61FCA0FDAB948F...  
 Director

Signed by:   
 B89F8235B12F4D1...  
 Scheme Secretary

# Notes to the Financial Statements

## 1. Basis of preparation

The individual financial statements have been prepared on a going concern basis, in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Revised 2018).

## 2. Identification of the financial statements

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is disclosed in the Trustee's Report.

## 3. Accounting policies

The principal accounting policies of the Scheme which are applied consistently are as follows:

### Currency

- The Scheme's functional and presentation currency is pounds sterling (GBP). Monetary items denominated in foreign currency are expressed in Sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into Sterling at the spot exchange rate at the date of the transaction. Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

### Other income

- Other forms of income are accounted for on an accruals basis.

### Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retiring or leaving.
- Individual transfers out of the Scheme are accounted for when member liability is discharged which is normally when the transfer amount is paid.
- Other benefits are accounted for on an accruals basis on the date of retirement or death as appropriate.
- Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within "Benefits paid or payable".

### Administrative expenses

- Administrative expenses are accounted for on an accruals basis.

### Investment income

- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- Income from pooled investment vehicles is accounted for when declared by the fund manager.
- Receipts from annuity policies are included within investment income on an accruals basis.
- Other interest from cash and short-term deposits and income from other investments are accounted for on an accruals basis.
- All gains and losses arising on derivative contracts are reported within 'Change in market value' of investments.
- Investment income arising from the underlying investments of the pooled investment vehicles which do not distribute income is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within "Change in market value".
- Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

### Investment management expenses

- Investment management expenses and rebates are accounted for on an accruals basis and shown net within investment returns.
- Transaction costs are included in the cost of purchase and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

Notes to the Financial Statements (Cont)

3. Accounting policies (Cont)

Investment assets and liabilities

- The change in market values on investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses on sales of investments during the year.
- Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing price, single dealing price or most recent transaction price is used.
- Where quoted or other unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumption are given in the notes to the financial statements where applicable.
- Bonds are stated at their clean prices. Accrued income is accounted for within investment income.
- Unitised pooled investment vehicles and AC investments have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in the other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.
- Open futures contracts are recognised in the net assets statement at their fair value, which is the unrealised profit or loss at the current bid or offer market price as at the year end. Amounts included in the change in market value quoted price of the contract of the contract, as determined by the closing exchange price as at the year end. Amounts due from the broker represent the amounts outstanding in respect of the initial margin due to or from the broker. Amounts included in the change in market value represent realised gains or losses on closed futures contracts and the unrealised gains or losses on open futures contracts.
- The value of a swap at any one point in time is the difference between the value of the cashflows still to be paid and cashflows still to be received using a net present value pricing method. The Scheme uses zero coupon swaps which do not pay interest coupons like traditional bond or gilt investments. Instead, the coupons are compounded and paid at maturity rather than being paid at six monthly intervals. The Scheme also uses interest rate swaps which pay a floating rate based on the London Interbank Offered Rate (LIBOR) and inflation swaps which pay a fixed rate based on the retail prices index (RPI). Realised gains and losses on closed contracts and unrealised gains and losses on open contracts are included within the change in market value. The notional principal amount is used for the calculation of cash flows only.
- Forward foreign exchange (Forward FX) contracts are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- A repo is a form of short-term borrowing. Fixed interest securities subject to repurchase agreements are stated at bid price where available. The amounts payable under the repurchase agreements are stated at the value of the contractual obligation. Although the asset remains under the beneficial ownership of the Scheme, repos are entered into to receive cash for the assets on loan from the counterparty and the Scheme realises the liability to repurchase the asset on loan at a future date.
- The securities received as collateral are not recognised in the financial statements. The cash delivered to the counterparty as a receivable is recognised in the financial statements.
- The insurance policy has been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

4. Contributions

	2025	2024
	£'000	£'000
Employer contributions		
Deficit funding	-	-

The actuarial valuation of the Scheme as at 31 March 2023 revealed that no deficit contributions were payable by the Sponsoring Employer.

