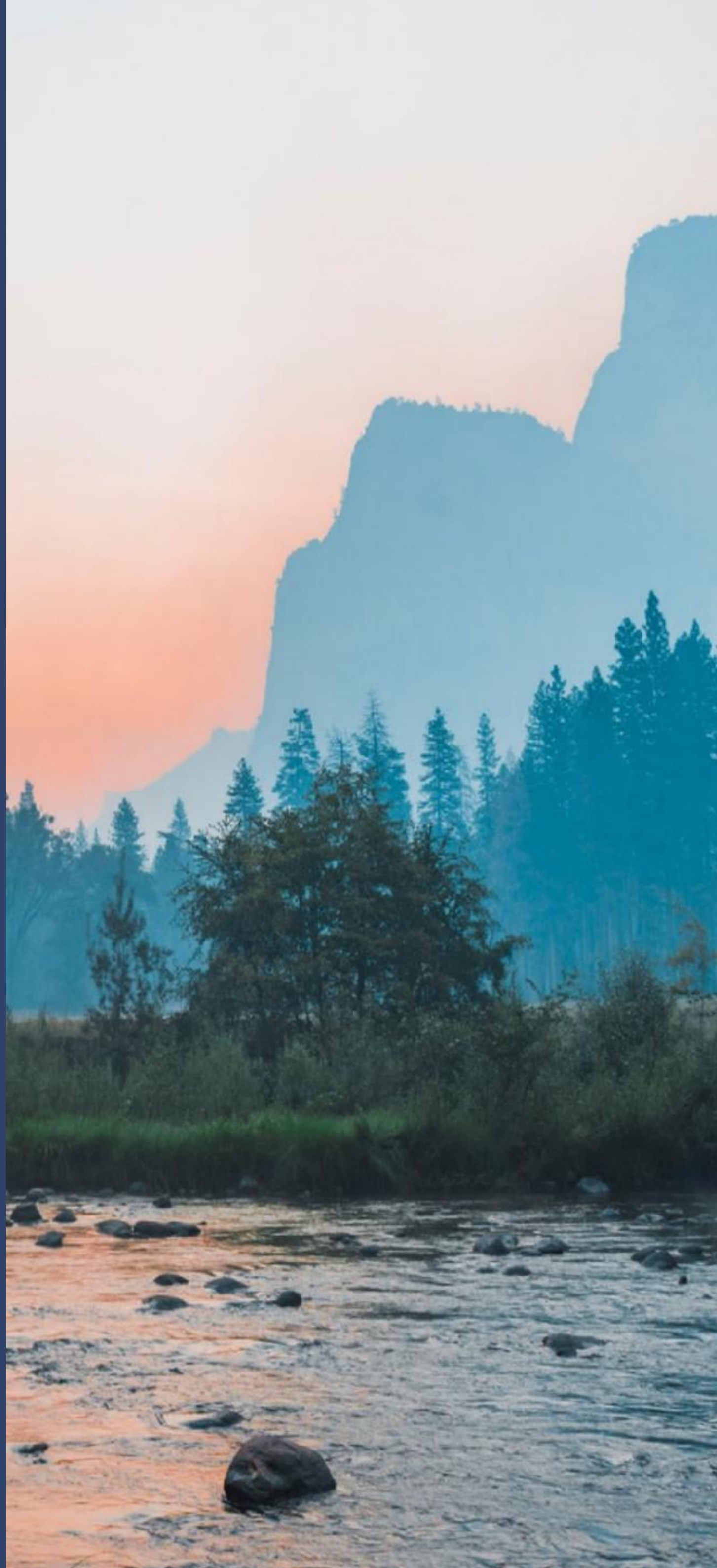
Addendum to the Statement of Investment Principles

For the Natixis Pension Scheme

Effective from: 1 April 2025

This addendum to the Statement of Investment Principles ("SIP") for the Natixis Pension Scheme (the "Scheme") has been produced by the Trustees of the Scheme. It sets out a description of various matters which are not required to be included in the SIP, but which are relevant to the Scheme's investment arrangements.



