Paribas London Pension Scheme
August 2026

STATEMENT OF INVESTMENT PRINCIPLES

1. Introduction

This document describes the investment policy of the Trustee of the Paribas London Pension Scheme ("the Scheme").

The purpose of the Statement of Investment Principles (the "Statement") is to document the principles and policies governing decisions about the investment of the assets of the Scheme. This Statement sets out the Trustee's policy for complying with the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent legislation. The Trustee, in preparing this Statement, has consulted BNP Paribas acting through its London Branch (the "Company") and has received written advice from the Scheme's investment consultants, Aon Investments Limited ("Aon"), which is regulated by the Financial Conduct Authority.

The Scheme is governed by its Trust Deed & Rules which sets out the benefits and specifies the Trustee's investment powers. The investment powers do not conflict with this statement.

Aon has confirmed in writing to the Trustee that it is appropriately qualified to give the advice required by the Pensions Act 1995, the Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent legislation.

This Statement of Investment Principles covers the defined benefit and the defined contribution sections of the Scheme. It is set out in four parts;

- The objectives and implementation of the defined benefit section;
- the objectives of the defined contribution section;
- The Trustee's overall policy on issues that apply equally to the defined benefit and defined contribution sections, and;
- The Trustee's policies that apply specifically in respect of the Scheme's AVC investment arrangements.

SECTION 1 – DB SCHEME

2. Investment Objectives and Risk

2.1 Investment Objectives

The Trustee's main priority is to invest the Scheme's assets in the best interests of the members and beneficiaries. Within this framework, the Trustee has agreed objectives to help guide the setting and managing of investment strategy. The Trustee's primary objectives are as follows:

- To ensure that they can meet their obligation to the beneficiaries of the Scheme.
- To maintain a fully funded position on a suitably prudent valuation basis over the long-term.

2.2 Risk Management and Measurement

All pension schemes are exposed to some degree of risk. The main risks that the Trustee considered when setting the Scheme's investment arrangements were:

- The mismatch between the Scheme's assets and its liabilities.
- Interest rate risk and inflation risk, which are two of the largest investment risks that arise due to the nature of the liabilities. These risks are substantially reduced within the Scheme by the use of interest rate and inflation hedging.
- Longevity risk, which is also a risk arising due to the nature of the liabilities. The Trustee is cognisant of this risk but recognises that the market for solutions to directly hedge longevity risk is less well-developed and less accessible than for hedging interest rate or inflation risk.
- The volatility of any return-seeking assets, such as equities, held by the Scheme. The Trustee recognises that whilst holding return-seeking assets increases expected returns over the long-term, it increases short-term volatility in the Scheme's funding position.
- The risks that may arise from a lack of diversification of investments. Subject to managing the risk arising from the mismatch of assets and liabilities, the Trustee aims to ensure the assets are appropriately diversified.
- The safe custody of the Scheme's assets: custody of the Scheme's assets is delegated to professional custodians (via the use of pooled vehicles).
- The risk of a manager under-performing its benchmark.
- The possibility of failure of the Scheme's sponsoring employer ("covenant risk"). The Trustee and its advisers considered this risk when setting investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.
- The risk arising from environmental, social and governance (ESG) factors – sources of risk which could be financially material to the Scheme's investments, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, social issues such as health and safety in supply chains, modern slavery and data security, and unsound corporate governance.

The Trustee receives a manager monitoring report and investment performance report on a quarterly basis to help the monitor the continued suitability of the current investments.

Additional risks related to investment strategy include: currency risk (however, the Scheme is largely invested in Sterling denominated or GBP-hedged assets), illiquidity risk (however, the Scheme is predominantly invested in liquid asset classes), and legal and operational risks (which the Scheme mitigates by taking appropriate advice when putting in place legal documents and appointing providers capable of carrying out the required operational tasks).

Where there is a material change in the Scheme's circumstances, the Trustee will review the Scheme's investment arrangements to check whether they remain appropriate, having regard to the various risks set out above if the Trustee considers that they remain relevant.

2.3 Investment Strategy

The Trustee monitors the Scheme's performance against its investment objectives on a quarterly basis with the help of its advisor. This is done by monitoring the funding and asset position of the Scheme on an ongoing basis.

The Trustee has set the investment strategy to meet its objectives. The investment objective is to maintain 100% solvency funding, maintaining a buffer above the Technical Provision Liabilities. The Trustee will consider the expected return on investments, with advice from the investment consultant, when selecting and monitoring its investment strategy.

To meet and maintain its funding objective, the Scheme invests in return-seeking assets that have expected returns which, together with any contributions, are expected to provide sufficient asset returns to meet the stated funding objective. When selecting and appointing investment managers, the Trustee and investment consultant consider the desire to maintain a diversified portfolio as a contributing factor. Further, the investment consultant regularly reviews the range of investments held by the respective investment managers to ensure they remain appropriately balanced in the circumstances of the Scheme and given the overall level of investment risk that is appropriate at the time.

To better align the interest rate and inflation sensitivities of the assets to those of the liabilities, the Scheme invests in Liability Driven Investment ("LDI") assets. These will include UK government bonds and may also include leveraged investments, for example, leveraged gilt exposure and interest rate and inflation swaps.

The Trustee will monitor the progress of the Scheme against its objective and will consider, with advice from the investment consultant, adjusting the investment strategy where the Scheme is not on track to meet its objectives.

3. Day to Day Management of the Assets

3.1 Main Assets

The Trustee regards the strategic asset allocation as the decision which has the most influence on the likelihood that the Scheme will achieve its objectives. In setting the investment strategy, the Trustee takes ongoing advice from the investment consultant and makes its decisions in consultation with the Company.

3.2 Rebalancing Policy and Cash Flow

The Trustee will typically review the performance of the Scheme against its objective on a quarterly basis. Where the Scheme is at risk of going off-track against these objectives, the Trustee may decide to change the asset allocation with the aim of putting the Scheme in a better position to meet its objectives.

Cash flow policy is determined on an ad hoc basis following advice from the investment consultant on expected cash flows and asset allocation. Overall Scheme liquidity requirements are monitored and reported to the Trustee on a quarterly basis to ensure that prudent levels of liquidity are maintained.

The administrator ensures that sufficient cash balances are available in the Trustee bank account.

3.3 Realisation of Investments

The Scheme's investment managers have discretion in the timing of realisation of investments (i.e. the sale of assets) within their individual mandates.

The Trustee may decide, with advice from the investment consultant, when to sell or reduce their holding in a specific investment manager mandate. For example, the purpose may be to move funds to a different asset class due to a change in investment strategy, or to invest with a different manager in the same asset class where the Trustee believes the existing manager is no longer appropriate for the Scheme, or to generate cash to pay member benefits.

