ROQUETTE UK LTD RETIREMENT BENEFITS SCHEME – DC SECTION

STATEMENT OF INVESTMENT PRINCIPLES

SEPTEMBER 2024

TABLE OF CONTENTS

1 INTRODUCTION

This Statement of Investment Principles ("the Statement") has been prepared by the Trustees of the Roquette UK Ltd Retirement Benefits Scheme - the DC Section ("the Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustees to ensure the effective implementation of these principles.

In preparing the Statement, the Trustees have:

- Obtained and considered written advice from a suitably qualified individual, employed by its investment advisers, Mercer Limited ("Mercer"), whom they believe to have a degree of knowledge and experience that is appropriate for the management of the Scheme's investments; and
- Consulted with the Principal Employer, although the Trustees affirm that no aspect of this strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustees' investment policy for the Scheme.

The Trustees will review the Statement formally at least every three years to ensure its ongoing suitability. Furthermore, the Trustees will review the Statement following any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Principal Employer.

2 INVESTMENT RESPONSIBILITIES

2.1 Trustees' duties and responsibilities

The Trustees are responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustees carry out their duties and fulfil their responsibilities as a single body. The duties and responsibilities of the Trustees include, but are not limited to, the following tasks and activities:

- Setting of investment objectives and formulating investment strategy
- Selecting funds for member choices
- The regular approval of the content of the Statement
- The appointment and review of the investment managers and investment advisers
- The compliance of the investment arrangements with the principles set out in the Statement

2.2 Investment adviser's duties and responsibilities

The Trustees have appointed Mercer as the investment adviser to the Scheme. Mercer provides investment advice as required by the Trustees, as well as raising any investment-related issues, of which it believes the Trustees should be aware. Matters on which Mercer expects to provide advice to the Trustees include the following:

- Setting of investment objectives
- Determining investment strategy and structure of the default strategy
- Advising on appropriate member fund choices
- Selecting and replacing investment managers

Mercer monitors the performance of the Scheme's investment managers against their benchmarks. Section 2.3 describes the Trustees' arrangements with their investment manager.

Mercer will also advise the Trustees of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there exists a significant concern that any of these funds will not be able to meet their long-term objectives. If the investment manager and fund are not covered by Mercer's manager research process, Mercer will advise the Trustees accordingly.

Mercer makes a fund based charge. This charge covers the services as specified in the investment management agreement and investment consulting agreement with the Trustees. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis. In particular, Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of their advice and any discounts negotiated by Mercer with the underlying managers are to be passed on in full to the Scheme.

The Trustees are satisfied that the investment arrangements, including the charging structure, are clear and transparent.

Mercer is authorised and regulated by the Financial Conduct Authority (FCA).

2.3 Arrangements with Investment Managers

The Trustees are long term investors and do not look to change the investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The Fund Range and Default Investment Strategy are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategy or general fund range.

The assets of the Scheme are invested through the Mobius Life investment platform.

The key duty of Mercer is to select investment managers suitable to meeting the Scheme's long-term objectives and providing the identified fund types for members. Mercer will therefore contract with and appoint underlying investment managers to manage the Scheme's assets on behalf of the Trustees.

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Scheme is only invested in pooled investment vehicles. The Trustees therefore accept that they cannot specify the risk profile and return targets of the manager, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

If a manager is significantly downgraded by Mercer's Manager Research Team ("MMRT"), Mercer will notify the Trustees and look to replace that manager with a suitable alternative.

The current Platform provider is Mobius Life Limited, whose appointment foregoes the need for a Custodian. Mobius Life Limited is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

All of the investment managers that will be selected by Mercer will be authorised and regulated by the PRA, the FCA or both.

The Platform Provider and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. Where possible, discounts have been negotiated by Mercer with the underlying managers on their standard charges and the Scheme benefits directly from these discounts.

None of the underlying managers in which the Scheme's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustees therefore consider that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustees accept that they cannot influence the charging structure of the pooled funds in which the Plan is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustees are therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustees' policies as set out in this SIP.

2.4 Summary of responsibilities

A summary of the responsibilities of all relevant parties, insofar as they relate to the Scheme's investments, is set out in Appendix 2.

3 INVESTMENT OBJECTIVES

3.1 Objectives and risks

The Trustees' objectives are to provide members with an investment strategy that is aligned to their needs that will optimise the return on investments in order to build up a savings pot which will be used in retirement.

