

Bristow Staff Pension Scheme ("the Scheme")

Statement of Investment Principles

1. Introduction

This Statement of Investment Principles ("SIP") has been prepared by the Trustee of the Bristow Staff Pension Scheme. It sets out the Trustee's objectives, strategy and approach to risk management as well as the Trustee's policies on issues that apply to the Scheme. This SIP is available to members upon request and will also be published on a publicly available website.

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.

2. Investment Objective

The Trustee aims to invest the assets of the Scheme prudently so that the benefits promised to members are provided. In setting the investment strategy, the Trustee first considered the lowest risk asset allocation that it could adopt in relation to the Scheme's liabilities. The investment strategy it has selected is designed to achieve a higher return than the return on liabilities while maintaining a prudent approach to meeting the Scheme's liabilities. The Scheme manages interest and inflation rate risk by investing a proportion of the assets in a Liability Driven Investment ("LDI") mandate, with the remainder invested in assets expected to outperform the liabilities over the longer-term.

3. Strategy

The Scheme's asset allocation strategy was determined with regard to the characteristics of the Scheme, in particular the funding level, the liability profile, the security offered by Bristow Helicopter Group Limited to the Scheme and the ability of Bristow Helicopter Group Limited to meet the required contributions. The objective is to reduce risk as the funding level improves, using an approach based upon the expected returns (and risk) relative to the Scheme's liabilities. This involves considering the Scheme's assets as either "return-seeking" or "risk-reducing".

"Return-seeking" assets target a higher expected return than that of risk-reducing/matching assets and typically have a higher associated volatility, relative to liabilities. These assets could involve a range of asset classes such as direct lending and property debt funds, different types of absolute return and hedge funds, equities, active currency, infrastructure, private equity, commodities and property funds. "Risk-reducing" (or matching) assets have characteristics that are broadly similar in nature to the liabilities. These assets are predominantly bonds and could also possibly include other financial instruments such as interest rate and inflation swaps.

The Scheme has secured one Annuity Policy with Just Retirement Limited ("Just Retirement") which was implemented in November 2019. The Annuity Policy is intended to match the liabilities for a sub-set of the pensioner liabilities of the Scheme, and to eliminate the interest rate, inflation and longevity risk associated with the sub-set of the Scheme's liabilities.

The Scheme's long-term asset allocation is outlined within the Summary of Investment Arrangements, which is an appendix to the SIP and may be updated from time to time without updating this SIP.

The Scheme's LDI portfolio has been developed such that it reduces the sensitivity of the Scheme's funding level to changes in both interest rates and inflation via investment in a portfolio of bonds and derivatives that are determined to be appropriate to match the duration, nature and the cashflow profile of the Scheme's liabilities.

The Trustee will monitor the actual asset allocation relative to the target weightings, noting that the use of leverage within the LDI portfolio will distort the physical allocations to each asset class. The Trustee recognises that from time to time the actual asset allocation may move away from the target weightings

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due to market movements and will consider whether to rebalance back to the target weightings, taking into account current market conditions and medium-term market views.

When choosing the Scheme's planned asset allocation strategy, the Trustee considered advice from its investment advisers and, in doing so, addressed the following:

- The need to consider a full range of asset classes including alternative assets such as private equity, property, direct lending, property debt and hedge funds.
- The risks and rewards of a range of alternative asset allocation strategies.
- The suitability of each asset class.
- The need for appropriate diversification.

Certain alternative investments, such as private equity, property and hedge funds, have characteristics that cannot be adequately modelled. Therefore, decisions about their inclusion or exclusion from the Scheme's planned asset allocation strategy were made using qualitative judgement.

4. Risk Measurement and Management

The Trustee recognises that the key risk to the Scheme is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustee has identified a number of risks which have the potential to cause deterioration in the Scheme's funding level and therefore contribute to funding risk. These are as follows:

- The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors ("mismatching risk"). The Trustee and its advisers considered this mismatching risk when setting the investment strategy.
- The risk of a shortfall of liquid assets relative to the Scheme's immediate liabilities ("cash flow risk"). The Trustee and its advisers will manage the Scheme's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs. Just Retirement is responsible for providing the cash for benefit payments covered by the Annuity Policies, the risk that it defaults on this obligation is covered under 'Annuity Policy default risk' below.
- The failure by the fund managers to achieve the rate of investment return assumed by the Trustee ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund managers and on an ongoing basis thereafter.
- The failure to spread investment risk ("risk of lack of diversification"). The Trustee and its advisers considered this risk when setting the Scheme's investment strategy.
- The possibility of failure of the Scheme's sponsoring employers ("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 that Just Retirement fail to make the pension payments covered by the Annuity Policy as they fall due ('Annuity Policy default risk'). This risk is mitigated by the ongoing consideration of Just Retirement's covenant by the Trustee and their advisors, and protections offered due to Just Retirement being regulated by the Financial Conduct Authority and The Prudential Regulation Authority.