3.4 Asset Manager Policy

Due to the cost benefits and ease of implementation, the Trustee invests a portion of its assets in pooled investment vehicles. The Trustee recognises that due to the collective nature of these investments, there is less scope to directly influence how the investment manager invests. However, the Scheme's investment consultant ensures the investment objectives and guidelines of the manager are consistent with those of the Trustee. In circumstances where investing in alternative mandate structures is thought to bring additional benefits, these are considered and advised on by the Scheme's investment consultant.

Where relevant, the Trustee requires its investment managers to invest with a medium to long-term time horizon, and to use any rights associated with the investment to drive better long-term outcomes. For some asset classes, the Trustee does not expect the respective investment managers to make decisions based on long-term performance. These may include investments that provide risk reduction through hedging, consistent with the Trustee's strategic asset allocation.

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the manager is assessed over a medium to longer-term timeframe, subject to a minimum of three years. The Trustee would not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe than three years due to other factors, such as a significant change in business structure, the investment team, or a change in strategy.

Managers are paid a fee for a defined set of services, based on the size of the assets or exposure managed on behalf of the Scheme, as well as additional performance fees, where these have been previously agreed with a manager in repayment for performance above a specified benchmark. The investment consultant assists the Trustee in reviewing fees periodically to confirm they are in line with market practice.

The external investment managers provide a written performance report each quarter to the Trustee through the investment consultant. The investment consultant will produce a manager report for the Trustee based on this information. The Trustee will meet the managers on an ad hoc basis to review the managers' actions and investment performance. The investment consultant will assist the Trustee in fulfilling their responsibility for monitoring the investment managers. The Trustee's policy towards monitoring non-financial performance is set out in Section 5.1: Environmental, Social and Governance Factors Policy.

The Trustee reviews the portfolio transaction costs and portfolio turnover range (i.e. the proportion of acquisitions / disposals made by each manager as a proportion of the total holding over a given period) of managers periodically where the data is disclosed and available. The Trustee will then determine whether the costs incurred were within reasonable expectations, with assistance from the investment consultant.

4. Employer-related investments

It is possible that pooled investment vehicles in which the Scheme has invested may, in turn, invest in the shares of a company in the BNP Paribas Group or in another employer-related investment as a result of a decision taken by the pooled investment vehicle provider in question. The Trustee does not expect any such investment, even if it were to occur, to be material in relation to the Scheme and in any event the Trustee does not expect it to cause the Scheme to cease to comply with the restriction on employer-related investments under Section 40 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

The Trustee includes the details of any employer-related investments in the annual report and accounts for the Scheme.

5. Responsible Investment

5.1 Environmental, Social and Governance factors

The Trustee incorporates all financially material considerations into decisions on the selection, retention and realisation of investments through strategic asset allocation decisions and the appointment of investment managers, so far as possible.

The Trustee believes that environmental, social and governance factors (including but not limited to climate risk) will be financially material over the time horizon of the Scheme but will have varying levels of importance for different types of assets invested by the Scheme.

The Trustee may consider non-financial factors (such as ethical or moral beliefs) in its investment decision making, but only to the extent that these do not have a negative financial impact.

The Trustee also recognises the wider impacts the Scheme's investments may have on the environment and society, and that this may be of interest to Scheme beneficiaries. The Trustee endeavours to monitor exposure to these areas (e.g. the impact of investments on the society and environment, and adherence to international human rights principles) and ensure they are considered and accounted for where appropriate and consistent with the Scheme's overall objective.

The Trustee appoints investment managers that consider these factors on the Scheme's behalf.

The Trustee considers ESG risks by taking advice from their investment consultant when setting the Scheme's investments, when selecting managers and when monitoring their performance. As part of the ongoing monitoring of the Scheme's investment managers, the Trustee carries out an in-depth annual ESG review of the sustainability profile of each fund invested in by the Scheme, and an annual review of the stewardship activities carried out by the Scheme's investment managers.

To supplement this, the Trustee will also use ESG rating information provided by the investment consultant, where relevant and available, to monitor the level of ESG integration by the Scheme's investment managers on a quarterly basis.

5.2 Stewardship and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as this ultimately creates long-term financial value for the Scheme and its members.

Direct engagement with underlying companies (as well as other relevant persons), of which the Trustee owns equity or debt, is delegated and carried out by the Scheme's investment managers. The Trustee accepts responsibility for how managers steward assets on its behalf, including the casting of votes in line with each manager's individual voting policies.

This includes monitoring and engaging with issuers of debt or equity on financially material issues concerning strategy, capital structure, management of actual or potential conflicts of interest, risks, environmental impact, social considerations and corporate governance. Where relevant, the Trustee expects its managers to use voting rights to effect the best possible sustainable long-term outcomes in line with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee has adopted climate change as a stewardship priority for the Scheme. This is because the Trustee believes that climate change has the potential to negatively impact the value of investments held if not understood and evaluated properly. Therefore, it is in the best interests of the Scheme's beneficiaries for climate change issues and risks to be properly understood, and where possible, mitigated by the Scheme's appointed investment managers through their stewardship activity.

The Trustee expects all its investment managers to implement current best practice in relation to good stewardship, such as adhering to the UK Stewardship Code. When selecting new managers, the Trustee's investment consultant assesses the ability of each investment manager to engage with underlying companies in order to promote the long-term success of the investments. When monitoring, de-selecting and appointing new managers, engagement is factored into the decision-making process to the appropriate level for the specific asset class in question.

Although the Trustee chooses managers that align with its beliefs on stewardship, given the Scheme only invests in pooled funds, due to the collective nature of these investments, the Trustee has less direct influence over the managers' policies on the exercise of investment rights.

The Trustee requires its investment consultant to monitor and report on the voting behaviour carried out on its behalf. Should the monitoring process reveal that an investment manager's voting and engagement policies and actions are not aligned with the Trustee's expectations, the Trustee (with the support of its investment consultant) will engage with the manager via different medium, such as emails, calls and meeting, to seek a more sustainable position, but may also look to replace the manager.

The Trustee requires its investment consultant to report periodically on how its investment managers have acted with respect to the Trustee's' policy on stewardship and engagement.

The Trustee will disclose any highlights as part of this review annually in its implementation statement and the investment manager's performance in these respects will be considered as part of the Trustee's wider assessment of the ongoing suitability of each investment manager.

6. Fees

6.1 Investment Management Fees

The Trustee has policy documents with the Scheme's investment managers which set out the terms and conditions by and under which the Scheme's assets will be managed, including the fee structure.

As the Trustee invests in pooled fund arrangements, they are unable to calculate the trading costs incurred specifically by the Scheme.

6.2 Investment consultant's Fees

The fees for the investment consultant are largely based on a fixed scope of work , but may also be based on fixed scopes of work for individual tasks or on a time-cost basis. The Trustee will formally assess the investment consultant against pre-agreed objectives on an annual basis.

