

THE LAFARGE UK PENSION PLAN – NON-LRPS SECTION
STATEMENT OF INVESTMENT PRINCIPLES
DEFINED BENEFIT SECTION

Section

- 1 Introduction**
- 2 The Framework of Investment Powers and Processes**
- 3 Investment Principles**
- 4 Investment Manager Arrangements**
- 5 Investment Restrictions**
- 6 Risk Management**

September 2024

**Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles**

1 Introduction

- 1.1 Trustees of occupational pension schemes are required to prepare a statement of the principles governing investment decisions. This document describes the investment principles pursued by the Trustee of The Lafarge UK Pension Plan (the 'Plan') with respect to the Defined Benefit Section of the Non-LRPS Section only, in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it). The Trustee of the Plan is Lafarge UK Pension Trustees Limited (the 'Trustee').
- 1.2 Before completing this Statement, the Trustee has obtained and considered written advice from the Plan's Investment Consultant (the 'Investment Consultant') as a suitably qualified firm. The Trustee has also consulted Lafarge S.A. (the 'Employer') which has been nominated by all participating employers under the Plan for this purpose. The ultimate power and responsibility for deciding investment policy, however, remains solely with the Trustee, and there is no scope for the Employer to limit the powers of investment of the Trustee. The Statement of Investment Principles ('SIP') has been approved by the Trustee and it is expected that the Statement will be reviewed at least annually and without delay after any significant change in investment policy.
- 1.3 When choosing investments, the Trustee and the investment managers (to the extent delegated) are required to have regard to the criteria for investment (including diversification and suitability of investments) set out in the Occupational Pension Schemes (Investment) Regulations 2005, the principles contained in this Statement and the Trustee's investment objectives and long term policy as set out in Section 2 below.

Plan Details

- 1.4 The Plan is a Registered Pension Scheme for the purposes of the Finance Act 2004. Its purpose is to provide retirement and death benefits on a defined benefit basis to eligible participants and beneficiaries.
- 1.5 Within the Defined Benefit section, the Plan previously provided a facility for members to pay Additional Voluntary Contributions ('AVCs') into the Plan to enhance their benefits at retirement. Certain members of the Defined Benefit Section have invested in the assets of the defined benefit sections ('internally invested AVCs' to which interest is added six monthly). From 1 November 2011, no further contributions may be made under this AVC option.

Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles

2 The Framework of Investment Powers and Processes

- 2.1 Neither this Statement nor the Plan Trust Deed and Rules restrict the Trustee's investment powers by requiring the consent of the Employer. The Trustee's investment powers are to be exercised in a manner calculated to achieve the security, quality, liquidity and profitability of the Plan's fund as a whole.
- 2.2 The procedures which govern the investment of Plan assets are determined according to the nature of the Plan's liabilities and reflect the defined benefit section including internally invested AVCs. The Trustee's procedures are designed so that the Plan assets are invested in the best interests of members and beneficiaries and, in the event of a potential conflict of interest, in the sole interest of members and beneficiaries, the latter being persons other than members who are entitled to the payment of benefits. The Trustee considers that the procedures set out in this Statement are consistent with the investment powers of the Trustee and comply with the Pensions Act 1995 (the 'Act') as amended by the Pensions Act 2004 and regulations made under it and the Financial Services and Markets Act 2000 ('FSMA').
- 2.3 The Trustee's investment policy has been established through a Journey Plan, with a specified funding level objective and time horizon. The Journey Plan is a statement of the current investment strategy put in place by the Trustee and is reviewed in consultation with the Employer from time to time. The investment return objective implicit in the Journey Plan changes over time. The Trustee has appointed a Fiduciary Manager, Towers Watson Limited, to manage the Plan's assets in line with the agreed current Journey Plan.
- 2.5 In respect of the Plan assets, the Trustee has delegated all day-to-day investment decisions to the Fiduciary Manager and underlying investment managers who, where relevant, are authorised to carry on investment business for the purposes of the FSMA.
- 2.6 Long term insurance contracts which transfer some or all of the risk of the assets failing to meet the liabilities of the Plan, such as buy-out / buy-in policies or longevity insurance, form an integral part of the investment strategy. The Trustee has not delegated the decision to enter into long term insurance contracts to its Fiduciary Manager.
- 2.7 The Trustee has delegated certain investment matters to an Investment Strategy Committee. The members of the Investment Strategy Committee are appointed by the Trustee board and comprise Trustee directors and an employee nominated by the Employer. The Investment Strategy Committee meets at least quarterly and is attended, as appropriate, by investment advisers and consultants and the Plan's Fiduciary Manager. The Investment Strategy Committee reports to the Trustee at full board meetings. In this Statement, references to the Trustee include the Investment Strategy Committee.