The Trustee and Employer have also agreed that the Recovery Plan does not preclude the Trustee from requiring contributions from the Employer following completion of future actuarial valuations of the Scheme.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 5. Other income

	2025 £'000	2024 £'000
VAT refund	-	425
Compensation	-	23
	-	448

## 6. Benefits paid or payable

	2025 £'000	2024 £'000
Pensions	40,285	35,419
Commutation of pensions and lump sum retirement benefits	6,121	4,542
Lump sum death benefits	2,031	808
	48,437	40,769

The table above includes equalisation payments of £529,749.

## 7. Payments to and on account of leavers

	2025 £'000	2024 £'000
Individual transfers to other Schemes	1,159	3,149

## 8. Administrative expenses

	2025 £'000	2024 £'000
Administration and processing	616	450
Actuarial fees	661	762
Audit fee	63	55
Legal and other professional fees	1,366	1,131
Trustee expenses, bank and sundry	22	20
VAT refund	(623)	-
	2,105	2,418

Following a request from the Sponsoring Employer, the Scheme meets all expenses of the Scheme. Following the 2023 valuation, it was agreed that the Company would stop paying and the Scheme would start paying the PPF levy.

From 1 April 2024, Trustee fees are paid by the Scheme, these are included in the Legal and other professional fees in the note above.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 9. Investment income

	2025 £'000	2024 £'000
Income from bonds	1,763	(3,028)
Income from pooled investment vehicles	3,003	8,187
Net swap income	565	11,518
Annuity income	23,940	-
Interest on cash deposits	(58)	(20)
	29,213	16,657

The net income from bonds is the net position that includes interest received from the bond portfolio and the interest paid on the repurchase agreements. This also includes accrued income from Bonds when the Scheme transferred to the Insurance policy.

Interest on cash deposits is negative this year due to the negative cash balance held with the broker in relation to the swap contracts.

## 10. Reconciliation of investments

	Value at 31 March 2024 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in market value £'000	Value at 31 March 2025 £'000
Insurance policy	-	1,213,421	-	(103,421)	1,110,000
Bonds	1,419,027	301,747	(1,739,562)	18,788	-
Bonds – insurance-linked	2,572	-	(657)	(802)	1,113
Pooled investment vehicles	332,318	435,317	(661,729)	(666)	105,240
Derivatives	44,424	36,806	(77,513)	(3,717)	-
AC investments	15,701	-	(1,305)	773	15,169
	1,814,042	1,987,291	(2,480,766)	(89,045)	1,231,522
Cash deposits	11,986			(12)	1,037
Cash due from broker	(36,950)			-	(113)
Other investment balances	(432,956)			-	5,349
	1,356,122			(89,057)	1,237,795

In September 2024, the Scheme entered into a buy-in transaction with L&G. Various assets totalling £1,215,625,352 were transferred to L&G to fund this transaction. Due to a timing difference between L&G and Northern Trust the actual purchase value was £1,213,421,753.

There were no direct transaction costs in the current and preceding year: however indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those investments.

## 11. Investment management expenses

	2025 £'000	2024 £'000
Administration, management and custody	943	2,398
Investment advice	699	200
	1,642	2,598

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 12. Taxation

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

## 13. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	2025 £'000	2024 £'000
Bond fund	-	106,917
Property fund	9,313	22,488
Emerging market debt	-	49,930
Multi-asset fund	-	105,226
Illiquid credit fund	14,405	30,754
Cash fund	81,522	17,003
	105,240	332,318

The multi-asset funds invested in global government and corporate bonds, global equities (including commodity and energy), cash, and cash equivalents. The illiquid credit fund invested in collective investment schemes (CIS), debt issuance vehicles, asset backed securities (ABS) and structured products, bonds, loans, notes, insurance-related assets, equity, cash, and cash equivalents. The multi-asset funds and illiquid credit fund entered into over the counter (OTC) derivatives and other arrangements with counterparties.