7. Compliance and Review of Statement

The Trustee, the investment managers and the investment consultant each have duties to perform to ensure compliance with the Statement. These are:

- In line with the Occupational Pension Schemes (Investment) Regulations 2005, the Trustee will review the Statement at least every three years and without delay after a significant change in investment policy.
- The Trustee will review this Statement based on written expert advice, to be provided by the investment consultant, and will record compliance with it at a Trustee meeting.
- The Trustee will review this Statement where there is a material change to any aspect of the Scheme which they judge to have a bearing on the stated investment policy.
- The Trustee will consult the Company on any changes to the Statement.
- The investment managers will each prepare a written quarterly report for the Trustee which will be provided through the investment consultant.

SECTION 2 - DC SECTION

Investment Objective

The Trustee is responsible for investing the Scheme assets in line with members' preferences. Its key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives. It has taken into account members' circumstances, in particular the range of members' attitudes to risk and term to retirement.

STRATEGY

The Scheme Investment Objective is implemented using the range of investment options set out in the table in Appendix 1.

The Trustee makes available a number of lifestyle options to members. The lifestyle options are designed to be appropriate for members with a predictable retirement date. However, the lifestyle options are not suitable for members who unexpectedly retire early or who opt to take their retirement benefits in any other form than targeted by the particular option chosen.

The following Lifestyle options are available to members:

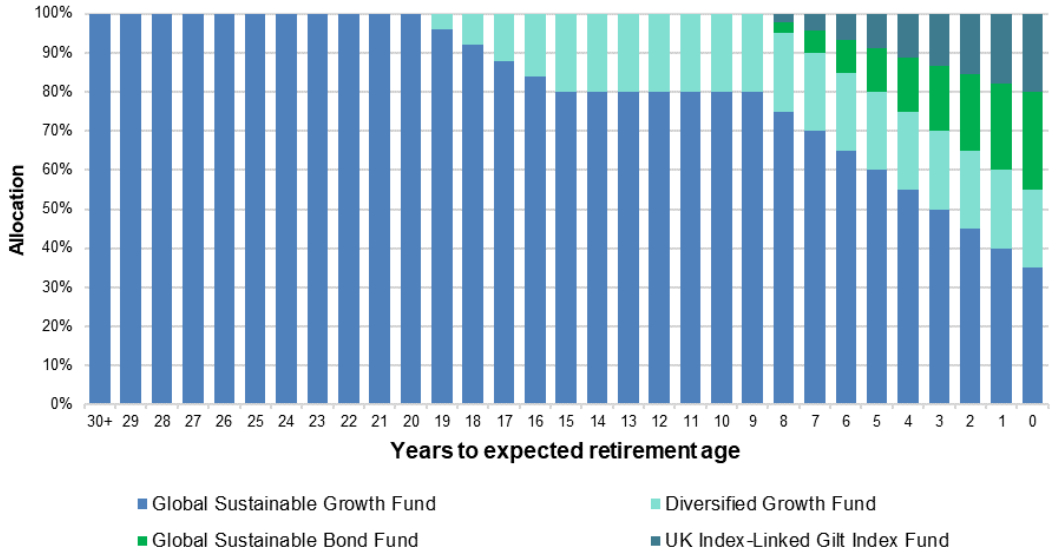
- **Lifestyle 1 – Drawdown (the primary default investment):** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, after which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Over the final 9 years a portion of the member's investment is gradually switched to the UK Index-Linked Gilt Index Fund and the Global Sustainable Bond Fund. At the member's expected retirement date, the investments will be split 35% in the Global Sustainable Growth Fund, 20% in the Diversified Growth Fund, 25% in the Global Sustainable Bond Fund and 20% in the UK Index-Linked Gilt Index Fund

- **Lifestyle 2 – Annuity:** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, after which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Starting from 9 years from the member's expected retirement age, a portion of the investment is gradually switched to the UK Index-Linked Gilt Index Fund and the Global Sustainable Bond Fund, and a further portion is switched to the UK Index-Linked Gilt Index Fund (Long Duration) and the Cash Fund: BlackRock managed over the final 5 years. At the member's expected retirement date, the investments will be split 75% in the UK Index-Linked Gilt Index Fund (Long Duration) and 25% in the Cash Fund: BlackRock managed.

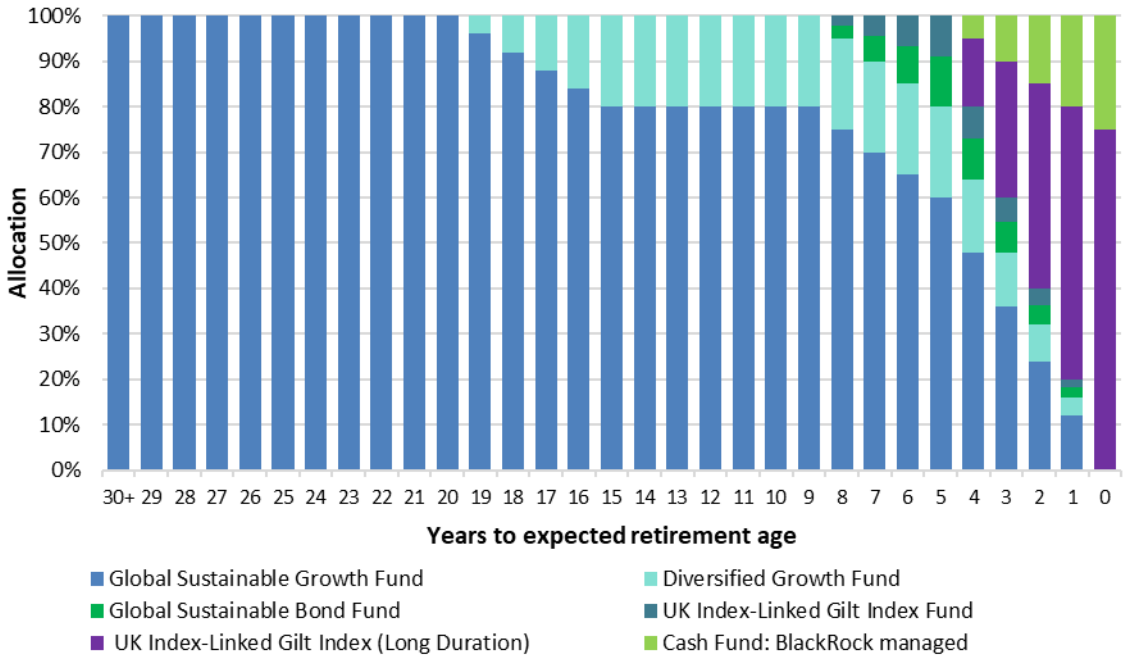
- **Lifestyle 3 – Cash:** invests 100% in the Global Sustainable Growth Fund until the member reaches the point 20 years before their expected retirement age, at which point a portion of the member's investment is gradually switched to the Diversified Growth Fund. Starting from 9 years from the member's expected retirement age, a portion of the member's investment is gradually switched to the UK Index-Linked Gilt Index Fund and the Global Sustainable Bond Fund. Over the final 5 years the entire investment is gradually switched to the Cash Fund: BlackRock managed.