Custody and Administration of money required to pay benefits

- 2.8 The Plan's assets, other than the pooled investment arrangements and insurance contracts, are held by a Custodian appointed under an agreement with the Trustee. The Plan's assets are held in the name of the Trustee except where it has been agreed by the Trustee that they may be held by the Custodian in the name of a nominee company as nominee for the Trustee.
- 2.9 The Trustee believes that the custodial arrangements are a vital part of the management of the Plan's assets and recognises the importance of monitoring the custodial arrangements, including the annual verification of the Plan's assets by the Plan's Auditor.
- 2.10 The Trustee, as of 1st October 2023, has appointed Isio Group Limited as the Administrator to the Plan. The Trustee recognises the importance of the administration arrangements and will monitor them regularly. The Trustee's policy is that the Administrator should ensure sufficient cash is available to meet the payment of benefits as and when they fall due and is authorised to instruct the Fiduciary Manager to release sufficient cash accordingly. Cash held for the purposes of administering benefits is deposited with the Plan's bankers.

Lafarge UK Pension Plan – Non-LRPS Section

Statement of Investment Principles

Responsible Investment

- 2.11 The Trustee and Fiduciary Manager recognise that an investment's long-term financial success is influenced by a range of factors, including Environmental, Social and Governance (ESG) issues and climate risks, which may have a financially material impact on the investment's performance.
- 2.12 Consequently the Trustee (through the appointment of the Fiduciary Manager and its associated approach to environmental, social and governance issues, as set out below) seeks to be a responsible investor. The Trustee's focus is explicitly on financially material factors. The Trustee's policy at this time is not to take into account non-financial factors or ethical considerations. The Trustee will consider all member feedback on non-financial and ethical matters as appropriate.
- 2.13 When considering its policy in relation to stewardship, including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, and identify the ESG risks facing the Plan such as climate and human and labour rights. The Trustee assesses that ESG risks, and in particular climate change, pose a financial risk to the Plan and that focussing on these issues is ultimately consistent with the Trustee's fiduciary duties and the financial security of its members. Whilst the Trustee's policy is to delegate a number of stewardship activities to the Fiduciary Manager and its investment managers, the Trustee recognises that the responsibility for these activities remains with the Trustee. The Trustee incorporates an assessment of how well the Fiduciary Manager and investment managers exercise these responsibilities as part of its overall assessment of their performance. In particular the Trustee receives updates from the fiduciary manager on the level of engagement undertaken by both the fiduciary manager and the underlying managers and uses this to assess the level of engagement is consistent with the Trustee objectives.
- 2.14 The Fiduciary Manager has a dedicated Sustainable Investment resource and a network of subject matter experts. The consideration of ESG issues is fully embedded in the investment manager selection and portfolio management process, with oversight undertaken on a periodic basis. The Trustee expects the Fiduciary Manager to assess the alignment of each investment manager's approach to sustainable investment (including the manager's approach to engagement) with its own before making an investment on the Plan's behalf. The Trustee expects the Fiduciary Manager to engage with the Plan's investment managers where the Fiduciary Manager considers this appropriate regarding their approach to stewardship with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and the ESG impact of underlying holdings. In addition, the Trustee expects the Fiduciary Manager to review the investment managers' approach to sustainable investment including the risks arising from climate change (including the manager's approach to engagement) on a periodic basis and engage with the investment managers to encourage further alignment as appropriate.
- 2.15 The Fiduciary Manager considers a range of sustainable investment factors, such as, but not limited to, those arising from ESG considerations, including climate change, in the context of a broader risk management framework. The degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which the Fiduciary Manager takes into account in the assessment.
- 2.16 The Fiduciary Manager encourages and expects the Plan's investment managers to sign up to local or other applicable Stewardship Codes, in keeping with good practice, subject to the extent of materiality for certain asset classes. The Fiduciary Manager itself is a signatory to the Principles for Responsible Investment (PRI) and the UK Stewardship Code and is actively involved in external collaborations and initiatives.
- 2.17 The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Fiduciary Manager assesses the voting policies of the investment managers that it appoints on the Trustee's behalf, for consistency with the Trustee's policies and objectives, as appropriate. The Fiduciary Manager has also appointed EOS at Federated Hermes to undertake public policy engagement and company-level engagement on its behalf. EOS at Federation Hermes also assists the Trustee's equity managers with voting recommendations.
- 2.18 The Trustee expects the Fiduciary Manager to consider the fee structures of investment managers and the alignment of interests created by these fee structures as part of its investment decision making process, both at the initial selection of an investment manager and on an ongoing basis.

**Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles**

3 Investment Principles

3 Objectives

- 3.1 The Trustee's investment objectives and long-term policy are set out below:
- a. The acquisition of suitable assets of appropriate marketability and liquidity which will generate income and capital growth to meet, together with any contributions, the cost of current and future benefits which the Plan provides, and to ensure the security, quality and profitability of the portfolio as a whole.
 - b. To limit the risk of the assets failing to meet the liabilities of the Plan over the short and long term.
 - c. To minimise the long-term cost of the Plan to the Employer by maximising the return on the assets whilst having regard to the above.
- 3.2 The Trustee considers that one way of achieving its investment objectives is to enter into a bulk annuity contract with an insurance provider, when there are sufficient funds to meet the cost of the premium charged by the insurer.

Long Term Policy

- 3.3 The Trustee's long-term strategy is to be fully funded on a low risk measure. This means being fully funded on a measure currently defined by a gilts + 0% pa basis (although it is recognised that a lower level of funding may be required) so that the Trustee has a full range of strategic options available to it, including the ability to invest in insurance company annuities if desired, taking account of conditions when full funding is achieved and the Trustee's ultimate objective of ensuring the security of members' benefits.
- 3.4 The Trustee intends to hold investments that limit the risk of assets failing to meet the liabilities (or bulk annuity premium) over the appropriate timeframe. These could include physical or derivative based assets aimed at matching the interest rate, inflation and longevity sensitivity of liabilities as well as other physical or derivative based assets aimed at generating return ahead of the liabilities over time.
- 3.5 Diversification of the Plan's assets is achieved through a range of return-seeking assets, which are spread geographically. This diversification through different asset classes and markets seeks to ensure an adequate level of performance without undue risk.
- 3.6 The Trustee will consider from time to time in conjunction with its Investment Consultant and Actuary whether it is appropriate to enter into long term insurance contracts in order to transfer to third party insurers or reinsurers any part of the risk of assets failing to meet the liabilities of the Plan, consistent with maintaining its long-term strategic options. The Trustee will consult with the Employer prior to entering into negotiations with third party insurers about insurance of uninsured liabilities of the Plan or novation of the longevity swap into an annuity contract.

The Balance Between Different Kinds of Investment

- 3.7 The Trustee has delegated management of the Plan's assets in line with the Journey Plan and Dynamic Derisking Strategy to the Fiduciary Manager. The Trustee has received appropriate advice when setting the Journey Plan and appointing the Fiduciary Manager.

Liquidity and Realisation of Investments

- 3.8 The Trustee's policy is that sufficient investments in liquid or readily realisable assets are held to meet cashflow requirements in the majority of foreseeable circumstances so that realisation of investment assets will not disrupt the Plan's overall investment policy where possible. This includes the realisation of any long-term or less liquid investments ahead of any possible bulk annuity transaction with an insurer.

Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles

Monitoring and Implementation of Investment Policy

- 3.9 The custodian provides an independent performance measurement service on the Plan's assets and each investment manager and pooled fund manager on a quarterly basis. This information is used by the Fiduciary Manager and presented to the Trustee.
- 3.10 The Trustee has adopted a Liability Proxy as a Plan specific benchmark for performance measurement purposes. The Liability Proxy Return is the return from a portfolio of assets whose expected cashflows broadly match the expected shape of the cashflow payments from the Plan.
- 3.11 Underlying investment managers and pooled fund managers are measured against benchmark indices specific to the asset class and/or investment strategy.