The property and illiquid credit funds are included at fair value. However, because of the inherent uncertainty associated with the valuation of some of these, these fair values may differ from their realisable value.

## 14. Derivatives

## OBJECTIVES AND POLICIES

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme.

At the year end the Scheme held the following derivatives:

	2025			2024		
	Asset £'000	Liability £'000	Total £'000	Asset £'000	Liability £'000	Total £'000
Futures	-	-	-	280	(32)	248
OTC Swaps	-	-	-	105,411	(61,257)	44,154
Forward FX contracts	-	-	-	33	(11)	22
	-	-	-	105,724	(61,300)	44,424

A summary of the Scheme's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

## i. OTC Swaps

Nature	Notional amounts £'000	Expires	Asset value £'000	Liability value £'000
Total 2025	-		-	-
Total 2024	1,089,618		105,411	(61,257)

At the year end the Scheme held collateral of £nil (2024: £7.3m) in respect of the OTC swaps in the form of bonds and cash. In addition, a proportion of the OTC swaps are transacted through clearing houses and collateral is held through margin accounts.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 14. Derivatives (Cont)

## ii. Futures

Nature	Economic exposure	Expires	Asset value £'000	Liability value £'000
<b>Total 2025</b>	-		-	-
Total 2024	-		280	(32)

## iii. Forward FX

Contract	Settlement date	Currency bought '000	Currency sold '000	Asset value £'000	Liability value £'000
<b>Total 2025</b>				-	-
Total 2024				66	(22)

## 15. Other investments and other investment balances

The Scheme's investments in "other" investments and its other investment balances at the year-end comprised:

	2025 £'000	2024 £'000
Repurchase agreements (Repo)	-	(445,943)
Amounts due from broker	175	175
Investment income receivable and recoverable withholding tax	394	2,993
Pending trades	4,780	9,819
	5,349	(432,956)

During the year, the Scheme entered into repurchase agreements using its UK government index linked gilts as the underlying security.

The securities are included in the financial statements as assets of the Scheme at their market value. At 31 March 2025, the market value of securities sold under repurchase agreements was £nil (2024: £459m).

Amounts payable to counterparties under repurchase agreements are disclosed as liabilities in the Scheme's financial statements under investment liabilities. At 31 March 2025 this amounted to £nil (2024: £450.7m) which includes £nil accrued interest payable (2024: £4.8m accrued interest payable).

At 31 March 2025 there was collateral pledged of £nil (2024: pledged £3m) against the difference in valuation between the underlying securities and the repurchase agreements.



## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 16. Insurance policies

The Scheme held insurance policies at the year-end as follows:

	2025 £'000	2024 £'000
Legal & General Assurance Society Limited	1,110,000	-

Following completion of the buy-in in September 2024, the Trustee has agreed that the value of the benefits covered by the buy-in should be assessed using the WTW solvency basis, both for formal valuation purposes and also for the purposes of establishing an appropriate asset value for the buy-in as required for the annual Report and Accounts. The main financial and demographic assumptions used to estimate this value are provided below. In all cases references to curves refer to WTW-derived curves.

**Financial assumptions**

Pensioner discount rate

Non-pensioner discount rate

RPI Price inflation

CPI Price inflation

Pension increases:

- Non-GMP

- Pre 88 GMP

- Post 88 GMP

Deferred pension revaluation

\* to reflect the 0% floor which applies to the Scheme's pension increase rule.