Charts showing the breakdown of the Lifestyle options by age are set out below.

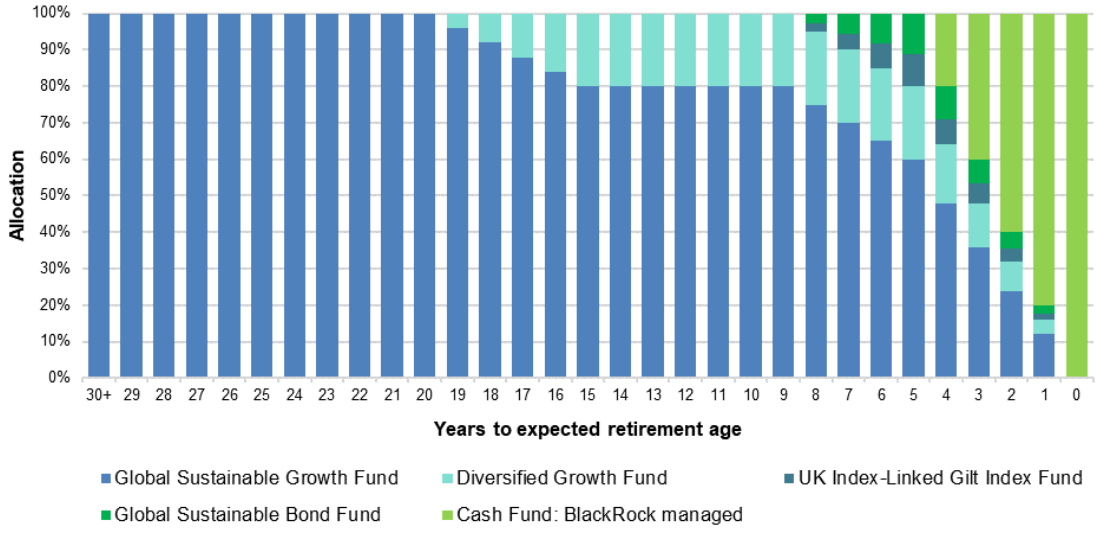
Lifestyle 1 – Drawdown Lifestyle (the primary default investment)



Lifestyle 2 – Annuity Lifestyle



Lifestyle 3 – Cash Lifestyle



Members may choose to invest ***either*** in one of the Lifestyle options ***or*** in a combination of individual funds.

The Trustee's policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of investment options was chosen by the Trustee after taking expert advice from the Trustee's investment consultant. In choosing the Scheme's investment options, it is the Trustee's policy to consider:

- A full range of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.
- The suitability of each asset class for a defined contribution scheme.
- The need for appropriate diversification of asset classes.
- Integration of responsible investment issues within the investments.

Lifestyle 1 operates as the primary default investment and is designed to be suitable for the majority of members. Further details about the default investments are outlined in Appendix 2.

However, the Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk, and also that different members may wish to target different forms of benefit at retirement. As such, a range of self-select funds are made available to invest in to enable members to tailor their investment strategy to their own needs, allowing members to build their own bespoke diversified investment portfolio if they so wish.

The Trustee expects the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth. The long-term returns on the bond and cash options are expected to be lower than returns on predominantly equity options. However, bond funds are expected to broadly match the price of annuities, giving some protection in the amount of secured pension for members closer to retirement. Cash funds will provide protection against changes in short-term capital values and may be appropriate for members receiving part of their retirement benefits in the form of tax-free cash.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

In setting the Scheme's investment strategy, including the default investments, the Trustee's primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

Risk considerations include the risk that environmental, social and governance ("ESG") factors, including climate change, negatively impact the value of investments held if not understood and evaluated properly. The Trustee considers this risk by taking advice from their investment consultant when setting the Scheme's default investments, when selecting managers and when monitoring their performance.

As part of ongoing monitoring of the Scheme's investment managers, the Trustee carries out an in-depth annual ESG review of the sustainability profile of each fund invested in by the Scheme, and an annual review of the stewardship activities carried by the Scheme's investment managers. To supplement this, the Trustee will also use ESG rating information provided by the investment consultant, where relevant and available, to monitor the level of ESG integration by the Scheme's investment managers on a quarterly basis.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy the Trustee considers the Scheme's members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

The Trustee also recognises the wider impacts the Scheme's investments may have on the environment and society, and that this may be of interest to Scheme beneficiaries. The Trustee endeavours to monitor exposure to these areas (e.g. the impact of investments on the society and environment, and adherence to international human rights principles) and ensure they are considered and accounted for where appropriate and consistent with the Scheme's overall objectives.

The Trustee has designed the lifestyle strategies, including the primary default investment (the Drawdown Lifestyle) to incorporate an ESG focus across both the equity and bond investments. The Trustee also makes available in the self-select range Responsible Investment equity options (the Global Sustainable Growth Fund and the Responsible Investment Fund), a Responsible Investment fixed income option (the Global Sustainable Bond Fund), an ethical investment option (the Ethical Global Equity Index Fund) and a Shariah-compliant fund option (the Islamic Global Equity Index) for those members who would like to invest in funds with these specific considerations.

Stewardship Policy – Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as this ultimately creates long-term financial value for the Scheme and its members. The Trustee also recognises that these issues may be of particular interest to Scheme members.

The Trustee invests in pooled funds through a platform provider, and as such have delegated

responsibility for the selection, retention and realisation of investments to the Scheme's investment managers in whose funds they invest.

As part of their delegated responsibilities, the Trustee expects the Scheme's investment managers to:

- Where appropriate, engage with investee companies with the aim of protecting and enhancing the value of assets; and
- Exercise the Trustee's voting rights in relation to the Scheme's assets, while disclosing and managing any potential conflicts of interest that may arise.

The Trustee accepts responsibility for how managers steward assets on its behalf, including the casting of votes in line with each manager's individual voting policies.

The Trustee has adopted climate change as a stewardship priority for the Scheme. This is because the Trustee believes that climate change has the potential to negatively impact the value of investments held if not understood and evaluated properly. Therefore, it is in the best interests of the Scheme's beneficiaries for climate change issues and risks to be properly understood, and where possible, mitigated by the Scheme's appointed investment managers through their stewardship activity.

