Eni UK Limited Retirement Benefits Scheme Implementation Report

July 2025

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

Implementation Report

This implementation report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP.

The SIP can be found online at the web address _Eni_UK_RBS_Statement_of_Investment_Principles_Signed_March_2024_.pdf. There have been no changes to the SIP over the reporting period.

The Implementation Report details:

- Actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP.
- The current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks.
- The extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate.
- Voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Scheme including significant votes cast by the Scheme or on its behalf.

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Summary of key actions undertaken over the Scheme reporting year

- In Q1 2025, the Trustees reviewed the Scheme's liquidity position and proactively disinvested assets from the M&G Alpha Opportunities Fund (monthly dealt) to bolster readily available liquid assets to meet member benefit outgo and the potential collateral needs of the Scheme's LDI manager, L&G. The Trustees also made disinvestments from the L&G Sterling Liquidity Fund and BlackRock Dynamic Diversified Growth Fund.

  Post the reporting year end, the Trustees conducted an LDI and strategy review which considered alternative (credit) asset classes and an increase in the LDI hedge to mitigate volatility in the Scheme's strong funding position. At the time of preparing this report, discussions are ongoing.

Implementation Statement

This report demonstrates that Eni UK Limited Retirement Benefits Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Adopted by the Trustees of the Eni UK Limited Retirement Benefits Scheme on 24 July 2025

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Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To target a level of liability hedging in line with the Scheme's Technical Provisions funding level.	There have been no changes to policy over the reporting year. At the time of writing, the Trustees are considering the target level of liability hedging.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	The Trustees took several actions to ensure sufficient liquidity within the Scheme's assets. In Q1 2025, the Trustees reviewed the Scheme's liquidity position and proactively disinvested assets from the M&G Alpha Opportunities Fund (monthly dealt) to bolster readily available liquid assets to meet member benefit outgo and the collateral needs of the Scheme's LDI manager, L&G. The Trustees also made disinvestments from the L&G Sterling Liquidity Fund and BlackRock Dynamic Diversified Growth Fund.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practical.	There have been no changes to policy over the reporting year. Post year end, the Trustees conducted an LDI and strategy review which considered alternative (credit) asset classes and an increase in the LDI hedge to mitigate volatility in the

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			Scheme's strong funding position.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	There have been no changes to policy over the reporting year. As noted above, as part of the investment strategy review, the Trustees are evaluating the addition of a new credit asset class and a corresponding investment manager. This allocation is being assessed for its potential to diversify the Scheme's existing exposure to credit markets.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criterion: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory 6. UK Stewardship Code signatory The Trustees monitor the managers on an ongoing basis.	Further detail provided later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	The Trustees will consider an appropriate level of hedging on an ongoing basis.	There have been no changes to policy over the reporting year. All mandates are invested in a GBP share class. Where the Trustees use active management, the manager is permitted to make decisions concerning the

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			appropriate level of currency hedging. The Trustees are aware of this risk and monitor this as part of the overall performance monitoring process.
Non-Financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	There have been no changes to policy over the reporting year.

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Changes to the SIP

Over the period to 31 March 2025, the Trustees have made no changes to the SIP.

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Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustees intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	• The Trustees' investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues. • The Trustees receive information from their investment advisers on the investment managers' approaches to engagement.	• The manager has not acted in accordance with their policies and frameworks (including stewardship priorities).

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Areas of assessment and ESG beliefs

Risk Management	1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Scheme. 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of Trustees.
Approach / Framework	3. Trustees should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager. 4. ESG factors are relevant to investment decisions in all asset classes. 5. Managers investing in companies' debt, as well as equity, have a responsibility to engage with management on ESG factors.
Reporting & Monitoring	6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore, Trustees will receive training as required to develop their knowledge. 8. The role of the Scheme's asset managers is prevalent in integrating ESG factors; Trustees will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions.
Voting & Engagement	9. Trustees will seek to understand each asset managers' approach to voting and engagement when reviewing the asset managers' approach. 10. Engaging is more effective in seeking to initiate change than disinvesting.
Collaboration	11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.

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Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12-month period to 31 March 2025. Please note that not all categories sum to the number of total engagements, as some engagements covered more than one ESG area.

Fund name and Engagement summary	Commentary
BlackRock, BlackRock Dynamic Diversified Growth Fund Total Engagements: 427 Engagement themes covered: Environmental: 151 Social: 149 Governance: 406	BlackRock engage with companies via their Investment Stewardship team (BIS) to provide feedback and inform their voting decisions. Examples of significant engagements include: **Shell Plc** BlackRock have engaged with Shell Plc in a variety of ways over the reporting year to discuss matters across the ESG spectrum. Their engagements have largely focussed on discussions that fall under the broader theme of 'Governance', covering Shell's board effectiveness and director qualifications as well as the company's corporate strategy and disclosure framework. The engagements align with BIS's engagement priority of 'Strategy, Purpose and Financial Resilience' which looks to understand how boards and management are aligning their business decision-making with the company's purpose and adjusting strategy and/or capital allocation plans as business dynamics change. **UBS Group AG** BlackRock engaged with UBS on multiple occasions to discuss a range of sustainable social and governance business matters. BlackRock noted that engagements with UBS covered the corporate strategy, disclosure and governance and a range of social matters which included social risks and human capital issues. The engagements are consistent with BIS's engagement priority of 'Company Impact on People' which looks to ensure portfolio companies are investing in the relationships that are critical to their ability to meet their strategic objectives and support their ability to deliver durable, long term financial performance.
L&G, Matching Core LDI Funds *Matching Core Fix Short* *Matching Core Fix Long* *Matching Core Real Short* *Matching Core Real Long* L&G has not yet provided numerical data of engagement activity within the Matching Core fund range.	L&G believe effective stewardship involves working with companies, regulators, policymakers, peers and other stakeholders around the world to tackle systemic issues, material risks and opportunities as well as collaboration with industry experts to identify future challenges.