The Trustees recognise that in a defined contribution arrangement, members assume the investment risks themselves. The Trustees further recognise that members are exposed to different types of risk at different stages of their working lifetimes.

The Trustees have determined their investment policy in such a way as to address the risks. These risks are discussed further in Section 6.

The Trustees are mindful of their responsibility to provide members with an appropriate range of investment funds and a suitable default strategy.

Details of the approach the Trustees have taken to meet these investment objectives are set out in Section 4.

To help mitigate the most significant of these risks, the Trustees have:

- Made a single fund available as the default investment option for members, and
- Offered a range of self-select funds across various asset classes.

When deciding on the investment options available to members, the Trustees took into account the expected return on such investments and were mindful to offer a range of funds with varying levels of expected returns for members to choose from.

When it comes to realisation of investments, the Trustees consider the impact of transaction costs before making any changes.

The Trustees will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

3.2 Fund choices

To balance the investment needs of members, the Trustees offer a range of self-select funds alongside the default investment strategy. Members can opt out of the default strategy as they have the option to invest in self-select funds. The range of investment options cover multiple asset classes and provide appropriate strategic choices for members' different savings objectives, risk profiles and time horizons.

The Trustees have made 4 funds available for self-selecting, details of which can be found in Appendix 1. The Trustees will continue to keep the fund range under review and will make changes if appropriate.

3.3 Types of investments to be held

The Trustees are permitted to invest across a wide range of asset classes. All of the funds in which the Scheme invests are pooled and unitised. Details of each fund can be found in Appendix 1.

3.4 Additional voluntary contributions

The Scheme provides a facility for members to pay additional voluntary contributions to enhance their benefits at retirement. Members are offered the opportunity to invest additional contributions in the same way as the main scheme investments.

Members in the DB section of the Scheme are also able to make additional voluntary contributions. Details of this facility are outlined in the Statement of Investment Principles for the DB section of the Scheme.

4 DEFAULT INVESTMENT STRATEGY

4.1 Aims and Objectives

The Trustees recognise that not all members will make investment decisions and as such the Trustees believe that it is appropriate to offer a default investment strategy.

The default strategy is designed to be appropriate for a typical member of the Scheme and the objective is to provide investment growth by investing in a mixture of return-seeking and defensive assets in a diversified portfolio with a moderate risk profile. The asset allocation is also suitable for members leading up to retirement as it will continue to earn investment returns until such time a member is ready to access their savings.

In determining the investment strategy, the Trustees undertook extensive investigations and received formal written investment advice from their investment consultants. Further information is set out below.

4.2 The Default Strategy

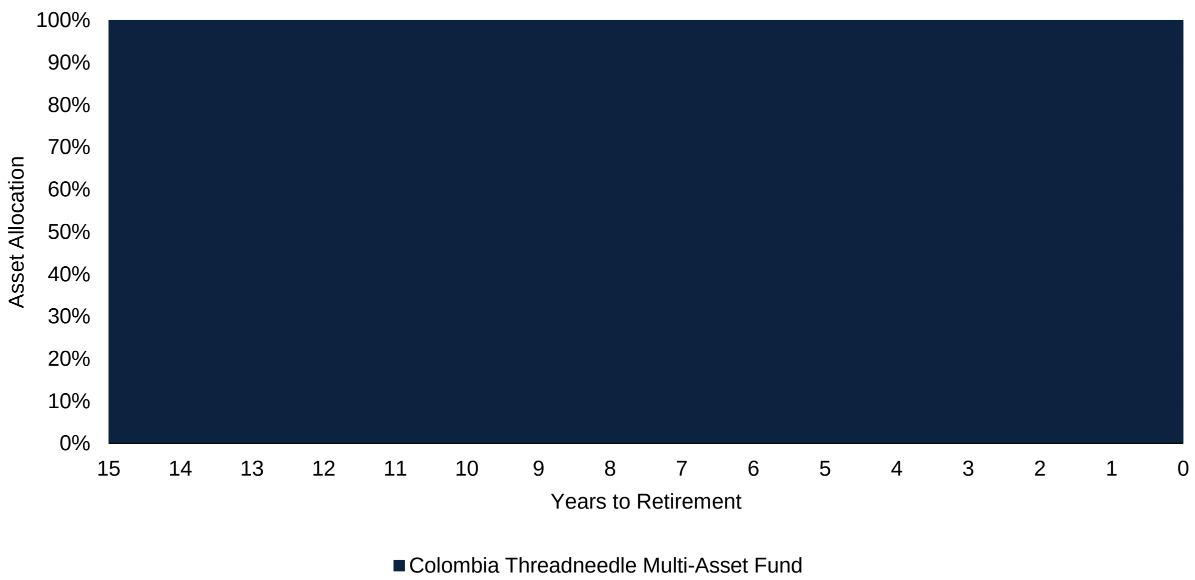
The Trustees have assumed responsibility for setting an investment strategy that provides a broad level of protection against the key risks identified in Section 3.

