

Keane Limited Pension Scheme

Statement of Investment Principles

May 2023

1. Introduction

- 1.1. This is the Statement of Investment Principles prepared by the Trustee of the Keane Limited Pension Scheme (the "Scheme"). This statement sets down the principles governing decisions about investments for the Scheme to meet the requirements of:
 - the Pensions Act 1995, as amended by the Pensions Act 2004, and
 - the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, the Occupational Pension Schemes (Investment) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
- 1.2. In preparing this Statement the Trustee has consulted NTT Data UK Limited, the Principal Employer, and obtained advice from Barnett Waddingham LLP, the Trustee's investment consultants. Barnett Waddingham LLP is authorised and regulated by the Financial Conduct Authority.
- 1.3. This Statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.
- 1.4. The Trustee will review this Statement at least every three years or if there is a significant change in the policy on any of the areas covered by the Statement.
- 1.5. The investment powers of the Trustee are set out in Rule 17 of the Definitive Trust Deed & Rules, dated 5 January 1998. This Statement is consistent with those powers.

2. Choosing Investments

- 2.1. The Trustee's policy is to set the overall investment target and then monitor the performance of their managers against that target. In doing so, the Trustee considers the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.
- 2.2. The day-to-day management of the Scheme's assets is delegated to one or more fund managers. The Scheme's fund managers are detailed in the Appendix to this Statement. The fund managers are authorised by either the Financial Conduct Authority or the Prudential Regulation Authority and are regulated by the Financial Conduct Authority. The fund managers are responsible for stock selection and the exercise of voting rights.
- 2.3. The Trustee reviews the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the fund managers with respect to performance within any guidelines set. The Trustee will also consult the employer before amending the investment strategy.

3. Investment Objectives

3.1. The Trustee's main investment objectives are:

- to ensure that they can meet the members' entitlements under the Trust Deed and Rules as they fall due;
- to achieve a long-term positive real return;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels;
- to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from the participating employer, the cost of current and future benefits which the Scheme provides;
- to reduce the risk of the assets failing to meet the liabilities over the long term; and
- to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

3.2. The Trustee is aware of the relationship that exists between the particular investment portfolio that is held and the level of funding of the Scheme's liabilities at any time. The Trustee has obtained exposure to investments that they expect will meet the Scheme's objectives as best as possible.

4. Kinds of investments to be held

4.1. The Scheme can invest in a wide range of asset classes including:

- Equities;
- Bonds;
- Cash;
- Property;
- Alternatives, including private equity, commodities, hedge funds, infrastructure, currency, high yield debt and derivatives;
- Annuity policies.

4.2. The Scheme invests in Liability Driven Investment ("LDI") funds via an assurance contract. The objective of these funds is that their value moves broadly in line with the value of the Scheme's liabilities. Their use of derivatives allows the Scheme to more accurately match the interest rate and inflation sensitivity of the liabilities than would be possible otherwise, reducing the overall level of investment risk taken. Any investment in derivative instruments is only made to contribute to a reduction in the overall level of risks in the portfolio and/or for the purposes of efficient portfolio management.

4.3. The Trustee monitors from time to time, the employer-related investment content of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the portfolio. Typically this check is carried out annually by the Scheme's auditors.

5. The balance between different kinds of investments

- 5.1. The Scheme invests in assets that are expected to achieve the Scheme's objectives. The allocation between different asset classes is contained within the Appendix to this Statement.
- 5.2. The Trustee considers the merits of both active and passive management for the various elements of the portfolio and may select different approaches for different asset classes. The current arrangements are set out in the Appendix to this Statement.
- 5.3. From time to time, the Scheme may hold cash and therefore deviate from its strategic or tactical asset allocation in order to accommodate for any short-term cashflow requirements or any other unexpected items.
- 5.4. The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and, therefore, the Scheme's asset allocation will be expected to change as the Scheme's liability profile matures.