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L&G, Maturing Buy and Maintain Credit Fund 2025-29	Examples of significant engagements include:
Total Engagements: 279 Environmental: 203 Social: 78 Governance: 104 Other: 47	**PepsiCo inc.** L&G engaged with PepsiCo inc., a multinational food and beverage manufacturer company, to address its significant reliance on fossil-fuel based single use plastic. As a top global plastic polluter, PepsiCo's progress on sustainable packaging targets had stalled, prompting L&G to demand action. PepsiCo has taken steps such as increasing sales of reuse products like SodaStream and concentrated solutions to reduce single-use plastic, committing to boost recycled content in packaging, and engaging in dialogues with L&G and the Plastic Solutions Investor Alliance (a coalition of 60+ investors) to address plastic pollution and advocate for regulations like the Global Plastics Treaty. While PepsiCo publishes sustainability reports on biodiversity risks linked to agricultural practices, L&G argues these lack a comprehensive assessment of nature-related impacts across its full operations and supply chains. In 2024, L&G supported a shareholder resolution urging PepsiCo to disclose detailed risks tied to biodiversity and nature loss, reflecting ongoing investor pressure for transparency. Although PepsiCo has expanded reusable packaging and pledged to reduce virgin plastic use, challenges persist, particularly with flexible packaging (e.g., crisp/snack bags). L&G considers these actions "in progress" and continues to engage PepsiCo to adopt circular economy principles, align with the Global Plastics Treaty, and avoid lobbying against progressive regulations. **BP Plc.** L&G have engaged with BP Plc, a British multinational oil and gas company, on numerous in-depth climate discussions since 2022 focussed on five objectives: maintaining climate targets, proving 1.5°C alignment, halting new long-term fossil projects, enhancing Scope 3 disclosures, and ensuring responsible asset divestment. While acknowledging BP's progress – including 2050 net-zero commitments, 10-year production cuts, $2-3bn annual low-carbon investments (solar, offshore wind, EV partnerships), and scope 3 targets – L&G opposed 2023 leadership changes after BP revised oil targets without shareholder consultation. Despite voting sanctions, engagement continues through 2024 with senior executives, monitoring capital allocation (8% to renewables vs. 4.7% industry average) and verifying transition plan credibility against CA100+ benchmarks. L&G believe the status of BP's climate-related objectives are still in progress and will continue to engage with BP on these matters going forward.

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L&G, **Absolute Return Bond Fund** Total Engagements: 355 Environmental: 262 Social: 93 Governance: 101 Other: 59	Examples of significant engagements include: **JPMorgan Chase** L&G selected JPMorgan Chase, an American multinational finance company, for its Climate Impact Pledge 'in-depth' engagement program due to the bank's global influence and potential to drive sector-wide carbonisation. While not yet a sustainability leader, committed to net-zero emissions by 2050 (with 2030 interim targets) and aligned its financing with the Paris Agreement. L&G's engagement focusses on three 'red lines': restricting thermal coal financing, disclosing Scope 3 emissions, and ensuring climate lobbying aligns with 1.5°C. Specific objectives include integrating ESG into executive pay, splitting the Chair/CEO role, and refining energy supply ratio methodologies. In 2024, JPMorgan expanded its climate targets to 9 sectors (including oil & gas) under the IEA NZE50 scenario. L&G held four meetings with senior executives and used AGM voting to pressure the bank on governance and climate issues. While progress on energy supply ratio disclosures is ongoing, L&G retains voting sanctions/divestment as leverage for non-compliance and will continue engagement in 2025. **JSW Steel Ltd.** L&G engaged with JSW Steel Ltd, an Indian multinational steel producer, after it was placed on Sustainalytics (globally recognised provider of ESG research, ratings and analytics) watchlist on human right protection due to a greenfield project that they acquired from Posco (a South Korean steel company) in Odisha, an eastern India state. L&G met virtually with JSW Steel's Head of Investor Relations and Head of ESG in November 2024 to understand and clarify the controversy points raised in the Sustainalytics report. JSW Stell said that it had actively engaged with the external stakeholders on the issues and expressed surprise that Sustainalytics had reported that it had not responded to their queries. The company stated that it had taken several actions to reduce the impact to local residents, including reducing the land area acquired for the projects. L&G are currently waiting for the company to provide documentary evidence to support the claims made by the management during the call. L&G have been following up with JSW Steel and once satisfactory evidence has been received L&G will look to remove JSW Steel from their investment restricted list
M&G, **Alpha Opportunities Fund** Total Engagements: 15 Environmental: 13	M&G have a well-integrated sustainable investment policy to ensure ESG considerations are incorporated across all stages of the investment process. Examples of significant engagements include:

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Social: 1 Governance: 1	**Volkswagen International Finance NV.** M&G engaged with Volkswagen, an automotive manufacturer and distributor, to clarify its public stance on the EU's 2025, 2030, and 2035, urging transparency on policy dependencies for its net-zero transition and alignment with industry associations. M&G noted contradictions between Volkswagen's public statements and ACEA's lobbying to weaken EU targets. Volkswagen defended its position, highlighting its SBTi-verified (Science-based Targets Initiative) Scope 3 target (30% reduction by 2030) and early achievement of Scope 1/2 goals (51% reduction by 2024). It disclosed taxonomy-aligned capital expenditure in its 2024 sustainability report and emphasised e-mobility (90% of decarbonization efforts) and recycled materials (40% by 2040) as key levers. Following independent analysis by SBTi confirming Volkswagen's alignment with Paris goals, M&G agreed to discuss with TPI - Transition Pathway Initiative, a global asset-owner-led initiative that assess companies preparedness for transition to low-carbon economy - its assessment of Volkswagen's emissions performance and feedback their reasons for deeming the company "off track." **ERAMET SA.** M&G engaged with Eramet SA, a multinational mining and metallurgy company, urging the firm to publicly commit to global standards for indigenous rights (including FPIC - Free, Prior, and Informed Consent), disclose environmental impacts of its Indonesian operations and provide verifiable evidence of mitigation and remediation efforts, with a February 2026 deadline. Eramet responded that Indonesia's constitution recognises customary law communities, but no law mandates FPIC processes aligned with international standards. However, the O'Hagana Manyawa (a nomadic/semi-nomadic group living in the forests of Halmahera Island, Indonesia) lack recognition as indigenous people under international law or as a customary law community. However, Eramet confirmed that its subsidiary, PT Weda Bay Mine, has identified this community as potentially vulnerable and in need of heightened monitoring. To address this, a protocol has been established to manage interactions between mine employees and the indigenous group ensuring culturally appropriate behaviour is used by mine employees when interacting with the group. Eramet cited adherence to local law as the reason for not applying FPIC but highlighted its 2022 commitment to IRMA (Initiative for Responsible Mining), the mining sector's most rigorous standard, with self-assessments completed in 2022–2023 and an independent audit planned for 2026. It also referenced a public Human Rights Report affirming its commitments, though tensions remain between local legal compliance and international expectations.

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Voting (for equity/multi asset funds only)

The Trustees have acknowledged responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

The Scheme's multi asset fund manager, BlackRock, has provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2025. Please note that categories may not sum to the number of total votable proposals due to rounding.

The Trustees have adopted the manager's definition of significant votes and have not set stewardship priorities. The manager has provided examples of votes they deem to be significant.

Fund name and Voting summary	Examples of significant votes	Commentary
BlackRock, BlackRock Dynamic Diversified Growth Fund [1] Voteable Proposals: 6,966 Proposals Voted: 6,571 Votes For: 6,085 Votes Against: 391 Votes Abstained: 71 Votes Withheld: 16	Examples of significant votes: **Tesla, inc.** BlackRock voted in support of the management proposal to reincorporate Tesla from Delaware to Texas. While BlackRock have concerns with the board's decision-making process, they are satisfied that re-domestication to Texas would not impair shareholders' rights as most of the governance provisions in Texas and Delaware business codes are substantially similar. BlackRock voted against the Management proposal to elect Director James Murdoch who is a member of the board's nominating and corporate governance committee, BlackRock wanted to convey their concerns regarding the board's decision-making process, independence and ability to oversee management. Following the Delaware courts' guidance to assemble a committee comprised of indisputably independent directors, even if that meant it was a committee of one, the committee ultimately comprised of one director which raised concerns around the board's	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship Team (BIS) which consists of regional teams. BlackRock use Institutional Shareholder Services (ISS), an electronic platform, to access voting research and to execute their vote instructions. BlackRock aims to engage with the company in the first instance to give management time to address the issue, however, they are not afraid to vote against companies where they believe the Board or management have not acted in the interests of long-term investors.

[1] In cases of different votes submitted across ballots for a given meeting, votes cast are distinctly counted by type per proposal where total votes submitted may be higher than unique proposals voted.

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	inability to appoint additional members. BlackRock believe the majority of the board should be independent to ensure objectivity in the decision making of the board and its ability to oversee management. BlackRock voted in support of two governance shareholders proposals regarding declassifying the board and adopting a simple majority vote standard, BlackRock believe these provisions enhance and protect the interests of long-term shareholders, including BlackRock's clients. BlackRock believes directors should be re-elected annually; classification of the board generally limits shareholders' rights to regularly evaluate a board's performance and select directors, therefore a declassification of the board is seen as a positive for shareholders.	

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