The Icopal Pension Scheme
Statement of Investment Principles

1. Scope of Statement

This Statement of Investment Principles ("the Statement") has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005) and the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments. A separate document, the Investment Policy Implementation Document ("IPID"), detailing the specifics of the Scheme's investment arrangements is available to members upon request.

The effective date of this Statement is 30 November 2022. The Trustees will review this Statement and the Scheme's investment strategy no later than three years after the effective date of this Statement and without delay after any significant change in investment policy.

The Icopal Pension Scheme ('the Scheme') provides Money Purchase benefits. The Scheme has been closed to future contributions since 30 June 2001.

2. Consultations Made

1.1 The Trustees have consulted with the employer, BMI Group UK Limited, prior to writing this Statement and will take the employer's comments into account when they believe it is appropriate to do so. The Trustees are responsible for the investment strategy of the Scheme. They have obtained written advice on the investment strategy appropriate for the Scheme and on the preparation of this Statement. This advice was provided by Aon UK Limited, who are authorised and regulated by the Financial Conduct Authority.

A copy of this Statement is available to members upon request along with being published on a publicly accessible website.

3. Objectives

The Scheme is closed to future contributions.

The Scheme has never been used as a Qualifying Workplace Scheme and as such the Trustees do not have a default investment strategy in place.

The Trustees offer both a lifestyle strategy and range of self-select funds to members.

The primary objectives for the lifestyle strategy are as follows:

- To maximise the value of members' assets at retirement
- To maintain the purchasing power of members' savings in real (i.e. post-inflation) terms; and
- To provide protection for accumulated assets in the years approaching retirement against:
    - Volatility in the capital value
    - Fluctuations in the cost of securing an income and / or cash in retirement

The Trustees' primary objectives for the self-select funds are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their DC pension fund is invested;
- Help members more closely tailor how their DC pension fund is invested to their personal needs and attitude to risk; and
- Help members more closely tailor how their DC pension fund is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

4. Investment Policy

The investment policy falls into two parts:

- The strategic management, the setting of which is one of the fundamental responsibilities of Trustees; and
- The day-to-day management of the assets, which has been delegated to professional investment managers.

4.1. Strategic management

There is not a default option offered to members. The Trustees make available a lifestyle option as well as a number of self-select options.

The lifestyle option is the Investing by Age Strategy, managed by Utmost Life and Pensions (Utmost). The switching of assets between the different underlying funds used within the lifestyle strategy is detailed in the IPID.

The lifestyle option aims to provide members with the potential for higher levels of growth during the accumulation of their retirement savings through exposure to growth assets including equities. Following the accumulation phase, the lifestyle structure gradually diversifies its investments in the years approaching retirement to reduce volatility and to provide a broad base of assets from which members will take their benefits from. This includes an exposure to growth targeting assets during the decumulation phase to help maximise the value of the members' assets at retirement.

The self-select options aim to cover the main asset classes suitable for a DC member and enable the member to diversify their investments.

4.2. Day-to-day management

The Trustees are satisfied that the spread of assets by type and the investment manager's policies on investing in individual securities within each type provides adequate diversification of investments. The Trustees have regard to the suitability of the investment funds described above through periodic strategy and performance review. The Trustees expect the manager of the funds to have regard to the suitability of the investment contained within each fund in accordance with each fund's investment aims.

5. Choosing Investments

The Trustees selects the investments for the Scheme. The Trustees offer thirteen unit linked funds in addition to the lifestyle option, that members can self-select. Details of these funds can be found on Utmost's website: www.utmost.co.uk/investment-funds/fund-information-heritage-equitable-life-joining-utmost-1-january-2020/fund-information-heritage-equitable-life/

The investment options offered to members are deemed appropriate, given the nature of the membership.

Day to day selection of underlying funds and stocks is delegated to the investment manager appointed by the Trustees. The Trustees would take professional advice when formally reviewing investment managers.

6. Investment Risk Measurement and Management

The Trustees have considered risk from a number of perspectives. These are:

- The risk that the investment return achieved on the contributions invested over members' working lives does not provide a fund sufficient to secure an adequate pension. To mitigate this risk the Investing by Age Strategy aims to give a greater potential for growth over the longer term when members are still a number of years from retirement. There are also a number of self-select funds that members can select that invest in assets expected to provide growth over the longer term.
- The risk that relative market movements in the years just prior to retirement lead to a substantial reduction in the retirement outcomes compared with the members' expectations. For those members invested in the Investing by Age Strategy, members' funds will automatically be switched into lower risk funds, as described in the IPID, as they approach retirement, with the aim of reducing volatility. There are also a number of self-select funds that members can select that invest in assets expected to offer a lower risk profile in the approach to retirement.
- The risk that the chosen investment manager underperforms the benchmark against which the manager is assessed. The Trustees will review the performance of the funds against the benchmark from time to time.
- The risk that the absolute return on investments, and hence the value of the retirement income, may be diminished by inflation. To help mitigate this risk, the Investing by Age Strategy includes growth assets which aim to provide real growth (in excess of inflation) over the long term. There are also a number of self-select funds that members can select that invest in assets expected to provide growth over the longer term.
- The risk of fraud, poor advice or acts of negligence. The Trustees have sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced.