**Demographic assumptions**

Mortality base tables:

Male pensioners and dependants

Female pensioners and dependants

Future improvements in longevity

Martial statistics:

Age difference

Proportion Married

Proportion of pension exchanged for a lump sum at retirement

**31 March 2025 % p a**

Based on the gilt nominal curve plus 0.35% pa at all durations

Based on the gilt nominal curve less 0.15% pa at all durations

Based on the difference between the gilt nominal and real yield curve

RPI less 0.7% pa until 2030 and RPI less 0.1% pa thereafter

RPI plus 0.15% pa\*

Nil

CPI limited to 3% in each future year

RPI for all members

**31 March 2025**

90% "S3" series all pensioner, light, males

85% "S3" series all pensioner, light, females

With effect from 31 March 2023, future improvements are assumed to follow the CMI 2023 model with core smoothing parameter of 7.0, long-term improvement rate of 1.5% pa, an initial addition of 0.5% pa, no weighting applied to 2020 and 2021 experience and 15% applied to 2022 and 2023 experience. Prior to 31 March 2023, in line with the CMI 2022 model (with other parameters consistent with those set out above except for 25% weighting applied to 2022 experience).

All members assumed to be 2 years older than their dependant

80% of males and 70% females married at age 60

No allowance

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

## 17. Additional Contributions (ACs) investments

Prior to the Scheme closure, contributors could pay additional contributions (ACs) on a money purchase basis to secure benefits in addition to those provided by the Scheme. As at 31 March 2025, ACs totalled £15.2m (2024: £15.7m).

In addition to the money purchase ACs, members who on 3 July 2001 were paying ACs to buy added years of services on terms determined by the Scheme Actuary, were able to continue doing so.

## 18. Collateral

Investment type	Underlying investment	2025	2024
		£'000	£'000
OTC swaps	UK gilts	-	(6,636)
OTC swaps	Cash	-	13,933
		-	7,297
Repurchase agreements	UK gilts		3,048
		-	10,345

## 19. Fair value determination

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

	As at 31 March 2025			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Bonds	-	-	-	-
Bonds – insurance-linked	-	1,113	-	1,113
Pooled investment vehicles	-	81,522	23,718	105,240
Derivatives	-	-	-	-
AC investments	-	15,169	-	15,169
Cash	1,037	-	-	1,037
Cash due from broker	(113)	-	-	(113)
Other investment balances	5,349	-	-	5,349
Insurance policies	-	-	1,110,000	1,110,000
	6,273	97,804	1,133,718	1,237,795

	As at 31 March 2024			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Bonds	1,419,027	-	-	1,419,027
Bonds – insurance-linked	-	2,572	-	2,572
Pooled investment vehicles	-	279,076	53,242	332,318
Derivatives	248	44,176	-	44,424
AC investments	-	15,701	-	15,701
Cash	11,986	-	-	11,986
Cash due from broker	(36,950)	-	-	(36,950)
Other investment balances	12,987	(445,943)	-	(432,956)
Insurance policies	-	-	-	-
	1,407,298	(104,418)	53,242	1,356,122

## Notes to the Financial Statements (Cont)

### 19. Fair value determination (Cont)

Included within Level 1 are directly held government bond holdings valued using market quotations (Insight), cash deposits held directly with investment managers (CBRE, Henderson, and Insight), and investment income receivable. Level 2 contains catastrophe bonds and corporate bonds in the form of insurance-linked securities (SCOR) unlisted open-ended pooled funds with daily or weekly dealing (Henderson, Invesco and Wellington) and OTC derivatives (Insight). Included within Level 3 are unlisted open-ended pooled funds investing in property (CBRE) and the illiquid credit fund (M&G) which is closed-ended reflecting the illiquidity of the underlying investment.

### 20. Investment risk disclosures

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
  1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
  2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
  3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustee determines its investment strategy after taking advice from Hymans Robertson LLP and from Shell Asset Management Company B.V. (SAMCo) till the time their contract expired on 30 September 2024. The Scheme has exposure to these risks because of the investments it makes in the investment strategy. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives.

There are investment management agreements in place with the Scheme's investment managers and advisers that include investment restrictions, and these are monitored by the Trustee through regular reviews of the investment portfolio. Further information on the Trustee's approach to risk management, credit and market risks is set out below. This does not include the Scheme's additional contribution (AC) investments as these are not considered significant in relation to the overall investments of the Scheme.