The Trustee reviews the suitability of the Scheme's appointed investment managers at least every three years, particularly those used within the Scheme's default investment, and takes advice from the investment consultant with regard to any changes. As stated above, the Trustee also carries out an ESG specific review of the Scheme's managers on an annual basis. The annual ESG review includes stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustee expects (set out above), the Trustee undertakes to engage with the manager to set out its expectations and seek a more sustainable position (where possible, and with the assistance of their investment consultant) but may also look to replace the manager. Prospective investment managers are also required to provide this information for the Trustee to review in advance of any new appointment. The Trustee takes advice from its investment consultant on these matters.

The Trustee expects its managers, or other third parties, to use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This will include voting, along with – where relevant and appropriate – engaging with underlying investee companies and assets to promote good corporate governance, accountability, and positive change. However, given the Scheme only invests in pooled funds, due to the collective nature of these investments the Trustee has less direct influence over the managers' policies on the exercise of investment rights. The Trustee, with the assistance of its investment consultant, reviews the engagement approach and stewardship activities of its investment managers at least annually, covering both engagement and voting actions. This is done as part of the annual Implementation Statement process.

As part of this annual review, the Trustee expects managers to provide aggregate voting information at a fund level and voting rationale for significant votes. This information is included in the Trustee's annual Implementation Statement, which will be included in the Trustee's report and accounts and made available to members in a publicly accessible web location.

Given the pooled nature of the Scheme's investments, the Trustee does not have a direct relationship with investee companies. However, from time to time, the Trustee will consider the methods by which, and the circumstances under which, it would monitor and engage with

an investment manager on matters concerning an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

INVESTMENT MANAGER POLICY

Arrangements with Investment Managers

The Trustee monitors the investment options made available to Scheme members, including the default investments, to consider the extent to which the investment strategy and decisions of the appointed investment managers are aligned with the Trustee's policies, as set out in this statement. This includes monitoring the extent to which investment managers:

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

The Trustee is supported in this monitoring activity by its investment consultant.

The Trustee receives quarterly performance reporting updates from its investment consultant and also carry out an in-depth triennial review of various items including the investment strategy, performance, and longer-term positioning of the strategy.

The Trustee focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme's objectives and assesses the investment managers over the long-term.

If and when a new investment manager is appointed, the Trustee endeavours to review any required governing documentation associated with the investment and consider the extent to which it aligns with the Trustee's policies.

Where necessary, the Trustee will seek to express its expectations to the investment managers to try to achieve greater alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the investment managers (e.g. verbally or in writing at time of appointment), and regular monitoring of investment managers' performance and investment strategy, is in most cases sufficient to incentivise the managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial performance.

Where investment managers are considered to be making decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will endeavour to first engage with the manager and in the event of a material misalignment, could ultimately replace the manager if deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment for all managers is reviewed on an annual basis.

The Trustee does not monitor the underlying investments made by the investment managers on their behalf against non-financial criteria.

Monitoring Investment Manager Costs

It is the Trustee's view that long-term performance, net of costs, is the most important metric on which to evaluate its investment managers.

Investment managers are remunerated by the deduction of set percentages of assets under management. This is in-line with market practice and avoids a short-term approach to investment performance that may be the result of any performance-related fees.
The Trustee therefore believes it is important to understand all the different costs and charges, which are paid by members (through a deduction from the unit price). These include:

- Explicit charges, such as the annual management charge, and additional expenses that are disclosed by investment managers as part of the Total Expense Ratio ('TER');
- Implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund.

The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

The Trustee collects information on these member-borne costs and charges on an annual basis, where available, and sets these out in the Scheme's annual Chair's Statements which are made available to members in a publicly accessible web-location. In addition, the Trustee carries out a separate annual review of the explicit charges paid by members on each of the investment options. As part of this review, the Trustee compares the level of charges to broader market rates. Where an investment manager is flagged as charging higher than expected costs, the Trustee seeks to engage initially with the platform provider who sets the costs and then if required, the investment manager themselves, with the aim of reducing costs to a more acceptable level.

No specific ranges are set for acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the Trustee expects its investment consultant to highlight if these costs and charges appear unreasonable when they are collected as part of the annual Governance Statement exercise.

RISK MEASUREMENT AND MANAGEMENT

The Trustee recognises the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considered this risk when setting the investment options and strategy for the Scheme. The Trustee's policy in respect of risk measurement methods and risk management processes is set out below.
The Trustee considers the following sources of risk:

- Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.
- Risk of investment managers not meeting their objectives ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the investment manager and on an ongoing basis thereafter.
- The risk that the pooled funds, through which the Trustee allows members to invest,

do not provide the required level of liquidity.

- Risk of the default investments being unsuitable for the requirements of some members.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.
- The risk that the investment return over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate pension.
- The risk that investment in overseas markets will be affected by changes in exchange rates leading to lower returns in pound sterling terms (e.g. due to appreciation of pound sterling relative to overseas currency).
- The risk that investment market movements particularly in the period immediately prior to retirement leads to a substantial reduction in the anticipated level of retirement income.
- The risk that the investment vehicles in which monies are invested under-perform the expectations of the Trustee due to other external factors (e.g. environmental, social and governance factors, including climate change) over the short and long term.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal strategy review. The Trustee's policy is to review the range of funds offered and the suitability of the lifestyle option annually.

These risks are considered as part of each normal strategy review. In addition, the Trustee measures risk in terms of the performance of the assets compared to the benchmarks on a regular basis, along with monitoring any significant issues with the investment managers that may impact their ability to meet the performance targets set by the Trustee.

ILLIQUID INVESTMENTS POLICY

Primary Default Investment

Illiquid investments are currently held on behalf of members who are invested in the primary default investment: Lifestyle 1 - the Drawdown Lifestyle. Specifically, the Diversified Growth Fund allocates a small proportion to underlying illiquid holdings (e.g. real assets). The illiquid holdings are held within wider pooled funds which are mainly invested in liquid holdings. The allocation to illiquids is at the discretion of the underlying investment managers and may increase or decrease over time.

The Diversified Growth Fund is introduced in the de-risking phase of the Drawdown Lifestyle and is therefore only held by members that are invested in the Drawdown Lifestyle and are within 20 years of their selected retirement date. As the underlying illiquid investments within the Diversified Growth Fund are held in a small proportion, the Trustee believes this provides diversification from the other key return drivers held by members whilst not introducing significant illiquidity risk or significantly higher costs.

The Trustee is comfortable that the underlying managers of the Diversified Growth Fund are best placed to use their discretion as to the appropriateness of holding illiquid investments in the underlying fund at any particular time, and to use the liquid portions within each underlying fund to ensure members have sufficient access to liquidity.

Whilst the Trustee recognises that there may be benefits of investing in illiquid investments, they believe direct investment in funds which have significant holdings in illiquid assets is unlikely to be suitable for the broad membership at the current time, due to the risk of members not being able to sell their investment for cash on any particular day, for example if fund redemptions had to be suspended as well as wider market factors.

This position remains under review and the Trustee endeavours to stay up to date with market developments in this space with the support of their investment advisers.