6. Risks

- 6.1. The Trustee has considered the following risks for the Scheme with regard to its investment policy and the Scheme's liabilities:
- 6.2. **Risk versus the liabilities** The Trustee will monitor and review the investment strategy with respect to the liabilities following each actuarial valuation. The investment strategy will be set with consideration of the appropriate level of risk required for the funding strategy as set out in the Scheme's Statement of Funding Principles.
- 6.3. **Asset Allocation risk** The asset allocation is detailed in the Appendix to this Statement and is monitored on a regular basis by the Trustee.
- 6.4. **Fund manager risk** The Trustee monitors each of the Scheme's fund managers' performance on a regular basis in addition to having meetings with each manager from time to time as necessary, usually on an annual basis. The Trustee has a written agreement with each fund manager, which contains a number of restrictions on how each fund manager may operate.
- 6.5. **Concentration risk** Each fund manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.
- 6.6. **Loss of investment** The risk of loss of investment by each fund manager and custodian is assessed by the Trustee.
- 6.7. **Liquidity risk** The Scheme invests in assets such that there is a sufficient allocation to liquid investments that can be converted into cash at short notice given the Scheme's cash flow requirements. The Scheme's administrators assess the level of cash held in order to limit the impact of the cash flow requirements on the investment policy.
- 6.8. **Covenant risk** The creditworthiness of the employer and the size of the pension liability relative to the employer's earnings are monitored on a regular basis. The appropriate level of investment risk is considered with reference to the strength of the employer covenant.

- 6.9. **Solvency and mismatching** Risk is addressed through the asset allocation strategy and ongoing triennial actuarial valuations. The Trustee is aware that the asset allocation required to minimise the volatility of the solvency position may be different from that which would minimise the volatility on the Scheme's funding basis.
- 6.10. **Currency risk** The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.
- 6.11. **Governance risk** Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held. The Trustee monitors these and will report on the managers' practices in their annual Implementation Statement.
- 6.12. **ESG/Climate risk** The Trustee considers that long-term financial risks to the Scheme and ESG factors as well as climate risk are potentially financially material and will continue to develop its policy to consider these, alongside other factors, when selecting or reviewing the Scheme's investments in order to avoid unexpected losses.

7. Expected return on investments

- 7.1. The Trustee has regard to the relative investment return and risk that each asset class is expected to provide. The Trustee is advised by their professional advisers on these matters, who they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the fund managers.
- 7.2. The Trustee recognises the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.
- 7.3. In considering the expected return from investments, the Trustee recognises that different asset classes have different long-term expected returns and expected volatilities relative to the liabilities.
- 7.4. Having established the investment strategy, the Trustee monitors the performance of each fund manager against an agreed benchmark as frequently as appropriate according to market conditions and the Scheme's funding position. The Trustee meets the Scheme's fund managers as frequently as is appropriate, normally on an annual basis, in order to review performance.

8. Realisation of investments

- 8.1. The Trustee has delegated the responsibility for buying and selling investments to the fund managers. The Trustee has considered the risk of liquidity as referred to above.
- 8.2. Ultimately, the investments will all have to be sold when the Scheme's life comes to an end. In this situation, the Trustee is aware of the fact that the realisable value of some investments, were there to be a forced sale, might be lower than the market value shown in the Scheme accounts.

9. Financially material considerations, non-financial matters, the exercise of voting rights, and engagement activities

- 9.1. The Trustee has set policies in relation to these matters. These are set out in Appendix 2.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustee's investment policies

- 10.1 Prior to appointing the investment manager, the Trustee discusses the investment manager's benchmark and approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how they are aligned with the Trustee's own investment aims, beliefs and constraints.
- 10.2 When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will use another manager for the mandate.
- 10.3 The Trustee carries out a strategy review at least every 3 years where they assess the continuing relevance of the strategy in the context of the scheme and their aims, beliefs and constraints. The Trustee monitors the investment managers' approach to ESG and climate related risks on an annual basis.
- 10.4 In the event that the investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment will be terminated. The investment managers have been informed of this by the Trustee.
- 10.5 Investment manager ESG policies are reviewed by the investment consultant on behalf of the Trustee in the context of best industry practice and feedback is/will be provided to the investment manager.