Most of the key risks the Scheme is exposed to have been mitigated by entering into the Policy in September 2024. The key risks associated with the current investment strategy are, in order of significance:

#### Credit risk

The Scheme is exposed to credit risk due to the cash investments held on its behalf by the investment managers. This is mitigated by the fact that these financial institutions are at least investment grade credit rated.

The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the holdings in these pooled investment vehicles. The Scheme's holdings in pooled investment vehicles are generally unrated. The credit risk arising from the pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of the investments amongst a number of pooled arrangements. Hymans Robertson carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes in the operating environment of the pooled managers.

The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment, the extent of which is detailed in the table below. This risk is mitigated by the investment restrictions in place for each of the pooled investment vehicles.

The regulatory environment in which the insurer operates is designed to protect policyholders and limit the risk of insurers defaulting on bulk annuity policies. In addition, the Financial Services Compensation Scheme stands behind authorised insurance companies to provide a further level of protection if an insurer defaulted and covers 100% of insured benefits.

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Notes to the Financial Statements (Cont)

### 20. Investment risk disclosures (Cont)

#### Interest rate risk

The Scheme is exposed to the risk that the fair value or future cash flows associated with investments held in all its existing mandates will fluctuate because of changes in the market interest rates. The investment managers will consider the risk and expected reward when determining which investment to invest in.

Prior to entering into the insurance Policy, the Scheme was also exposed to this risk through the LDI portfolio. The underlying funds within the LDI portfolio responded to changes in market interest rates to mirror the liabilities of the Scheme. Their sensitivity to interest rates acted to reduce the volatility of the Scheme's funding position overall. If interest rates fell, the value of these investments would rise to help match the increase in actuarial liabilities resulting from a fall in the discount rate. Similarly, if interest rates rose, then the value of the investments would fall, as would the actuarial liabilities, because of an increase in the discount rate.

#### Other price risk

The Trustee manages other price risk by constructing a diverse portfolio of investments across various markets and with various investment managers.

#### Currency risk

This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

The Scheme is subject to direct currency risk through its exposure to the SCOR Investment Partners' ILS mandate which was valued at c.£2m at the end of March 2025 (2024: £2m), which has underlying investments denominated in US Dollars, and Japanese Yen. As such, the Sterling valuation of the investment is directly influenced by changes in the GBP/USD, and GBP/JPY foreign exchange rates.

The Scheme is also subject to indirect currency risk due to a proportion of the underlying financial instruments held within the pooled investment vehicles being denominated in overseas currencies.

The following table illustrates the extent to which the Scheme's investments are subject to the above risks:

	Market Value £'000	Interest rate risk	Credit risk	Other price risk	Currency risk
PIV – Bonds	14,405	Yes	Yes	No	Partly
PIV – Property	9,313	Yes	Yes	Yes	Partly
PIV - Cash	81,522	Yes	Partly	No	No
Bonds	-	Yes	Yes	Yes	Partly
Insurance Policy	1,110,000	No	Yes	No	No
Cash	1,037	Yes	Yes	No	Partly
<b>Total</b>	<b>1,216,277</b>	-	-	-	-

## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

**Notes to the Financial Statements (Cont)****21. Concentration of investments**

The following investment accounts for more than 5% of the Scheme's net assets at the year-end:

	<b>2025</b>		<b>2024</b>	
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
L&G Insurance Policy	1,110,000	89.3	-	-
Insight IS2412 Sterling liquidity	81,522	6.6	-	-
Henderson Multi Asset Credit Fund	-	-	105,226	7.8
TwentyFour Monument Bond Fund	-	-	106,917	7.9

**22. Current assets**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Prepayments	4	-
VAT recoverable	300	375
Cash balances	7,643	3,404
	<b>7,947</b>	<b>3,779</b>