The Trustees recognises that members take the investment risk. The Trustees manage this risk through ensuring that members have access to a range of different assets classes with varying different levels of risk to suit members' needs. Members have access to fund factsheets that clearly state the level of risk associated with a fund, from 1 (Very Low) to 7 (Very High) so that members can make informed investment choices.

7. The Balance Between Different Kinds of Investments

The Trustees recognise that the key source of financial risk (in relation to meeting their objectives) normally arises from the choice of assets that members' funds are invested in. The Investing by Age Strategy has a focus on diversification throughout the various stages of investment to manage this financial risk.

8. Custody

Investment in pooled funds gives the Trustees a right to the cash value of the units rather than to the underlying assets. The managers of the pooled funds are responsible for the appointment and monitoring of the custodian of the fund's assets.

The custodians are independent of the sponsoring employer.

9. Expected Returns on Assets

Over the long-term the Trustees' expectations are:

- For units representing "growth" assets (UK and overseas equities and diversified growth funds) to achieve a return in excess of inflation over the same period. The Trustees consider that short-term volatility in price behaviour is acceptable, given the general expectation that over the long-term these assets will outperform the other asset classes.

- For the “monetary and index-linked” assets;

    - for units representing index-linked assets, to achieve a rate of return in excess of price inflation, and short-term price behaviour in line with the cost of providing index-linked annuities.

    - for units representing monetary assets (corporate bonds, gilts, cash etc), to achieve a rate of return, which is, expected to be approximately in line with changes in the cost of providing fixed income annuities or cash sum at retirement.

Returns achieved by the investment managers are assessed against performance benchmarks set by Utmost Life & Pensions.

10. Realisation of Investments/Liquidity

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise.

Units in the funds in which the Scheme invests may normally be bought and sold on a daily basis and hence the Trustees are satisfied with the liquidity of the Scheme's investments.

11. Responsible Investment Considerations

In setting the Scheme’s investment strategy, the primary concern of the Trustees 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. This includes the risk that environmental, social and governance factors including climate change impact the value of investments held if not understood and evaluated properly.

The Trustees expects the Scheme's Investment Manager (Utmost) and underlying investment managers (J.P. Morgan Asset Management and Abrdn Investments) to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including but not limited to climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal, ethical or moral judgments to these issues, but should consider the sustainability of business models that are influenced by them. Further information regarding this can be found at https://www.utmost.co.uk/investment-funds/how-we-manage-our-unit-linked-funds/. The Trustees have reviewed this information and are comfortable with the approach taken.

Where a Morningstar Sustainability Rating has been assigned to a particular fund this is detailed on the fund factsheet that members have access to.

12. Arrangements with investment managers

The Trustees have appointed Utmost as their investment manager. Utmost’s Asset and Liability Committee is responsible for a number of areas including ensuring that each unit-linked fund is invested in a way that meets its investment and risk objectives and overseeing the investment performance of Abrdn Investments (who were the investment managers of Equitable Life and continue to manage assets in the unit-linked funds) and J.P. Morgan Asset Management (who are the investment partners of Utmost Life and Pensions). The role of J.P. Morgan Asset Management and Abrdn Investments is to find investment opportunities to achieve the fund objectives. They have extensive knowledge of the companies, markets and territories in which investments can be made.

Due to the pooled nature of the investment funds, whilst the Trustees recognise that the arrangements with their investment manager is important to ensure that interests are aligned, the Trustees delegate the oversight of the investment strategy, performance, and longer-term positioning of the portfolio to Utmost’s Asset and Liability Committee. The Trustees’ focus is instead on periodic reviews of Utmost as investment manager.

The Trustees will request an annual report on the monitoring and engagement activities carried out by the investment manager. This will support the Trustees in determining the extent to which the Scheme's engagement policy has been followed throughout the year.

The Trustees have not shared the policies, as set out in this Statement, with the investment manager, due to the pooled nature of the funds used.

In the event of the appointment of a new investment manager, the Trustees would review the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustees' policies, as part of the decision-making process.

There is typically no set duration for the arrangement with the investment manager, although the continued appointment will be reviewed periodically and at least every three years.

13. Costs and Performance

The Trustees are aware of the importance of monitoring the investment manager's total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustees recognise that in addition to annual management charges, there are other costs incurred by investment managers that can increase the overall cost incurred by their investments.