Due to the complex and interrelated nature of these risks, the Trustee considers the majority of these risks in a qualitative rather than quantitative manner as part of each formal investment strategy review (normally triennially). Some of these risks may also be modelled explicitly during the course of such reviews.

The Trustee's policy is to monitor these risks periodically, where possible. The Trustee receives periodic reports showing:

- Actual funding level versus the Scheme specific funding objective.
- Achieved investment performance versus the Scheme investment objective.
- Performance of individual fund managers versus their respective targets.
- Any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee.

5. Implementation

Aon Investments Limited has been selected as investment adviser to the Trustee and Investment Sub-Committee. It operates under an agreement to provide a service which ensures the Trustee and Investment Sub-Committee are fully briefed to take decisions themselves and to monitor those they delegate. Aon Investments Limited is paid a fixed fee for regular work carried out for the Scheme and on a time cost basis for any other work they undertake for the Scheme although separate fixed fees may be negotiated by the Trustee for certain projects. This structure has been chosen to ensure that cost-effective, independent advice is received.

Details of the appointed managers can be found in a separate document produced by the Trustee entitled "Summary of Investment Arrangements".

The Trustee has delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to a range of carefully selected and monitored fund managers through written contracts. When choosing investments, the Trustee and the fund managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The managers' duties also include:

- Taking into account social, environmental or ethical considerations in the selection, retention and realisation of investments.
- Voting and corporate governance in relation to the Scheme's assets.

6. 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 the Trustee Directors have the appropriate training and expertise in order to take an informed decision.

The Trustee has established the following decision-making structure:

<p>Trustee</p> <ul style="list-style-type: none"> • Monitor actual returns versus Scheme investment objective. • Set structures and processes for carrying out their role. • Select and monitor planned asset allocation strategy. • Appoint Investment Sub-Committee. • Consider recommendations from the Investment Sub-Committee. 	<p>Investment Sub-Committee</p> <ul style="list-style-type: none"> • Make recommendations to the Trustee on: <ul style="list-style-type: none"> – Selection of investment advisers and fund managers. – Structure for implementing investment strategy. • Monitor investment advisers and fund managers. • Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy.
<p>Investment Advisers</p> <ul style="list-style-type: none"> • Advise on all aspects of the investment of the Scheme assets, including implementation. • Advise on this statement. • Provide any required training. 	<p>Fund Managers</p> <ul style="list-style-type: none"> • Operate within the terms of this statement and their written contracts. • Select individual investments with regard to their suitability and diversification. • Advise the Trustee on the suitability of the indices in their benchmarks. • Take into account socially responsible investment criteria, including ESG factors and climate change.

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager under 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 Annuity Policy with Just Retirement is classified as a direct investment. The day to day management of the assets is delegated to the Annuity Provider.

The Trustee's policy is to review its direct investments and to obtain written advice about them at regular intervals. These include vehicles available for members' Additional Voluntary Contribution ("AVCs"). When deciding whether or not 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 fund managers.

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 regulations require all investments to be considered by the Trustee (or, to the extent delegated, by the fund managers) against the following criteria:

- The best interests of the members and beneficiaries
- Security
- Quality
- Liquidity
- Profitability
- Nature and duration of liabilities

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- Tradability on regulated markets
- Diversification
- Use of derivatives

The Trustee's investment adviser has the knowledge and experience required under the Pensions Act 1995.

The Trustee expects the fund 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.

Fund managers are remunerated on an ad-valorem basis, a performance related basis, a percentage of fund value or a mixture. The level of remuneration paid to fund managers is reviewed regularly by the Trustee against market rates to ensure the fund managers' interests are aligned with those of the Scheme. In addition, fund managers pay commissions to third parties on many of the trades they undertake in the management of the assets and also incur other ad hoc costs.

