

Statement of Investment Principles

For the Natixis Pension Scheme

Effective from: 1 April 2025



1. Introduction

This Statement of Investment Principles (“SIP”) has been produced by the Trustees of the Natixis Pension Scheme (the “Scheme”).

It sets out our policies on various matters governing investment decisions for the Scheme, which is a Defined Benefit (“DB”) Scheme.

This SIP replaces the previous SIP dated May 2023.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator’s guidance on investments.

2. Investment objectives

The primary objective for the Scheme is to ensure that the benefit payments are met as they fall due. In addition to this primary objective, we have set a secondary objective of being fully funded on a buyout basis in the longer term.

3. Investment strategy

With input from our advisers and in consultation with the employer, we reviewed the investment strategy over the course of 2024 considering the objectives described in Section 2 above.

As a result of this review, we agreed to enter into a bulk annuity policy issued by an insurance company, Just Retirement Ltd, which meets all Scheme benefits as they fall due. This policy was funded via the sale of all of Scheme’s previously invested assets in December 2024.

As the bulk annuity policy represents the Scheme’s only investment, the Scheme is a wholly-insured scheme as defined within the Occupational Pension Schemes (Investment) Regulations 2005. This means that the Scheme is exempt from certain elements of reporting within this Statement of Investment Principles (as, for example, the Trustees have limited ability to influence the investment decisions of the bulk annuity policy provider).

4. Considerations in setting the investment arrangements

When deciding how to invest the Scheme’s assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.

We have taken an integrated approach when assessing risk and reviewing the investment strategy. In particular we have taken into account: the employer covenant, contributions, funding targets, liability profile and the level of expected return and risk now and as the strategy evolves.

This led to us managing investment risk by securing a bulk annuity policy with an insurance company.

Further details of specific risks (for example credit risk) and how we measure and manage those risks is set out in Part 2 of the SIP addendum.

5. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have signed an agreement with Just Retirement Ltd for the bulk annuity policy.

We have no direct influence over the insurance company's investment practices, but we encourage it to improve its practices within the parameters of the assets they are managing.

6. Realisation of investments

The bulk annuity policy provides a cash income to the Scheme to meet benefits as they fall due.

7. Financially material considerations and non-financial matters

We consider how ESG considerations (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Scheme and its members.

We have taken this into consideration when deciding on the chosen insurer for the bulk annuity policy.

We do not consider matters that are purely non-financial in nature (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

8. Voting and engagement

We recognise our responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments and is in the best interests of our members.

As all the Scheme's assets are held in a bulk annuity policy, we have limited opportunities to influence the exercise of rights attaching to investments, including

voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. We expect the insurer to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors and the underlying members.