Incentivising assessments based on medium to long term, financial and non-financial considerations

- 10.6 The Trustee is mindful that the impact of ESG and climate change may have a long-term nature. However, the Trustee recognises that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustee acknowledges this in their investment management arrangements.
- 10.7 When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over a rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment managers make decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustee expects this to be sufficient to ensure an appropriate alignment of interests.
- 10.8 The Trustee expects investment managers to be voting and engaging on behalf of the fund's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

Method and time horizon for assessing performance

- 10.9 The Trustee monitors the performance of their investment managers over the medium to long time periods that are consistent with the Trustee's investment aims, beliefs and constraints.
- 10.10 The Scheme invests exclusively in pooled funds. The investment managers are remunerated by the Trustee based on the value of the assets they manage on behalf of the Trustee. As the funds grow in value, due to successful investment by the investment manager, they receive more and as values fall they receive less.

10.11 The Trustee believes that this fee structure, including the balance between any fixed and performance related element, enables the investment managers to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.12 The Trustee asks the Scheme’s investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered every three years as part of the review of the Statement of Investment Principles.

Portfolio turnover costs

10.13 The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the regular investment monitoring process.

10.14 During the investment manager appointment process, the Trustee considers both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustee acknowledges that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with asset manager

10.15 For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

10.16 The suitability of the Scheme’s asset allocation and its ongoing alignment with the Trustee’s investment aims, beliefs and constraints is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

11. Agreement

11.1. This Statement was agreed by the Trustee, and replaces any previous statements. Copies of this Statement and any subsequent amendments will be made available to the employer, the fund managers, the actuary and the Scheme auditor upon request.

Signed:..... **Date:**.....

On behalf of the Trustee of the Keane Limited Pension Scheme

Appendix 1 Note on investment policy of the Scheme as at January 2023 in relation to the current Statement of Investment Principles

Choosing investments

The Trustee has appointed the following fund managers to carry out the day-to-day investment of the fund:

- BNY Mellon Investment Management (“BNYM”); and
- Legal & General Investment Management Limited (“LGIM”).

The fund managers are authorised by either the Financial Conduct Authority or the Prudential Regulation Authority and are regulated by the Financial Conduct Authority. All of the Scheme’s investments are hosted on the LGIM Investment Only platform.

In addition, the Trustee has Additional Voluntary Contribution (“AVC”) contracts with Legal & General and Aviva. The Scheme is not open to receive new AVCs, but still holds historic AVCs with these managers and therefore the arrangements are reviewed from time to time.

The Trustee has appointed Barnett Waddingham LLP to advise on investment matters. Barnett Waddingham LLP is remunerated on a time-cost basis.

Asset allocation

The Scheme’s strategic asset allocation is set out in the table below. This has been agreed after considering the Scheme’s liability profile, funding position, expected return of the various asset classes and the need for diversification. The Trustee has considered all asset classes and has gained exposure to a wide variety of classes through investment in a diversified growth fund.

The Scheme’s liability-matching portfolio is invested in a mixture of leveraged LDI funds and a buy and maintain bond fund, alongside a liquidity fund and absolute return bond fund held primarily for collateral management purposes. The Trustee considers updating the LDI portfolio from time to time to reflect updated liability cashflows.

The allocation to the liability-matching portfolio will fluctuate over time as market conditions change.

Investment manager	Fund	Strategic Allocation (%)
Legal & General	LDI portfolio	35.0
	Buy And Maintain Credit Fund	15.0
	Absolute Return Bond Fund	10.0
	Sterling Liquidity Fund	5.0
	Future World Global Equity Index Fund (50% GBP hedged)	17.5
BNY Mellon	BNY Mellon Real Return Fund	17.5

Rebalancing of assets and investment/disinvestment of cashflows

The Trustee recognises that the asset allocation of investments in different asset classes will vary over time as a result of market movements. The Trustee reviews the asset allocation on a regular basis and considers whether rebalancing is required.

Under normal circumstances, disinvestments for cashflow purposes will be taken from the Sterling Liquidity Fund. When necessary, the allocation to the Sterling Liquidity Fund will be replenished as part of the periodic rebalancing of the asset allocation.

Any investments will be made to move the Scheme closer to the Strategic Allocation noted above.

