

Statement of Investment Principles

1. Introduction

This edition of the Statement has been prepared by the Trustee of the Harlan UK Ltd Occupational Pension Scheme in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended), and Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005, and any subsequent additional regulations. It replaces any previous editions.

In preparing this edition the Trustee has taken appropriate written advice from a suitably qualified individual, Simon Jagger FIA, Director of Jagger & Associates Limited. The Trustee has also consulted with the Scheme's principal employer, Envigo RMS (UK) Ltd. This Statement is consistent with the Scheme's governing documents.

The Scheme is registered with HM Revenue and Customs. There is no formal employer-related investment made by the Trustee, and none is intended. The sponsoring employer intends to remit all relevant contributions to the Trustee within the relevant timescales.

2. Delegation of Investment Management

The Trustee uses a range of pooled funds provided by Legal & General Investment Management Limited ("L&G") and Insight Investment Funds Management Limited ("Insight"), held via the Mobius Life investment platform. There is also a Trustee's bank account used for managing cashflows.

The details of Mobius Life's appointment, covering the roles of the organisation and their various subsidiaries and associated companies, is covered in an agreement with an effective date of 2 November 2021 and in any legally valid amendments thereof. Mobius Life, where relevant, is suitably authorised under the Financial Services and Markets Act 2000.

3. The Investments Held

Full details of the investment restrictions placed on the investment platform manager are contained within the investment agreement mentioned above.

The split of the Scheme's assets between the funds is 41.67% in L&G's Over 5 Year Index-Linked Gilt Index Fund, 50% in the Insight UK Corporate Long Maturities Bond Fund and 8.33% in the Insight Broad Opportunities Fund. Net cashflows will be used in order to maintain this split. The Trustee will keep the allocation of the Scheme's assets between the funds under review.

The L&G Over 5 Year Index-Linked Gilts Index Fund is a passively managed bond fund that aims to track the FTSE-A Index-Linked Gilts Over 5 Years Index. The SIP will not be reviewed just because of movements between different-dated bond products.

The Insight Broad Opportunities Fund is an actively managed fund that does not have a fixed market-based benchmark. Instead, it targets Cash + 4.5% p.a., gross of fees, on a 3-year rolling basis, with less than 50% of equity market volatility

The Insight UK Corporate Long Maturities Bond Fund is an actively managed bond fund that aims to outperform the iBoxx £ Non-Gilts Over 10 Years Index on a total return basis.

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4. Expected Return on Investments

The passive index-linked gilt product is expected to track the Over 5 Year Index-Linked Gilt Index, gross of fees.

The aim of the Broad Opportunities fund is to outperform Cash (as measured by 90-day SONIA) by 4.5% p.a., gross of fees, on a 3-year rolling basis, with less than 50% of equity market volatility.

The aim of the UK Corporate Long Maturities Bond Fund is to exceed the performance of the iBoxx £ Non-Gilts Over 10 Years Index by 1% p.a., gross of fees, on a 3-year rolling basis.

The investment performance of the Scheme is monitored through quarterly materials from the investment platform manager.

5. Risk Management & Risk Measurement

The Trustee is satisfied that their managers are prudent and professional in their general approach to investment.

The investment products used involve holding units in pooled funds that maintain diversified portfolios of underlying assets (e.g. shares, bonds, and other financial instruments). This reduces the risk to the Scheme and members of investing in any specific individual asset.

The products used are viewed as appropriate investment vehicles for the investment strategy of a paid-up pension scheme. The Trustee will keep the asset allocation under review and risk measurement forms part of the performance monitoring process.

6. Realisation of Investments

The Trustee's policy is to ensure that the assets invested are sufficiently realisable to enable the Trustee to meet their obligation to provide benefits as they fall due. The Trustee is satisfied that the arrangements in place conform to this policy. The Trustee monitors the Scheme's net cashflow position, the likely need to realise capital, and hence any effect on asset allocation and the choice of investment funds.

7. Additional Voluntary Contributions

The Scheme has available facilities with Aviva for members who wish to contribute to enhance their retirement benefits. The Trustee believes these to be appropriate facilities for this purpose.

8. Environmental, Social and Governance (ESG) Considerations including Voting and Engagement

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest in pooled funds and cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest. The Trustee excludes non-financial matters in the selection, retention and realisation of investments.

The Trustee has no formal policy on either ESG or delegation of voting rights. Instead, they have delegated the responsibility for these matters to their investment managers, who will from time to time report on their current and future actions in these areas.

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The Trustee will consider a manager's ESG credentials during their appointment process and will ask for at least an annual written update on each manager's activity for the products used by the Trustee. The Trustee will include a statement in the annual report to advise members that this has been done.

As the Trustee uses pooled funds, the asset managers are not incentivised to align their investment strategy and decisions with the Trustee's policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the managers may make such decisions and/or engage of their own accord.

Performance monitoring, manager remuneration and duration of manager appointments are covered elsewhere in this Statement, or in the Trustee's Annual Report. As the Trustee uses pooled funds, there is no targeted portfolio turnover or turnover range.

As the Trustee uses pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.

The Trustee publishes the SIP online for general public access. In addition, the Trustee publishes annually online an engagement policy implementation statement that outlines how the various requirements (set out above) have been followed during the year, and describes the voting behaviours of the asset managers on their behalf.

9. Compliance

The Trustee will formally review this statement as and when required, and at least every three years, with the assistance of their advisers. A copy of this statement is available for inspection by Scheme members.

This statement has been agreed by the Trustee on 6 June 2023.