Further details about the illiquid investments policy for the Scheme's additional default investments are outlined in Appendix 2.

SECTION 3 - DB AND DC SECTIONS

GOVERNANCE

The Trustee is responsible for the investment of the Scheme's assets. The Trustee takes some decisions itself and delegates others. When deciding which decisions to take itself and which to delegate, the Trustee has taken into account whether it has the appropriate training and expert advice in order to take an informed decision. The Trustee has established the following decision-making structure:

Trustee

- Set structures and processes for carrying out its role
- Select and monitor planned asset allocation
- Select and monitor direct investments (see below)
- Select and monitor investment consultants and investment managers
- Select investment structures and oversee their implementation
- Monitor investment consultants and investment managers
- Fee structures
- Detail of agreement (e.g. FX hedged vs unhedged, mode of investment)

Investment Consultant

- Advise on all aspects of the investment of the Scheme's assets
- Advise on this statement
- Provide required training

Investment Managers

- Operate within the terms of this statement and their written contracts
- Select individual investments with regards to their suitability and diversification
- Advise the Trustee on suitability of its benchmark indices

BNP Paribas Pension Committee

As part of its oversight of the DC Section, the Trustee sits on the BNP Paribas Pension Committee (the "Committee"). The Committee oversees the DC arrangements made available by the Company. This includes the DC Section of the Scheme, although the Trustee retains ultimate responsibility.

- Oversees the day-to-day management of the DC Section's assets including the structure of the blended funds and default investments
- Reviews recommendations from the investment consultant relevant to the principles of the DC Section's investment strategy, including the range of funds available to members
- Carries out ongoing review and analysis to ensure that the DC Section is valued by Scheme members, is administered to a good standard, and has a broad and appropriate range of investments

The Pensions Act 1995 distinguishes between investments where the management is delegated to an investment manager with a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustee's policy is to review its direct investments and to obtain written advice about them at regular intervals. When deciding whether to make any new direct investments, the Trustee will obtain written advice and consider whether future decisions about those

investments should be delegated to the investment manager(s). The written advice will consider the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this statement.
The Trustee's investment consultant has the knowledge and experience required under the Pensions Act 1995.

The Trustee expects the investment managers to manage the assets delegated to them under the terms of their respective contracts and to give effect to the principles in this statement so far as is reasonably practicable.

The Trustee will review this SIP at least every three years and immediately following any significant change in investment policy. The Trustee will take investment advice and consult with the Sponsoring Employer over any changes to the SIP.

SECTION 4 – AVCS

The Trustee has also appointed FIL Life Limited (Fidelity) to offer a wide range of unit linked investment fund options. This range of funds mirror those available for members to invest in through the DC Section, details of which are set out in Appendix 1. Members also have the option of choosing from the three lifestyle strategies available to DC members. Details of these lifestyle strategies are detailed in the Section 3 of this statement.

All the insurance contract providers and investment managers are remunerated through a percentage of fund charge. The charges have been negotiated to ensure competitiveness and are reviewed regularly.

In addition, investment managers may pay commissions to third parties on trades they undertake in the management of the assets.

The life companies and pooled investment manager have appointed custodians for each of the investment funds available. The custodians provide safekeeping for all the funds' assets and perform the administrative duties attached, such as the collection of interest and dividends and dealing with corporate actions.

Lifestyle 3 (the Cash Lifestyle) operates as the default investment for the AVC Section and is designed to be suitable for the way these members access their AVC accounts. Further details about the AVC default investment is outlined in Section 2 and Appendix 2 of this statement.