Part 1:
Investment governance, responsibilities, decision-making and fees

We have decided on the following division of responsibilities and decision making for the Scheme. This division is based upon our understanding of the various legal requirements placed upon us and our view that the division of responsibility allows for efficient operation and governance of the Scheme overall. Our investment powers are set out within the Scheme's governing documentation.

1. Trustees

Our responsibilities include:

- setting the investment strategy, in consultation with the employer
- setting investment policies, including those relating to financially material factors and the exercise of rights and engagement activities in respect of the investments
- putting effective governance arrangements in place and documenting these arrangements in a suitable form
- monitoring, reviewing, engaging with and replacing investment managers, investment advisers, actuary, and other service providers
- monitoring the exercise of investment powers where we have delegated these to investment managers and monitoring compliance with Section 36 of the Pensions Act 1995 (as amended)
- communicating with members as appropriate on investment matters, such as our assessment of our effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged
- reviewing the SIP and modifying it as necessary

2. Bulk annuity policy provider

The bulk annuity policy provider's responsibility is to provide the benefits secured under the bulk annuity contract accurately and on a timely basis.

3. Investment adviser

The investment adviser's responsibilities include providing advice on investment matters, including assisting us with reviews of this SIP.

4. Fee structures

The provision of investment management and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets. We have agreed terms with the Scheme's actuarial and investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

5. Performance assessment

We are satisfied that there are adequate resources to support our investment responsibilities, and that we have sufficient expertise to carry out our role effectively. It is our policy to assess the performance of the Scheme's investments, investment providers and professional advisers from time to time. We will also periodically assess the effectiveness of our decision-making and investment governance processes and will decide how this may then be reported to members.

6. Working with the sponsoring employer

When reviewing matters regarding the Scheme's investment arrangements, such as the SIP, we seek to give due consideration to the employer's perspective. Whilst the requirement to consult does not mean that we need to reach agreement with the employer, we believe that better outcomes will generally be achieved if we work with the employer collaboratively.

Part 2:
Policy towards risk

1. Risk capacity and appetite

Risk capacity is the maximum level of risk that we consider to be appropriate to take in the investment strategy. Risk appetite is how much risk we believe is appropriate to take in order to meet the investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action.

We have materially reduced investment risks by entering into a bulk annuity policy with an insurance company that covers all of the Scheme's members.

2. Approach to managing and monitoring risks

There are different types of investment risk that are important to manage, and we monitor these on a regular basis. The main risks that the Scheme is exposed to are:

Credit risk

The Scheme is exposed to credit risk as it holds a bulk annuity insurance policy, and is therefore exposed to the risk that insurer who has underwritten the policy becomes insolvent. However, this risk is mitigated by the UK insurance regime and the capital requirements imposed on the insurer.

Climate-related risks

Climate change presents a material financial risk over both the short and long term. This includes risks associated with the transition to a low-carbon economy as well as physical risks such as extreme weather events. We have considered the ESG credentials and climate risk management approach of the bulk annuity provider. We expect the bulk annuity provider to integrate climate-related risks into its risk management framework and to align with net-zero commitments where appropriate, helping to mitigate systemic risks associated with climate change.

Other environmental, social and governance (ESG) risks

ESG factors are sources of risk, which could be financially material over both the short and longer term. These include risks relating to unsustainable or socially harmful business practices, and unsound corporate governance. We have considered the ESG credentials and risk management approach of the bulk annuity provider. We expect the bulk annuity provider to incorporate ESG considerations into its risk assessment and decision-making processes to promote responsible and sustainable risk management.

Other non-investment risks

We recognise that there are other non-investment risks faced by the Scheme. We take these into consideration as far as practical in setting the investment arrangements.

Examples include:

- longevity risk (risk that members live, on average, longer than expected); and
- sponsor covenant risk (risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated).

Both of these risks are mitigated through the bulk annuity policy that we have entered into, which provides protection against longevity risk and reduces reliance on the sponsor's covenant.