The default strategy for the Scheme is to invest solely in the Columbia Threadneedle Multi-Asset Fund (MAF) and keeps members invested all the way until retirement. The Threadneedle MAF itself invests in a range of funds managed by Columbia Threadneedle. The fund is managed actively and aims to achieve a return of the Bank of England Base Rate +4% (gross of fees) over an economic cycle (expected to be 5 to 7 years).

By investing in this manner, the Trustees expect to deliver growth over the member’s lifetime within the Scheme without excessive risk taking.

The default strategy is designed after careful analysis of the membership demographics and other characteristics in order to offer a suitable approach that is tailored to the needs of the Scheme’s members. The Trustees will review the default investment strategy every three years or after significant changes to the Scheme’s demographic profile.

The default strategy is also illustrated below:



The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustees consider to be financially material considerations in relation to the default investment strategy. The

Trustees believe that the appropriate time horizon within which to assess these considerations should be viewed at the membership level. This will be dependent on the members' age and when they expect to retire.

4.3 Members' Best Interests

The Trustees will carry out triennial reviews (or following any significant change in membership) not only of the performance of the default strategy, but also of its design to ensure that it continues to remain appropriate for the membership profile. This is in addition to more regular performance monitoring, which takes place semi-annually. The Trustees strive to ensure the strategy evolves in line with the Scheme's membership characteristics in order to ensure that assets are invested in the best interests of the members in the default investment strategy.

4.4 Trustees' Policy on Illiquid Assets

The Trustees consider illiquid assets as assets of a type which cannot easily or quickly be sold or exchanged for cash; including where such assets are invested as a component of a daily-dealing multi-asset fund. The Scheme's default strategy includes no direct allocation to illiquid investments. However, the fund used in the default strategy, the Columbia Threadneedle MAF, does have the ability to invest in illiquid assets. This is a multi-asset fund that includes an allocation of 6.1% to illiquid assets as at 30 June 2024 in respect of property holdings. While this fund is itself daily dealt, the underlying physical property assets are illiquid.

The Trustees are comfortable indirectly investing a small proportion of assets to illiquid assets through a diversified multi-asset fund, to experience the potential return and diversification benefits relative to more traditional asset classes (such as bonds or equities) that illiquid assets can offer. While these benefits are recognised by the Trustees, they are also aware of the risks of investment in illiquid assets to members. Given the potential for valuations of illiquid assets to not reflect their true value at a given time and concerns over liquidity management, the Trustees consider direct investment into an illiquid asset fund, such as a Long Term Asset Fund ("LTAF"), as a potential cause for concern for members of the Scheme, although this is kept under review.

In selecting investments for the default strategy, the Trustees use modelling to consider the combined effects of strategic allocations. For any future investment, the Trustees carefully consider whether the investment provides value for members taking account the potential for returns and associated risks. It is the Trustees' policy to review the allocation of the default strategy on at least a triennial basis. Such reviews will include whether the incorporation of illiquid investments is appropriate.

5 RESPONSIBLE INVESTING

5.1 Financially Material Considerations

The Trustees understand that they must consider all financially relevant factors in making investment decisions on behalf of the Scheme. However, they will also consider any non-financial factors to the extent that they have the ability to impact the financial results of the Scheme's investments over the medium to long-term.

The Trustees recognise that Environmental, Social and Governance (ESG) factors, including climate change, can all influence the investment performance of the Scheme's portfolio and it is therefore in members' and the Scheme's best interests that these factors are taken into account within the investment process and that ESG risks are identified and avoided or mitigated as best as possible.

The Trustees believe that investing with a manager who approaches investments in a responsible way and takes account of ESG-related risks will lead to better risk-adjusted performance, as mitigating these risks in investment analysis could skew the results and underestimate the level of overall risk being taken.

Therefore, the Trustees will work with their investment consultant to help select investment managers that have passed the initial ESG screening. ESG screening will involve some of the following activities, but is not limited to:

- Ensuring the managers are signatories to UNPRI
- Reviewing the managers' own ESG policies
- Investigating the extent to which these policies are integrated into their standard procedures of investment research and analysis etc.