4 Investment Manager Arrangements

- 4.1 The Trustee has signed a Discretionary Fiduciary Management Agreement (FMA) with Towers Watson Ltd and has delegated investment selection, de-selection and the ongoing management of relationships with investment managers to the Fiduciary Manager within guidelines set by the Trustee in the FMA. The Plan's investments will be made by the Fiduciary Manager on behalf and in the name of the Trustee, either directly in pooled vehicles or by the appointment of third party investment managers to provide discretionary investment management services to the Trustee. Agreements with underlying investment managers or pooled fund managers are signed on behalf of the Plan under a Power of Attorney. The Trustee has given instructions in the Agreements with the segregated investment managers that the investment managers must comply with the Trustee's principles set out in this Statement. It is the responsibility of the Fiduciary Manager to provide a copy of this Statement to each appropriate investment manager and the custodian.
- 4.2 The investment managers and pooled fund managers are responsible for ensuring appropriate diversification of investments and the suitability of investments within their portfolios. The investment managers and pooled fund managers are also responsible for ensuring that suitable internal operating procedures are in place to manage the Plan's assets under their management and the individuals involved in making investments for the Plan. The investment managers may not delegate their duties to a third party investment manager without the prior permission of the Trustee.
- 4.3 The Trustee considers the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustee expects the Fiduciary Manager to ensure that the Plan's investment portfolio, in aggregate, is consistent with the policies set out in this SIP, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee expects the Fiduciary Manager to:
- check that the investment objectives and guidelines of any pooled vehicle are consistent with the Trustee's policies contained in the SIP;
 - set appropriate guidelines within each investment management agreement for segregated investments with a view to ensuring consistency with the Trustee's policies contained in the SIP.
- 4.4 The Trustee and Fiduciary Manager are not involved in the investment managers' day-to-day method of operation and do not directly seek to influence the attainment of their performance targets. However, the Fiduciary Manager may provide investment recommendations to the investment managers of certain pooled funds appointed where it considers it appropriate. The Fiduciary Manager will maintain processes to ensure that performance and risk are assessed and reported on a regular basis against measurable objectives for each investment manager, consistent with the achievement of the Plan's long term objectives.
- 4.5 The Trustee expects the Fiduciary Manager to select investment managers with an expectation of a long-term partnership with the Trustee, which encourages active ownership of the Plan's assets. When assessing an investment manager's performance, the Trustee expects the Fiduciary Manager to focus on longer-term outcomes, commensurate with the Trustee's position as a long term investor. Consistent with this view, the Trustee does not expect that the Fiduciary Manager would terminate an investment based purely on short-term performance but recognises that an investment may be terminated within a short timeframe due to other factors such as a significant change in the relevant manager's business structure, or the need to liquidate assets ahead of a bulk annuity transaction.
- 4.6 The Trustee adopts the same long-term focus as part of its ongoing oversight of the Fiduciary Manager, although the Fiduciary Manager's appointment could similarly be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team or where the Fiduciary Manager fails to ensure alignment between underlying investment managers and the Trustee's policies. The Trustee will consult with the Employer on the ongoing oversight of the Fiduciary Manager and any replacement of the Fiduciary Manager.
- 4.7 For most of the Plan's investments, the Trustee expects the Fiduciary Manager to select investment managers with a medium to long time horizon, consistent with that of the Plan. In particular areas

Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles

such as equity and credit, the Trustee expects the Fiduciary Manager to work with investment managers who will use their engagement activity to seek to drive improved performance over medium to long term periods within the wider context of long-term sustainable investment. The Trustee notes that the Fiduciary Manager may invest in certain strategies where such engagement is not deemed appropriate or possible, due to the nature of the strategy and/or the investment time horizon underlying decision making. The Trustee expects that the appropriateness of the Plan's allocation to such mandates is determined in the context of the Plan's overall objectives.

- 4.8 The investment managers and pooled fund managers are required to inform the Fiduciary Manager as soon as practicable of any breach of their agreements which has come to their attention or material change in their internal management procedures or staffing relevant to the Plan's investments.
- 4.9 The investment managers and pooled fund managers are required by their agreements to supply the Fiduciary Manager and the Trustee's other service providers with information they consider is required to monitor their activity and to facilitate the review of that investment manager or pooled fund manager, on an ongoing basis.
- 4.10 The Fiduciary Manager is paid a fixed fee in line with normal market practice, for a given scope of services which includes the selection, de-selection and ongoing management of relationships with investment managers in accordance with the policies set out in this SIP.
- 4.11 Investment managers are generally paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustee expects the Fiduciary Manager to review and report on the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee expects the Fiduciary Manager to have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

**Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles**

5 Investment Restrictions

- 5.1 The Trustee's policy is to invest predominantly on regulated markets, with investments on non-regulated markets kept to a prudent level. Where it is considered appropriate, investment managers may be permitted to invest in derivatives in so far as they facilitate efficient portfolio management, or contribute to a reduction in risk. Any such investment must be made so as to avoid excessive risk exposure to a single counterparty and to other derivative operations.
- 5.2 The Trustee has delegated responsibility to the Fiduciary Manager to monitor and manage the Plan's assets in line with a list of guidelines and investment restrictions. These are set out in a Discretionary Fiduciary Management and Investment Advisory Services Agreement. The Trustee reviews these guidelines which have been agreed with the Fiduciary Manager from time to time and at least annually. The guidelines can only be changed with the consent of the Trustee.
- 5.3 The Trustee has given instructions to the Fiduciary Manager to prohibit investment in securities (eg equity, debt or preference shares) of Holcim Group or any of its subsidiaries. Investment in Holcim Group in respect of indirect investment in pooled or tracker funds is permitted but restricted to levels defined by the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