Effective Decision Making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice received.

7. Arrangements with asset managers

The Trustee regularly monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee's policies. This includes monitoring the extent to which asset 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 their investment adviser.

The Trustee shares the policies, as set out in this SIP, with the Scheme's asset managers, and request that the asset managers review and confirm whether their approach is in alignment with the Trustee's policies.

Before appointment of a new asset manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. Where possible, the Trustee will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example if the Scheme invests in a collective vehicle, then the Trustee will express its expectations to the asset managers by other means (such as through a side letter, in writing, or verbally at Trustee meetings).

The Trustee believes that having appropriate governing documentation, setting clear expectations to the asset managers by other means (where necessary), and regular monitoring of asset managers' performance and investment strategy, is in most cases sufficient to incentivise the asset managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where asset managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the manager but could ultimately replace the asset manager where this is deemed necessary.

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There is typically no set duration for arrangements with asset managers, although the continued appointment all for asset managers will be reviewed periodically, and at least every three years.

8. Policy on assessing performance and monitoring costs

The Trustee is aware of the importance of monitoring its asset managers' total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by its asset managers including turnover costs (i.e. the costs incurred when the assets managers buy and sell underlying investments).

The Trustee fully benchmarks the Scheme's asset managers' cost and performance data against the industry on a regular basis (at least triennially) to assess the value for money being provided and to consider whether the services being provided are in line with the Trustee's policies.

The Trustee asks all of the asset managers annually to provide full details of the costs incurred in managing the Scheme's assets. Where these costs are out of line with expectations, the asset managers will be asked to explain the rationale, including why it is consistent with their strategy and the extent they expect it to continue in the future.

The Trustee is prepared to pay above average costs for asset managers with a verifiable track record of delivering expected performance.

The Trustee accepts that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes and by manager style within an asset class. In both cases, a high level of transaction costs is acceptable as long as it is consistent with the asset class characteristics and manager's style and historic trends. Where the Trustee's monitoring identifies a lack of consistency, the mandate will be reviewed.

The Trustee uses ClearGlass to collate cost data to facilitate monitoring portfolio turnover costs and engaging with asset managers as required.

9. Environmental, social and governance ("ESG") considerations

In setting the Scheme's investment strategy, the primary concern of the Trustee 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. These include:

The risk that 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 its investment adviser when setting the Scheme's asset allocation, when selecting managers and when monitoring their performance.

Stewardship – 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 beneficiaries.

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

- Where appropriate, engage with investee companies with the aim to protect and enhance the value of assets; and
- exercise the Trustee's voting rights in relation to the Scheme's assets.

The Trustee has delegated all voting and engagement activities to the Scheme's fund managers. The Trustee accepts responsibility for how the managers steward assets on its behalf, including the casting of votes in line with each managers' individual voting policies.

The Trustee reviews the stewardship activities of its fund managers on an annual basis, covering both engagement and voting actions. The Trustee will review the alignment of the Trustee's policies to those of the Scheme's fund managers and ensure the managers, or other third parties, use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. Prospective fund managers are also required to provide this information for the Trustee to review in advance of any new appointment.

The Trustees expect transparency from their fund managers on their voting and engagement activity. This will take the form of annual reporting which will be made available to Scheme members on the website. The transparency for voting should include voting actions and rationale with relevance to the Scheme, in particular, where: votes were cast against management; votes against management generally were significant, votes were abstained; voting differed from the voting policy of either the trustees or the fund manager. Where voting is concerned, the Trustee expects the fund managers to recall stock lending as necessary in order to carry out voting actions. This engagement aims to ensure that robust active ownership behaviours, reflective of the Trustee's active ownership policies, are being actioned.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage with an issuer of debt or equity, a fund 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.

The Trustee regularly reviews the continuing suitability of the appointed managers and takes advice from the investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. Should the Trustee's monitoring process reveal that a manager's voting and engagement policies and actions are not aligned with the Trustee's expectations, the Trustee will engage with the manager to discuss how alignment may be improved. If, following engagement with the manager, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the arrangements with the manager may be altered or their appointment terminated.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy the Trustee does not explicitly take into account the views of Scheme 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"¹).

March 2024

Signed by the Chairman of the Trustee of the Bristow Staff Pension Scheme

Stuart Southall

25 March 2024
Date

¹ The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.