The Trustees request annual cost transparency information from the investment manager, as follows:

- The total amount of investment costs incurred by the Scheme;
- The fees paid to the investment manager;
- The amount of portfolio turnover costs[1] (transaction costs) incurred by the investment manager;
- Any charges incurred through the use of pooled funds (custody, admin, audit fees etc.);

The Trustees set out these costs and charges in the Scheme's annual Chair's Statement which is made available to members in a publicly accessible location.

The Trustees acknowledge that portfolio turnover costs are a necessary cost to generate investment returns and that the level of these costs varies across asset classes and investment manager. The investment manager's Asset and Liability Committee monitors the level of portfolio turnover (defined broadly as the amount of purchases plus sales) of all the funds offered to members.

Evaluation of performance and remuneration:

The Trustees assess and detail the (net of all costs) performance of the funds offered over rolling one and five-year periods (and longer periods of 5 year intervals where available) by comparing performance against benchmark. The remuneration paid to the investment manager and the underlying costs incurred are requested annually from the investment manager by the Trustees. This cost information is set out alongside the performance of the investment manager to provide context. The Trustees monitor these costs and performance trends over time and since January 2022 report these in the annual Chair's Statement.

[1] The Trustees define portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the funds of the investment managers.

14. Stewardship – Engagement and the Exercise of the Rights Attaching to Investments

The Trustees are aware of the risks associated with climate change, as well as other Environmental, Social and Governance-related factors, however, due to the nature of the pooled funds, the Trustees delegate the engagement and exercise of voting rights to the investment manager and underlying asset managers.

The Trustees have reviewed the Manager's approach to stewardship, and other ESG-related matters. For example, the underlying asset manager; J.P. Morgan Asset Management became a signatory to the UN PRI in 2007 and are committed to incorporating ESG factors into their investment practices and decisions. Further information can be found at https://www.utmost.co.uk/investment-funds/how-we-manage-our-unit-linked-funds/

The Trustees expect:

- the investment manager to ensure that, where appropriate, underlying asset managers use their influence as major institutional investors to exercise the Scheme's rights and duties as a shareholder to promote good corporate governance, accountability and positive change.

- the investment manager to provide adequate transparency around stewardship activities, including annual reporting information on the stewardship activities of the underlying managers.

The Trustees review the investment manager's stewardship activity on an annual basis to ensure the Scheme's stewardship policy is being appropriately implemented in practice, covering both engagement and voting actions.

The Trustees will engage with its investment manager as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned. This will take the form of annual reporting which will be made available to Scheme members on request.

Where possible, 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 investment manager.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy, the Trustees do 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").

The funds made available to members should not apply personal ethical or moral judgements as the sole basis for an investment decision.

15. Effective Decision Making

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

....	....	....
Name (Print)	Signature	Date
....	....	....
Name (Print)	Signature	Date

The Icopal Pension Scheme (the "Scheme")

Investment Policy Implementation Document (the "Document")

1. Scope of Document

The Statement of Investment Principles ("SIP") of the Icopal Pension Scheme (the "Scheme") sets out the guiding principles upon which the Scheme's investments are based. The purpose of this document is to provide details of the specific investments in place alongside other information relevant to the management of the investments.

The Trustees' investment strategy has been established in order to maximise the likelihood of achieving the primary objectives set out in the SIP. The details are laid out below:

2. Asset Allocation Strategy

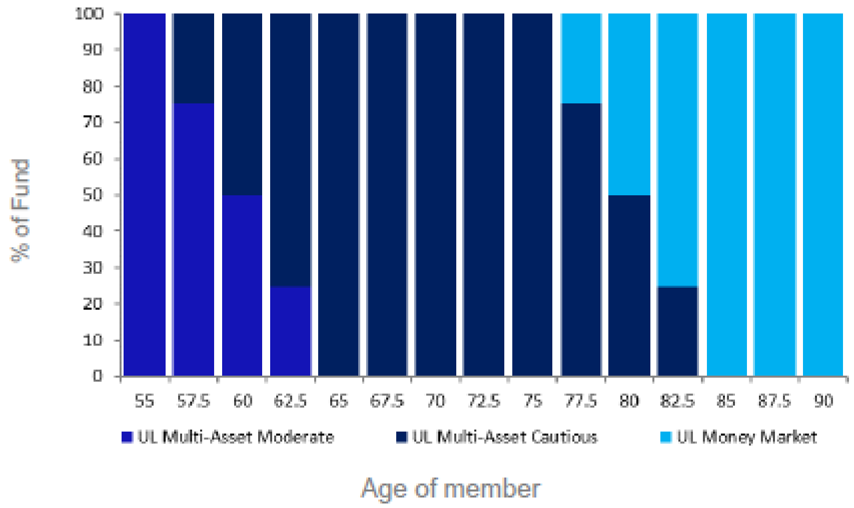
The Trustees offer a lifestyle option and thirteen self-select funds.