**23. Current liabilities**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Unpaid benefits	(1,008)	(1,409)
Tax due to HM Revenue & Customs	(843)	(706)
Other creditors	(312)	(1,020)
	<b>(2,163)</b>	<b>(3,135)</b>

**24. Related party transactions**

Administrative expenses were met by the Sponsoring Employer until 31 December 2016. With the exception of the administration expenses disclosed in note 8 and the investment manager expenses disclosed in note 11 certain Scheme expenses were borne by the Employer until 31 March 2024. Since 1 April 2024, no Scheme expenses are borne by the Employer. These Scheme expenses amounted to nil (2024: £71k). Included in the Scheme expenses are fees payable to Capital Cranfield Pension Trustees Limited for the provision of services in relation to the Independent Chairman. This amounted to £84k (2024: £48k).

During the year Shell International Limited a subsidiary of The Shell Petroleum Company Limited recharged £168k (2024: £163k) to the Scheme that related to central support costs.

The Employer paid the PPF risk-based levy in line with the provisions of the Schedule of Contributions until 31 March 2024. Since 1 April 2024, no PPF levy is paid by the Employer (2024: £23k).

Two of the Trustee Directors are a preserved pensioner and one is a pensioner of the Scheme.

Other than as disclosed elsewhere in these financial statements, there are no other related party transactions that require disclosure.

## Notes to the Financial Statements (Cont)

### 25. Employer-related investments

The Occupational Pension Schemes (Investment) Regulations 1996 restrict employer-related investment to 5% of the market value of the Scheme. The Scheme has no segregated self-investment holdings in Royal Dutch Shares ("RDS") shares, the ultimate owner of BG Group Limited at 31 March 2025, and had no indirect exposure to holdings in RDS shares during the year.

### 26. GMP Equalisation

As explained on page 5 of the Trustee's Report, on 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee is aware that this will affect the Scheme, has set up a subgroup to consider how best to deal the issue and progress updates are provided to the Trustee. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Payments of £529,749 were paid in August 2025.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes. Any adjustments necessary will be recognised in the financial statements in future years.

## Certificate of Adequacy of Contributions

### Actuary's certificate of Schedule of Contributions

Name of scheme: **BG Pension Scheme**

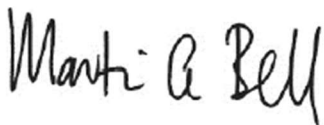
#### Adequacy of rates of contributions

- 1 I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 March 2023 to continue to be met for the period which this Schedule is to be in force.
- 2 I also certify that any rates of contribution forming part of this Schedule which the Scheme requires me to determine are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the Statement of Funding Principles and any recovery plan.

#### Adherence to Statement of Funding Principles

- 3 I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 26 October 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities if the Scheme were to be wound up.



**Martin G Bell**  
Fellow of the Institute and Faculty of Actuaries

Towers Watson Limited, a WTW Company  
1 November 2023

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London Road  
Reigate  
Surrey  
RH2 9PQ  
UK

Authorised and regulated by the Financial Conduct Authority



## BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

# Schedule of Contributions

## BG Pension Scheme

### Schedule of Contributions (dated ... October 2023)

This schedule of contributions has been prepared by the Trustee of the BG Pension Scheme (the "Scheme") to satisfy the requirements of Section 227 of the Pensions Act 2004, after obtaining the recommendations of Mr M Bell of Towers Watson Limited, the actuary to the Scheme.

The Trustee has agreed this schedule of contributions with BG Group Limited (the "Company") and it replaces the previous schedule dated 11 December 2020.

**Period covered by Schedule of Contributions:** from 1 April 2023 to 31 March 2028.

This schedule sets out the contributions payable from the date of the Schedule. The contributions payable for the period from 1 April 2020 to the date of this schedule are covered by the schedule dated 11 December 2020.

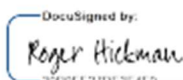
#### Level of contributions payable:

By members:	Nil
By employers:	
Recovery plan contributions:	Nil
Additional contributions:	see notes b. and c.