APPENDIX 1 – DC AND AVC FUND DETAILS

Table 1: Details of funds available to members (Lifestyle funds noted). Please note that all Annual Management Charge ("AMC") figures are as at August 2025.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Global Sustainable Growth Fund (Lifestyle fund and Additional Default Investment)	Blend – see Table 2	0.23	Active	This fund aims to achieve long-term capital growth through investing in a diversified portfolio of global equities, incorporating both active and passive approaches. The fund has approximately 90% invested in the shares of developed global equities, with explicit consideration to environmental, social and governance (ESG) factors. The remaining 10% is invested into Emerging Markets Equities.
Cash Fund: BlackRock managed (Lifestyle fund and Additional Default Investment)	BlackRock Cash Fund	0.05	Active	This fund aims to achieve an investment return that is in line with wholesale money market short-term interest rates. Specifically, the fund seeks to better the return of the Sterling Overnight Index Average Rate (SONIA). The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund (Lifestyle fund and additional default investment)	Blend – see Table 2	0.53	Active	The fund aims to provide positive real long term returns by investing in a diversified range of asset classes and return drivers including equities, bonds, real estate, commodities, high yield debt and private equity. The fund also aims to reduce the risk and magnitude of falls in capital value.
UK Index-Linked Gilt Index Fund (Lifestyle fund)	BlackRock Up To 5 Year Index Linked Gilt Index	0.12	Passive	The fund invests in UK government index-linked securities (index-linked gilts). It may invest in one or more underlying funds, with each fund investing in index-linked gilts securities with the aim of delivering returns in line with the stated benchmark.
Global Sustainable Bond Fund (Lifestyle Fund)	Robeco Global SDG Credit Strategy See Table 2 for further information	0.23	Active	This fund invests in a range of global fixed income securities, predominantly corporate bonds, with a focus on environmental, social and governance ("ESG") considerations. The fund is fully hedged into sterling and aims to outperform the Bloomberg Barclays Global Aggregate Corporates Index.
Responsible Investment Equity Fund	Blend – see Table 2	0.51	Active	This fund aims to achieve long-term capital growth through investing in a globally diversified portfolio of global equities, which are expected to benefit either directly or indirectly from a focus on environmental, social and governance (ESG) considerations.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund: BlackRock managed	BlackRock Dynamic Allocation Fund	0.44	Active	This fund targets a consistent investment return of 3.5% above the Bank of England base rate measured over rolling three-year periods by utilising a multi-asset flexible investment approach. The focus on getting the asset mix "right" in order to achieve the target means this fund will generally hold a variety of different types of assets at any one time.
Emerging Markets Active Equity Fund: Fidelity managed	Fidelity Emerging Markets Equity Pensions Fund	0.57	Active	The fund's investment objective is to achieve long-term capital appreciation. The fund will invest primarily in securities of countries experiencing rapid economic growth including, without limitation, Africa, the Indian sub-continent, Latin America, South East Asia, Europe and the Middle East. There is no policy to restrict investment to particular economic sectors.
Global Bond Fund: M&G managed	M&G Total Return Credit Fund	0.55	Active	The fund aims to maximise total return through prudent investment in a diversified pool of debt and debt like assets with a focus on credit. The fund will seek to preserve capital by allocating to cash and government bonds from time to time.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund: Nordea managed	Nordea Diversified Return Fund	0.55	Active	The fund aims to preserve shareholders' capital (over a three-year investment horizon) and provide a stable, positive rate of return on investment. Investments are made globally in equities, bonds (including bonds convertible in equity shares) and money market instruments denominated in various currencies.
Diversified Growth Fund: Schroders managed	Schroder Diversified Growth Fund	0.57	Active	The objective of the Schroder Life Intermediated Diversified Growth Fund (IDGF) is to achieve a return of ICE BoA Sterling 3-month (i.e. cash) + 4.5% per annum over a full market cycle, which is typically five to seven years. It aims to achieve this objective with approximately a one third reduction in the level of volatility associated with an all equity portfolio.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Diversified Growth Fund: abrdn managed	abrdn Managed Fund	0.60	Active	The fund aims to provide long term growth whilst investing in a diversified portfolio of assets (including equities, bonds, property, cash deposits and money-market instruments) in order to reduce the risk associated with being solely invested in any one asset class. These assets can be from both the UK and overseas. The fund is predominantly equity based and is actively managed by our investment team, who will vary the proportions held in each asset class to try to take advantage of opportunities they have identified.
Property Fund	Threadneedle Pensions Property Fund	0.85	Active	To invest primarily in direct UK commercial property. It aims to generate total returns (from income and capital appreciation) that are above its benchmark, over rolling three-year periods.
World (excluding UK) Equity Index Fund	BlackRock World (ex UK) Equity Index Fund	0.15	Passive	This fund invests in shares of companies outside the UK and aims to achieve a return that is consistent with the return of the FTSE Developed ex-UK Custom ESG Screened Index.
UK Equity Index Fund	BlackRock UK Equity Index Fund	0.12	Passive	This fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Custom ESG Screened Index.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
US Equity Index Fund	BlackRock US Equity Index Fund	0.14	Passive	This fund invests in the shares of US companies and aims to achieve a return that is consistent with the return of the FTSE USA Custom ESG Screened Index.
European Equity Index Fund	BlackRock European Equity Index Fund	0.14	Passive	This fund invests in the shares of companies in Europe and aims to achieve a return that is consistent with the return of the FTSE Developed Europe ex-UK Custom ESG Screened Index.
Japanese Equity Index Fund	BlackRock Japanese Equity Index Fund	0.14	Passive	This fund invests in the shares of Japanese companies and aims to achieve a return that is consistent with the return of the FTSE Japan Custom ESG Screened Japan Index.
Pacific Rim Equity Index Fund	BlackRock Pacific Rim Equity Index Fund	0.14	Passive	This fund invests in the shares of companies in the Pacific Rim and aims to achieve a return that is consistent with the return of the FTSE All-World Developed Asia Pacific ex-Japan Index.
UK Fixed Gilt Index Fund	BlackRock Over 15 Years UK Gilt Index Fund	0.12	Passive	This fund invests in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
UK Index-Linked Gilt Index Fund (Long Duration) (Lifestyle fund)	BlackRock Over 5 Year Index Linked Gilt Index	0.12	Passive	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or more. The fund aims to achieve a return consistent with the FTSE UK Gilts Index Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the long dated end of the UK index-linked gilt market.
UK Index-Linked Gilt Index Fund (Short Duration)	BlackRock Up To 5 Year Index Linked Gilt Index	0.12	Passive	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or less. The fund aims to achieve a return consistent with the FTSE Actuaries UK Index- Linked Gilts up to 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the short dated end of the UK index-linked gilt market.
Islamic Global Equity Index Fund	HSBC Islamic Fund	0.12	Passive	This fund aims to provide long term capital growth by primarily investing in a broad range of company shares from around the world, which meet the Islamic investment principles. The Fund aims to track the performance of its benchmark, the Dow Jones Islamic Titans 100 Index.

Fund	Underlying Fund	Annual Management Charge (% p.a.)	Active/ Passive	Investment Objective
Ethical Global Equity Index Fund	L&G Ethical Global Equity Index Fund	0.30	Passive	This fund aims to provide long term capital growth by investing in shares of companies that are incorporating ethical principles. The Fund aims to track the performance of its benchmark, the FTSE All World - 4Good Global Index.
Emerging Markets Equity Index Fund	L&G World Emerging Markets Equity Index Fund	0.40	Passive	This fund aims to provide long term capital growth by investing in shares of companies in countries designated as emerging markets. The Fund aims to track the performance of its benchmark, the FTSE All World Emerging Markets Index.

Table 2: Details of the White-labelled Funds used:

Diversified Growth Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Schroder Diversified Growth Fund	The objective of the Schroder Life Intermediated Diversified Growth Fund (IDGF) is to achieve a return of ICE BoA Sterling 3-month (i.e. cash) + 4.5% per annum over a full market cycle, which is typically five to seven years. It aims to achieve this objective with approximately a one third reduction in the level of volatility associated with an all equity portfolio."	25	
BlackRock Dynamic Allocation Fund	This fund targets a consistent investment return of 3.5% above the Bank of England base rate measured over rolling three-year periods by utilising a multi-asset flexible investment approach. The focus on getting the asset mix "right" in order to achieve the target means this fund will generally hold a variety of different types of assets at any one time.	25	
Nordea Diversified Return Fund	The fund aims to preserve shareholders' capital (over a three-year investment horizon) and provide a stable, positive rate of return on investment. Investments are made globally in equities, bonds (including bonds convertible in equity shares) and money market instruments denominated in various currencies.	50	
Overall	100% SONIA + 4%		**0.53%**

Responsible Investment Equity Fund

Fund	**Benchmark/ Investment Objective**	**Allocation (%)**	**AMC (% p.a.)**
Impax Leaders Strategy	This fund seeks to achieve sustainable, above market returns over the longer term by investing globally in companies active in the growing resource efficiency and environmental markets.	50	
Nordea Global Climate and Environmental Strategy	This fund aims to achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies, which are expected to benefit either directly or indirectly from developments related to environmental challenges such as climate change.	50	
Overall	100% MSCI World Index		**0.51%**

Global Sustainable Growth Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
BlackRock World ESG Screened and Optimised Equity Tracker Fund (50% hedged)	This fund aims to provide returns on investments (generated through an increase to the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the MSCI World ESG Focus Low Carbon Screened Index.	40	
BlackRock World MultiFactor ESG Screened and Optimised Equity Tracker Fund (50% hedged)	This fund aims to provide returns on investments (generated through an increase to the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the MSCI World Select Multiple Factor ESG Low Carbon Target Index.	40	