Performance monitoring

The investment benchmarks and objectives for each fund manager are set out in the following table:

Asset class	Investment manager	Fund	Benchmark	Objective
LDI	Legal & General	Matching Core Real Long	A liability benchmark designed to reflect a generic pension liability profile, with long duration and real interest rate sensitivity	
		Matching Core Real Short	A liability benchmark designed to reflect a generic pension liability profile, with short duration and real interest rate sensitivity	To control the interest rate and inflation exposure relative to the agreed portfolio
		Matching Core Fixed Long	A liability benchmark designed to reflect a generic pension liability profile, with long duration and fixed interest rate sensitivity	
		Matching Plus Leveraged Index-Linked Gilt Funds	A selection of UK Government index-linked bonds, covering a range of durations, selected to reflect the	To control interest rate and inflation exposure by providing leveraged exposure to the specified UK

			Scheme's liability profile	Government index-linked bond
Buy and Maintain bonds	Legal & General	Buy and Maintain Credit Fund (distributing share class)	n/a	To capture the credit risk premium and to preserve value over the course of the credit cycle. Income is distributed.
Absolute Return Bonds	Legal & General	Absolute Return Bond Fund	ICE BofA SONIA 3-Month Constant Maturity Total Return Index	To exceed the benchmark by 1.50% p.a. over a rolling three year basis (before fees).
Sterling liquidity	Legal & General	Sterling Liquidity Fund	SONIA	To provide diversified exposure and a competitive return in relation to the benchmark.
Global equities	Legal & General	Future World Global Equity Index Fund	Solactive L&G ESG Global Markets Index	To track the performance of the index (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three.
		Future World Global Equity Index Fund (GBP Hedged)	Solactive L&G ESG Global Markets Index - GBP Hedged	
Diversified Growth Funds	BNY Mellon	BNY Mellon Real Return Fund	SONIA (30-day compounded)	To outperform the benchmark by 4% p.a. (gross of fees) over 5 years, with a positive return over rolling 3 year time periods.

The performance of the fund managers will be monitored as frequently as the Trustee considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

Appendix 2 Note on financially material considerations, the exercise of voting rights and engagement activities, and non-financial matters

Policy on financially material considerations

The Trustee has received training from their investment advisors to consider the financial materiality of Environmental, Social and Governance considerations, which include climate change (hereafter referred to as “ESG issues”). The Trustee has considered the findings as a result of this training to form their views on the financial materiality of ESG issues where they apply to the Scheme’s current investments.

The Trustee believes that ESG considerations have the potential to have a financially material impact. The Trustee takes these factors into account when selecting or reviewing the Scheme’s investments, but they will not take precedence over other financially material factors such as (but not limited to) historical performance or fees.

Given the maturity profile of the Scheme and the objective to fund member benefits as they fall due, the Trustee has a long-term time horizon over which they take into account the financial materiality of ESG issues. The Trustee is also cognisant of the different investment timeframes that may apply to investments. The Trustee believes that ESG issues may have a greater impact over a longer timeframe (compared to investments that are held for a shorter timeframe) as the financial materiality of such issues will have a greater impact over a longer timeframe.

The Trustee appreciates that the method of incorporating ESG within an investment strategy and process will differ between asset classes. A high-level summary on the Trustee’s views on ESG integration within each asset class the Scheme invests in is outlined below:

Absolute Return Bonds

The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme’s absolute return bond holding. This holding is actively managed and aims to generate positive returns and the manager is therefore expected to consider all financially material considerations, including but not limited to ESG factors, when managing the fund. The Trustee recognises that fixed income assets do not typically provide voting rights, however, they support engagement with companies by the fund manager. The Trustee is satisfied that the manager has suitable processes in place to consider ESG factors and take them into account, where relevant, in the selection, retention and realisation of the underlying investments within the fund. These processes should be consistent with, and proportionate to, the rest of the investment process.

Buy and Maintain bonds

The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme’s buy and maintain bonds holding. This holding is actively managed and aims to generate positive returns and the manager is therefore expected to consider all financially material considerations, including but not limited to ESG factors, when managing the fund. The Trustee recognises that fixed income assets do not typically provide voting rights, however, they support engagement with companies by the fund manager. The Trustee is satisfied that the manager has suitable processes in place to consider ESG factors and take them into account, where relevant, in the selection, retention and realisation of the underlying investments within the fund. These processes should be consistent with, and proportionate to, the rest of the investment process.