The lifestyle option is called the Investing by Age Strategy. The lifestyle strategy aims to maximise the potential for capital growth and help manage the investment risks at each stage of an investor's life. The lifestyle strategy invests in a broad range of investments and will automatically adjust the assets it invests in based on a member's age. J.P. Morgan Asset Management are the asset managers for the funds which make up the Investing by Age Strategy.

The lifestyle option aims to offer flexibility at retirement. It looks to provide growth to help maximise a member's retirement savings. It also aims to provide protection against market volatility in the approach to retirement. This is explained below:

Members are initially invested in the Multi-Asset Moderate Fund until age 55 at which point they will be gradually switched into the Multi-Asset Cautious Fund. Should a member still have some/all of their funds invested by age 75 this is gradually switched into the Money Market Fund.

The structure is summarised in the chart below:



Source: Aon, based upon information from Utmost

2.1 Investment management arrangements

2.1.1 Investing by Age – constituent funds

Fund	Benchmark	Investment Objective	Annual Management Charge
Multi-Asset Moderate Fund	Morningstar UK Moderate Target Allocation NR GBP	The investment objective is to provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, property and cash with the potential for moderate to high levels of price fluctuations.	0.75% p.a.
Multi-Asset Cautious Fund	Morningstar UK Moderately Cautious Target Allocation NR GBP	The investment objective is to provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income and cash with the potential for low to moderate levels of price fluctuations.	0.75% p.a.
Money Market Fund	ABI Sector: Money Market (Pen)	To preserve capital whilst aiming to provide a return in line with prevailing short term money market rates.	0.50% p.a.

The above funds are also available as self-select funds.

2.1.2 Other Self-Select funds

Fund	Benchmark	Investment Objective	Annual Management Charge
Multi-Asset Growth	ABI Sector: Flexible Investment (Pen) Benchmark: Morningstar UK Moderately Adventurous Target Allocation NR GBP	The investment objective is to provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, property and cash with the potential for high levels of price fluctuations.	0.75% p.a.

UK FTSE All Share Tracker	ABI Sector: UK All Companies (Pen)	To achieve long term capital growth and produce a return that, before charges and expenses, matches the return of the FTSE All Share Index.	0.50% p.a.
UK Equity	ABI Sector: UK All Companies (Pen)	To achieve long-term capital growth by investing mainly in UK companies.	0.75% p.a.
Asia Pacific Equity	ABI Sector: Asia Pacific excl. Japan Equities (Pen)	To achieve capital growth by investing mainly in Asia Pacific companies (excluding Japan).	0.75% p.a.
European Equity (European)	ABI Sector: Europe excl. UK Equities (Pen)	To achieve capital growth in the long term by investing mainly in European companies excluding the UK.	0.75% p.a.
Global Equity	ABI Sector: Global Equities (Pen)	To achieve capital growth in the long term by investing mainly in a diversified global portfolio of companies.	0.75% p.a.
US Equity	ABI Sector: North America Equities (Pen)	To achieve capital growth in the long term by investing mainly in US companies.	0.75% p.a.
Managed	ABI Sector: Mixed Investment 40%-85% Shares (Pen)	To maximise the overall return from investments covering the UK and overseas equities, gilt-edged and fixed interest stock and property.	0.75% p.a.
Sterling Corporate Bond	ABI Sector: Sterling Corporate Bond (Pen) Benchmark: Markit iBoxx GBP NonGilts TR	To achieve a return by investing primarily in a portfolio of Sterling denominated corporate bonds	0.75% p.a.
UK Government Bond	ABI Sector: UK Gilt (Pen)	The investment objective of this fund is to achieve a positive return by investing primarily in a portfolio of UK Government Bonds.	0.50% p.a.

2.2 Re-balancing arrangements

Rebalancing between assets classes occurs in line with the structure of the lifestyle arrangement.

2.3 Additional Voluntary Contributions (AVCs)

Any DC AVCs have the same investment options as the main DC assets.

2.4 Cash balances

A working balance of cash may be held from time to time for imminent payment of benefits etc. Under normal circumstances it is not the Trustees' intention to hold a significant cash balance and this is carefully monitored by the Trustees.

3 Fee structure for advisers and managers

3.1 Advisers

The Trustees' investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (e.g. one off special jobs), the Trustees will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given and that no investment decisions have been delegated to the adviser.

3.2 Investment managers

The investment manager is remunerated as a set percentage of the assets under management. This is in keeping with market practice.

3.3 Summary of investment management fee arrangements

The Annual Management Charge may increase or decrease from time to time as changes are made to the underlying allocation to each fund. The annual management charge as at 1 November 2022 is set out in the table above.

3.4 Fees for Administration

The cost of administration is borne by the Employer in respect of members.

3.5 Payment of Investment Management charge

The investment management charges are built into the fund unit prices and hence paid by the members.