#### Notes

- a This schedule of contributions relates to the payment of contributions to the Scheme under Rule 2.4.
- b Additional employer contributions are required to meet the additional costs of benefit augmentations. These contributions (and the timing of their payment) are assessed by reference to the actuarial factors and instructions issued by the Scheme actuary.
- c The Company shall pay such other contributions as may from time to time be agreed by the Trustee and the Company.

#### Agreed on behalf of the Company and the participating employers:

Signature:   
 Print name: Roger Hickman  
 Position: VP Group Pensions, Shell  
 Date: Oct 25, 2023

#### Agreed on behalf of the Trustee:

Signature:   
 Print name: Martin Jones  
 Position: Chair of Trustees  
 Date: Oct 25, 2023



# Implementation Statement

## Introduction

The Trustee has prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustee has complied with the BG Pension Scheme's Stewardship and Engagement principles outlined in the Statement of Investment Principles (SIP) during the period 1 April 2024 to 31 March 2025.

The Trustee is satisfied that:

- The Scheme's investments have been managed in accordance with the Scheme's Stewardship and Engagement principles during the period;
- The Scheme's investments have been managed in accordance with the remainder of the Scheme's SIP; and
- The provisions of the SIP remain suitable for the Scheme's members.

## Statement of Investment Principles (SIP)

The SIP sets out the principles and practices the Trustee follows when governing the Scheme's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustee's approach to responsible investing (including climate change).

The SIP was updated in September 2024, when the Trustee entered into an insurance policy ("the Policy") with Legal and General Assurance Society Limited ("L&G") that is expected to meet the benefits of all Scheme members in full. In return for the payment of a premium, L&G makes monthly payments to the Scheme to match the insured liabilities and cover benefit payments to members.

The SIP is scheduled for review no later than September 2027, or sooner in case of any significant change in investment strategy.

The Trustee has prepared this Implementation Statement on the basis of the SIP in force throughout the period, with reporting within this document in line with the SIP applicable at the relevant time.

The Scheme's SIP can be consulted online at [BG Pension Scheme Statement of Investment Principles](#).

## Investments governance

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustee, prior to the Scheme being closed to accrual, also offered members the opportunity to make additional contributions and invest in a range of vehicles at the members' discretion. The Trustee hold these assets separately from the defined benefit section of the Scheme to secure benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions.

The Trustee has overall responsibility for how the Scheme's investments are governed and managed, in accordance with the Scheme's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

## Implementation Statement (Cont)

### Investments governance (Cont)

The Trustee has set objectives for the Scheme's Investment Adviser designed to align with the Trustee's own objectives and investment strategy as set out in the SIP. The suitability of these objectives was last reviewed by the Trustee in September 2024 (after the entering into the insurance policy with L&G) and is scheduled for review no later than September 2027, or sooner in case of any significant change in investment strategy.

In December 2024, the Trustee carried out an annual evidence-based review of their incumbent Investment Advisers' performance against the objectives set for them in the previous year. This involved rating the Advisers against the different objectives. The Trustee is satisfied that the objectives have been achieved for the year.

The Trustee has undertaken training during the last year to ensure that their knowledge of investment matters (for example, asset classes and the roles that they play in the strategy) remains up to date.

The investment risks and return relating to the Scheme are described in the SIP (on pages 2 to 4). The Trustee believes that the risks affecting the Scheme and their views on the expected return have changed materially during the scheme year, since entering into the Policy with L&G. The current SIP describes the risk and return considerations applicable to the Scheme after entering into the Policy in September 2024.

The Trustee's views on the expected levels of investment risk and return inform decisions on the strategic asset allocation (i.e. what type of assets the Scheme invests in over the longer term), and the style of investment management (e.g. active or passive) adopted by the Scheme.