The Trustees will continue to review the available products and approaches in this space and strive for the Scheme to continue to deliver strong risk-adjusted returns, incorporating responsible investment principles into the process, where possible.

The Trustees will challenge an investment manager should they deem its approach out of line with the view of the Trustees or their Scheme members.

5.2 Non-Financial Considerations

The Trustees do not explicitly take into account non-financial matters in the selection, retention and realisation of investments.

5.3 Stewardship Policy

The Scheme could be regarded as a small scheme by the size of assets; hence, bespoke segregated mandates are not currently available to the Trustees. Therefore, the Scheme's stewardship approach focuses on selection, monitoring and, where necessary, switching of underlying investment managers. The Trustees believe that choosing the right managers who fully engage with issuers of equity or debt instruments in their portfolios will lead to better financial results for members.

The Trustees are supportive of the UK Stewardship Code published by the Financial Reporting Council and encourage the Scheme's underlying managers who are regulated by the Financial Conduct Authority to comply with the UK Stewardship Code. Such managers are expected to report on their adherence to the Code on an annual basis. For managers that choose not to comply with any of the principles in the UK Stewardship Code, or not to follow the guidance at all, the Trustees will request a clear rationale from the managers on their alternative approach to stewardship.

As the Scheme invests in pooled funds via an investment platform, the Trustees' scope to vote on the Scheme's shares directly is currently limited. The Trustees have therefore concluded that the decision on how to exercise voting rights should be left with the underlying investment managers who will exercise these rights in accordance with their respective published corporate governance policies. These policies take into account the financial interests of shareholders, and should be for the members' benefit.

The Trustees request annual reports on the voting undertaken by the Scheme's underlying investment managers during the period and review the voting to ensure it remains broadly consistent with the Trustees' view of good stewardship standards.

5.4 Member Views

The Trustees do not take account of member views when selecting investments for the Scheme. The Trustees are committed to reviewing this policy on an ongoing basis.

6 RISK

The Trustees are aware, and seek to take account, of a number of risks in relation to the Scheme's investments, including those set out below. Under the Pensions Act 2004, the Trustees are required to state its policy regarding the ways in which risks are to be measured and managed. These are also set out below.

The main types of investment risk can be identified, as noted below:

Investment Return Risk

- The risk that a member is not invested in those asset classes that are expected to generate the highest returns over the long-run. The expected returns of asset classes are considered by the Trustees as part of the investment strategy.

Volatility Risk

- The risk that the value of a member's pot will fluctuate substantially over the investment term. The expected volatility of asset classes are considered by the Trustees as part of the investment strategy.

Market Switching Risk

- The risk that arises if there is to be switching between investment vehicles. The risk is that large investment switches are made at one point in time, thereby unnecessarily exposing members to unfavourable market pricing on a particular day.

Environmental, Social and Governance (ESG) Risks

- These risk factors can have a significant effect on the long-term performance of the assets the Scheme holds. Where applicable these factors will be considered in the investment process. These factors are discussed further in Section 5.

Inflation Risk

The risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living). Inflation expectations are considered by the Trustees as part of the investment strategy.

Pension Conversion Risk

- The Trustees increase the proportion of assets that more closely match how they expect members to use their pots at retirement.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objectives and factors supporting the managers' investment process through the quarterly performance updates provided by Mercer, and by appointing Mercer to monitor and replace any managers where concerns exist over their continued ability to deliver the investment mandate.

Liquidity Risk

- This risk is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.

Political Risk

- This is measured by the level of concentration in any one market, leading to the risk of an adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide array of geographical diversification.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustees so as to comply with any such changes in legislation.
- The Trustees acknowledge that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Trustees acknowledge that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustees will however ensure that it is comfortable with the amount of risk that the Scheme's investment manager takes.

Market Risk

- This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk:

1. Currency Risk

– This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, the scheme may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.

– For currency hedged funds, the Trustees acknowledge that currency risk related to overseas investments is hedged appropriately by the underlying investment managers.

2. Interest Rate Risk

– This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.

– The Trustees acknowledge that the interest rate risk related to individual debt instruments is managed by the underlying investment managers through a combination of strategies, such as diversification, duration and yield curve management, and hedging via swaps.

3. Other Price Risk

– This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, equities in pooled funds, equity futures, hedge funds, private equity and property.

– The Trustees acknowledge that the Scheme can manage its exposure to price risk by investing in a diverse portfolio across various markets.