LDI and money market

The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in these asset classes because of the nature of the instruments used within the LDI funds and the fact that money market investments are short-term in nature. It is worth noting that when transacting in LDI and money market funds, the Trustee requires due diligence is undertaken to assess the credit worthiness of the counterparty both at the start of and throughout any investment, whilst at the same time looking to achieve best execution. The Trustee believes this is more relevant for longer term positions compared to shorter term ones and the manager

should incorporate ESG factors into decision making where these assist with the credit worthiness assessment of fund holdings.

Multi-asset funds

The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's multi-asset fund manager. The investment process for the multi-asset fund manager should take ESG issues into account (where relevant) in the selection, retention and realisation of the underlying investments within the fund. The Trustee also supports engagement activities and, where relevant, the exercise of rights attaching to the investments by the Scheme's multi-asset fund manager. The approach and level of ESG integration may differ depending on the nature of the fund and the types of underlying investments made. The longer the timeframe of investment, the more relevant issues like climate change are expected to be on risk-adjusted returns. Further to this, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Global Equities

The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's global equity fund manager. The investment process for the global equity fund manager should take ESG issues into account (where relevant) in the selection, retention and realisation of the underlying investments within the fund. The Trustee also supports engagement activities and, where relevant, the exercise of rights attaching to the investments by the Scheme's global equities manager. The approach and level of ESG integration may differ depending on the nature of the fund and the types of underlying investments made. The longer the timeframe of investment, the more relevant issues like climate change are expected to be on risk-adjusted returns. Further to this, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process. The Trustee has deliberately chosen a global equity fund which aims to reflect ESG and climate change issues, with the holdings of the Fund reflecting those companies who score highly on ESG and climate change related metrics, with companies that fail to meet certain minimum standards in low carbon transition and corporate governance standards possibly excluded from the fund.

The Trustee is content that their investment managers are managing their funds with ESG taken into account in a reasonable way for that particular asset class and consistent with the views set out above. Each of the Scheme's fund managers will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk.

Policy on the exercise of voting rights and engagement activities

Stewardship encompasses the exercise of rights (including voting rights) attaching to the Scheme's investments, and the engagement by and with investment managers. The Trustee believes that good stewardship and positive engagement can lead to improved governance and better risk-adjusted returns.

The Scheme currently invests in pooled investment funds only. The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attached to investments to the relevant fund managers. The managers are expected to exercise voting powers (where applicable) with the objective of preserving and enhancing long-term shareholder value. The Trustee also expects managers to engage with companies in which they invest in relation to ESG matters where relevant. The Trustee is comfortable that the fund managers' strategies and processes for exercising rights and conducting engagement activities are reasonable for the asset classes they are investing in (where relevant, based on the Trustee's view of these asset classes noted above).

The Trustee receives reports from the investment managers on engagement activities. Should any issues emerge in relation to how the investment managers are engaging with companies (through the Trustee's review of these reports), the Trustee will discuss this with the managers.

The Trustee will consider ESG, voting and engagement issues when appointing and reviewing managers to ensure that they are appropriately taken into account given the asset class involved.

The Trustee will take into account whether the Scheme's investment managers are signatories to the UN PRI and UK Stewardship Code (or equivalent). The Scheme's current investment managers are signatories to both of the above.

The Trustee acknowledges the importance of ESG and climate risk within their investment making framework. When delegating investment decision making to their investment managers they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustee is firmly of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities i.e. that they apply to equity, credit and property instruments or holdings. The Trustee also recognises that ESG and climate-related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustee considers it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the manager invests on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units. The Trustee also considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG-related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme. Where the Trustee uses pooled funds the Trustee expects the investment manager to employ the same degree of scrutiny.

Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring.

The Scheme's investment managers are granted full discretion over whether or not to hold the equity, debt or other investment in the Sponsoring Employer's business. Through their consultation with the Sponsoring Employer when setting this Statement of Investment Principles the Trustee has made the Sponsoring Employer aware of their attitude to ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

The Scheme's investment consultant, Barnett Waddingham LLP, is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustees confident that the investment manager recommendations they make are free from conflicts of interest.

The Trustee expects all investment managers to have and adhere to a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee/investment manager and the investee companies.

Policy on non-financial matters

The Trustee does not take account of non-financial matters (such as members' ethical views) when setting the investment strategy and in terms of the selection, retention and realisation of investments.