The Scheme has conflicts of interest policies in place covering its service providers, including asset managers and Investment Adviser. The Trustee formally asks service providers to confirm any conflicts of interest when the Trustee meets with them. The service providers in scope have not disclosed any potential or actual conflict over the period.

### Stewardship and Engagement principles

The Trustee's Stewardship and Engagement principles (outlined in the current SIP on page 6) set out how the Trustee will behave as an active owner of the Scheme's assets. It includes the Trustee's approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustee monitor and engage with their investment managers and other stakeholders.

Given that the Scheme is primarily invested in an insurer buy-in contract, alongside illiquid assets in run-off and a cash fund, monitoring opportunities for engagement and voting are extremely limited. The Trustee is mindful and accepting of this.

### Voting activity

The Trustee expects the Scheme's investment managers to exercise any voting rights attached to individual investments in accordance with their own house policy, with the objective of preserving and enhancing long term value for investors. Given that the Scheme was not invested in any equity mandates during the year ending 31 March 2025, we have not assessed the direct voting activity of any of the investment managers over this period. No voting rights are attached to any of the Scheme's other underlying assets held on behalf of the Trustee, so there is no voting behaviour or activity by the managers on which to report.

## Implementation Statement (Cont)

### Engagement activity

The Trustee and their Investment Adviser do not engage directly with the underlying portfolios but believe it is sometimes appropriate for its investment managers to engage with key stakeholders, which may include corporate management, regulators and governance bodies relating to their investments to consider the management of conflicts of interest and to improve corporate behaviours, improve performance and mitigate financial risks. Where necessary, investment managers are expected to notify the Trustee of any issue on which it may be beneficial for the Trustee to undertake further engagement.

Up until the Scheme entered into the insurance policy with L&G in September 2024, the incumbent Investment Adviser discussed ESG developments and metrics with the managers as part of the quarterly meetings, though there was less focus on these topics in light of the imminent redemptions from the mandates. Since most of the mandates were terminated during the year, and the remaining illiquid mandates are in run-off, there was limited scope for engagement by the Trustee and the Investment Adviser.

The Trustee receives annual reporting on the investment managers' engagement activity, which is summarised in the table below. The period covered is full scheme year for mandates still in existence, and for others, till the time of their termination. Number of engagements has been provided on a fund level where applicable. Each manager has provided selected case studies which are representative of their engagement activity over the year.

We have excluded reporting on engagement activity for SCOR Partners given the nature of the assets managed for the Scheme.

Manager	Period covered	Number of engagements	Topics engaged on
CBRE UK	April 2024 to March 2025	13	ESG, Fund extensions, Portfolio sale and Data collection
Insight	April 2024 to March 2025	1922 <sup>1</sup>	Climate change, natural resource/impact (water, biodiversity), governance, human and labour rights, etc.
M&G - Illiquid Credit Opportunities	April 2024 to March 2025	3	Net Zero/Decarbonisation (including Net Zero Commitments and Climate Transition Plans), Business Oversight/Risk Management/Cybersecurity and Diversity & Inclusion
M&G – GBP Corporate Credit	April 2024 to September 2024	2	Executive remuneration, Diversity and Inclusion
Janus Henderson	April 2024 to August 2024	47	GHG financed emissions management (Scope 3 estimation, risk analysis, implications for net zero goals), Climate change, ESG strategy and Environment – Climate Risk Analysis,
TwentyFour	April 2024 to July 2024	73	ESG, Carbon emissions, Consumer support
Wellington	April 2024 to June 2024	13	General updates, Climate risk, Policy Framework and Debt management, Capital resource/allocation

<sup>1</sup>Total number of manager engagements for Insight has been provided on a manager level, rather than that specifically relating to the funds which the Scheme invests in.

BG PENSION SCHEME ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

## Implementation Statement (Cont)

The main methods of engagement were management meetings, investor forums and private collaboration with other investors.

The Trustee and its Investment Advisers remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Scheme.

Prepared by:

Trustee of the BG Pension Scheme

June 2025