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Impax Leaders Strategy	This fund seeks to achieve sustainable, above market returns over the longer term by investing globally in companies active in the growing resource efficiency and environmental markets.	5	
Nordea Global Climate and Environmental Strategy	This fund aims to achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies, which are expected to benefit either directly or indirectly from developments related to environmental challenges such as climate change.	5	
Loomis Sayles Global Emerging Markets Equity Fund	This fund aims to achieve long-term capital growth through investing in a portfolio of high-quality companies (as well as those transitioning to become high-quality companies) that are currently trading at a discount and are based in industries experiencing secular growth.	5	
Sands Capital Emerging Markets Growth Strategy	This fund aims to achieve long-term capital growth through investing in a portfolio of growth businesses benefiting and driving secular change, including digitalisation, industry consolidation and formalisation, and life sciences innovation.	5	
Overall	40% MSCI ESG Focus Low Carbon Screened Index 40% MSCI World Select Multiple Factor ESG Low Carbon Target Index 10% MSCI Global Emerging Markets Index 10% MSCI AC World Index		**0.23%**

Global Sustainable Bond Fund

Fund	Benchmark/ Investment Objective	Allocation (%)	AMC (% p.a.)
Robeco Global SDG Credit Strategy	This fund invests in a range of global fixed income securities, predominantly corporate bonds, with a focus on environmental, social and governance ("ESG") considerations. The fund is fully hedged into sterling and aims to outperform the Bloomberg Barclays Global Aggregate Corporates Index.	100	
Overall	100% Bloomberg Barclays Global Aggregate Corporates		**0.23%**

APPENDIX 2 – DEFAULT INVESTMENTS

Primary Default Investment – DC Section

The Trustee is required to designate a default investment into which members who are automatically enrolled are invested. The Trustee has designated Lifestyle 1 (as outlined in Section 2 - Strategy) as the primary default investment for the Scheme.

The aim of the primary default investment is to provide members with the potential for higher levels of growth during the accumulation of their retirement savings through exposure to equity funds and then to gradually diversify their investments in the years approaching retirement to reduce volatility, and provide a broad base of assets from which members can draw income (albeit the Trustee acknowledges that members would need to transfer their retirement savings to an external arrangement in order to access this facility).

The asset allocation throughout the primary default investment and the phasing of the gradual switching of investments takes into account members' greater capacity for risk early on and reduced capacity for risk in later years.

Additional Default Investments – DC Section

The Scheme has three additional default investments:

1. Cash Fund: BlackRock managed
2. Global Sustainable Growth Fund
3. Diversified Growth Fund

1. Cash Fund: BlackRock managed

An additional default investment was created in April 2020 when the Property Fund was suspended and ceased accepting new contributions as a result of the Covid-19 pandemic. The Property Fund is only available to members as a self-select option.

Rather than leaving future contributions intended for the Property Fund uninvested, the Trustee decided to redirect these contributions into the Cash Fund: BlackRock managed, until the suspension of the Property Fund was lifted. As a result of such action, the Cash Fund: BlackRock managed is classified as a default investment option for regulatory reporting and monitoring purposes.

Following the re-opening of the Property Fund in September 2020, members were given notice that their contributions originally intended for the Property Fund, and any accumulated savings temporarily invested in the Cash Fund: BlackRock managed, were going to be transferred back to the Property Fund. Guidance from the Pensions Regulator at the time meant that the Property Fund was <u>not</u> deemed a default arrangement. The Cash Fund: BlackRock managed continues to be classified as a default arrangement.

2. Global Sustainable Growth Fund

An additional default investment was created in February 2023 following the closure (and subsequent removal from the self-select fund range) of the Liontrust UK Equity Fund.

The Liontrust UK Equity Fund was removed from the range as a result of reduced conviction

in the Fund's ability to deliver competitive investment returns in the future.

In the absence of member instruction, all holdings invested and future contributions intended for the Liontrust UK Equity Fund were switched to the Global Sustainable Growth Fund. As a result of such action, the Global Sustainable Growth Fund is classified as a default investment option for regulatory reporting and monitoring purposes.

3. **Diversified Growth Fund**

An additional default investment was created in June 2023 following the closure (and subsequent removal from the self-select fund range) of the Diversified Fund.

The Diversified Fund had an identical allocation to the Diversified Growth Fund and so the two funds were consolidated to avoid potential confusion for members. In the absence of any member instruction, all holdings invested, and future contributions intended for the Diversified Fund were switched to the Diversified Growth Fund. As a result of such action, the Diversified Growth Fund is classified as a default investment option for regulatory reporting and monitoring purposes.

Illiquid Investments Policy for the Additional Default Investments

The additional default investments - the Diversified Growth Fund, the Cash Fund: BlackRock managed and the Global Sustainable Growth Fund - are standalone fund options and are held by members of varying age profiles.

Cash Fund: BlackRock managed: The Trustee does not currently hold any illiquid investments on behalf of members within the Cash Fund: BlackRock managed. The Trustee believes that the use of illiquid investments would not be appropriate within the Cash Fund: BlackRock managed given liquidity is a core objective of this fund.

Global Sustainable Growth Fund: The Trustee does not currently hold any illiquid investments on behalf of members within the Global Sustainable Growth Fund. The Trustee believes that the current assets utilised within the Global Sustainable Growth Fund reflect the optimal mix for members, in terms of expected risk, expected return and diversification and given accessibility and cost considerations they are therefore comfortable not including an allocation to illiquid assets at this time.

Diversified Growth Fund: As per the illiquid investment policy for the primary default investment, a small allocation to illiquid investments is held on behalf of members who are invested in the Diversified Growth Fund. The fund invests in pooled funds that are primarily invested in liquid holdings but allocate a small proportion to underlying illiquid holdings (e.g. real assets). The allocation to illiquid holdings is at the discretion of the underlying investment managers, and the allocations may increase or decrease over time. The Trustee believes the illiquid holdings provides diversification from the other key return drivers held by members whilst not introducing significant illiquidity risk or significantly higher costs.

Default Investment – AVC Section

The default investment for the AVC Section is Lifestyle 3 – the Cash Lifestyle.

The aim of the Cash Lifestyle is to provide members with the potential for higher levels of growth during the accumulation of their retirement savings through exposure to equity funds, then to gradually diversify their investments in the years approaching retirement before moving to a portfolio invested 100% in cash at a member's selected retirement date. It has been designed to be suitable for the way these members access their AVC accounts.

The Trustee applies the same policy regarding illiquid investments to the default investment for the AVC Section as it does to the primary default investment for the DC Section.

A strategic review of the default investments will be carried out periodically (and at least every three years) in the future with reference to the manner in which members are expected to take their benefits from the Scheme and the stated aim of each default. This periodic review will also take into account any significant changes in the demographic profile of the relevant members. In addition to the triennial strategic review, the performance of the funds underlying the default investments is monitored on a quarterly basis to ensure alignment with the stated objectives. Outcomes of these reviews are reported on annually as part of the Chair's Statement which is available online.

The Trustee's policies in relation to the default investments in respect of matters set out in Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005, as amended, are those set out in the previous sections of this Statement.