7 MONITORING OF INVESTMENT ADVISER AND MANAGERS

7.1 Investment Adviser

The Trustees continually assess and review the performance of its adviser in a qualitative way.

7.2 Investment Managers

The Trustees receive semi-annual monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers' stated target performance (over the relevant time period) on a gross of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.

The Trustees take a long term view when assessing whether to replace the underling investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by MMRT. This is turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

The Trustees also monitor the stewardship track record of the Scheme's underlying investment managers on an annual basis and will take action if this is found inconsistent with appropriate long-term return generation.

7.3 Portfolio Turnover Costs

The Trustees do not currently monitor portfolio turnover costs for the funds in which the Scheme is invested. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending, or borrowing of investments.

Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustees do not have an overall portfolio turnover target for the Scheme, but are aware of the requirement to define and monitor targeted portfolio turnover costs and range as part of the annual value for money assessment.

The Trustees are working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Scheme is invested and will include further information about this when next updating the SIP.

8 COMPLIANCE

The Scheme's Statement of Investment Principles is available to members.

A copy of the Scheme's current Statement plus Appendices is also supplied to the Principal Employer, the Scheme's investment managers, auditors and administrators as well as being available on a public website.

This Statement of Investment Principles, taken as a whole with the Appendices was approved by the Trustees on

_________________________.

Signed on behalf of the Roquette UK Ltd Retirement Benefits Scheme

Date	....	....
Full Name	....	....
Position	....	....

APPENDIX 1: INVESTMENT MANAGER INFORMATION

The table below shows the details of the current mandates with each manager.

Default Strategy Fund

Fund	Asset Class	Annual management charge	Fund Benchmark	Objective
Columbia Threadneedle Multi-Asset Fund	Multi-Asset	0.380%	UK Base Rate	To outperform the benchmark by 4% p.a. gross of fees over an economic cycle (expected to be 5-7 years)

Self-Select Funds

Fund	Asset Class	Annual management charge	Fund Benchmark	Objective
BlackRock Aquila Connect Long Term (60:40 Global Equity) Fund	Global Equity	0.075%	Composite benchmark: - 60% FTSE All-Share Index. - 33.3% FTSE USA Index, - 33.3% FTSE AW Developed Europe ex-UK Index, - 16.7% FTSE Japan Index - 16.7% FTSE AW Developed Asia Pacific ex-Japan Index.	The fund aims to provide returns that are broadly consistent with the markets in which it invests.
BlackRock Aquila Connect Over 15 Years Gilt Index	Gilts	0.054%	FTSE Actuaries UK Conventional Gilts over 15 Years Index	To achieve a return consistent with the benchmark return
BlackRock Aquila Connect Over 5 Year Index Linked Gilt	Index-Linked Gilts	0.054%	FTSE Actuaries UK Index-Linked Gilts over 5 Years Index	To achieve a return consistent with the benchmark return
BlackRock Aquila Connect Cash	Cash	0.030%	7 Day Sterling LIBID	To achieve an investment return that is in line with wholesale money market short-term interest rates

The assets for the underlying managers are hosted on an investment platform provided by Mobius Life Limited.

Mercer will monitor the investment managers. If one of the managers is downgraded by MMRT, the Trustees will be informed and alternative managers will then be considered as a replacement.

APPENDIX 2: RESPONSIBILITIES OF PARTIES

Trustees

The Trustees' responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Selecting the Investment Managers
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the Principal Employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis
- Publishing this Statement on a publically available website and informing members of the location

Investment Adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustees in reviews of the Statement of Investment Principles
- Production of quarterly independent performance monitoring reports
- Advising of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Scheme is invested, such that in its view there is a significant concern that any of these funds will not be able to meet their long-term objectives.
- Updating the Trustees on changes in the investment environment, and advising the Trustees, at their request, on how such changes could present either opportunities or problems for the Scheme
- Undertaking project work, as requested, including:
  - Reviews of the default strategy, white labelled funds and fund range; and
  - Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians

Investment Managers

As noted in this SIP, the Trustees have appointed an Investment Manager who will sub-contract with underlying investment managers on behalf of the Trustees.

The Investment Manager's responsibilities include the following:

- Providing the Trustees on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios
- Informing the Trustees of any changes in the internal performance objectives and guidelines of any pooled fund in which the Scheme is directly invested as and when they occur
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Managing their funds in accordance with their stated mandates set out within the Investment Management Agreement.
- The underlying investment managers contract with the Investment Manager and therefore do not have any direct responsibility to the Trustees.