6 Risk Management

6.1 The Trustee recognises a number of risks involved in the investment of the assets of the Plan and, where applicable, monitors these risks in conjunction with the Fiduciary Manager and other advisers. These include but are not limited to:

Funding level and solvency risk:

- is measured through a qualitative and quantitative assessment of the expected development of the funding level. The Fiduciary Manager is responsible for managing the Plan to the Journey Plan, at a level of risk to be agreed between the Trustee and the Fiduciary Manager on a regular basis.
- is managed through the development of a portfolio consistent with delivering the Plan's investment objectives. The Fiduciary Manager is required to target a return in excess of the Plan's Gilts-based liabilities. The performance of the Plan's assets is measured relative to the Liability Proxy Return.

Concentration of assets

- allocation constraints and exposure limits have been set out in the guidelines of the Fiduciary Management Agreement. The Plan's investments at any time therefore comprise a wide range of asset classes and diversification within those asset classes.

Currency risk:

- is measured by the level of exposure to non-Sterling denominated assets.
- is managed by the implementation of a currency hedging programme (carried out within some of the pooled investment vehicles) which reduces the impact of exchange rate movements on the Plan's asset value.

Investment Manager risk:

- is measured by the expected deviation of the return relative to the benchmark set.
- is managed by limiting exposure to any one investment manager, consideration of the appropriate amount of the Plan to allocate to each active portfolio and by monitoring the actual deviation of returns relative to the benchmark and factors supporting the managers' investment process. Individual manager risk is addressed through diversification limits set out in the guidelines of the Discretionary Fiduciary Management Agreement.
- The Trustee monitors the Fiduciary Manager across a range of key measures including performance, risk, operations and compliance and employs an independent intermediary, Isio Group Limited, to assist the Trustee in this role.

Liquidity risk:

- is measured by the level of cashflow required by the Plan over a specified period.
- is managed by the Plan's administrators assessing the level of cash held in order to limit the impact of the cash flow requirements on the investment policy and through holding assets of appropriate liquidity.
- Liquidity provisions are also set out in the guidelines of the Discretionary Fiduciary Management Agreement to ensure cash is available to meet any requests from the Administrator.
- Liquidity is also regularly analysed so as to ensure as far as possible that any lack of potential liquidity will not constrain the Trustee from implementing strategic changes to the portfolio.
- In the event that a material bulk annuity transaction with an insurer is anticipated, the Trustee may instruct the Fiduciary Manager to liquidate the relevant parts of the Plan's assets ahead of the potential transaction, reflecting the Trustee's preferred balance between speed of sale and achieving an acceptable level of sale value.

Lafarge UK Pension Plan – Non-LRPS Section

Statement of Investment Principles

Custodial risk:

- is addressed through investment in pooled vehicles, with the pooled fund managers being responsible for selection of suitable custodians. In addition, the Plan's global custodian is responsible for sweeping un-invested cash balances into pooled cash funds, which are managed by a pooled fund manager who, in line with the Plan's other pooled fund managers, is responsible for selecting the custodian for the cash funds.
- the Custodian's role and responsibilities are set out in a Custodial Agreement. The Custodian is monitored regularly including against a set of Key Performance Indicators. The Plan's assets are also verified by an independent auditor on an annual basis. Specific authorisation instructions are given to the Custodian and must be adhered to prior to any transaction.

Derivatives risk

- Counterparty risk – this risk is mitigated through collateral management, diversifying exposure across counterparties, and the use of robust ISDA, GMRA or other relevant derivatives documentation.
- Liquidity risk – the risk that changes to market conditions could lead to the Plan needing to post additional collateral at short notice in order to maintain the Plan's liability hedging arrangements. This risk is mitigated through the guidelines provided to the Plan's LDI manager and the monitoring of the LDI portfolio undertaken by the Trustee.
- Basis risk – the returns from backing assets used to meet the payable leg of a derivative contract may not match exactly. This risk is addressed through the investment policy adopted for the backing assets and the investment managers' asset management capabilities.
- Liability risk – pension liabilities can only be estimated and there is a risk of divergence between the performance of the derivatives and the actual value of the liabilities (for example, due to changes in assumptions or demographics). This risk is mitigated by updating the liability hedging benchmark at appropriate regular intervals.
- Legal and operation risk – the successful operation of derivatives depends on the various legal documents governing the derivative contracts and the correct completion of some operational tasks. The Trustee takes appropriate advice when putting in place legal documents, reviewing legal documents already in place and appointing and monitoring providers capable of carrying out the required operational tasks.

Operational risk:

- is managed by processes and controls employed by the Fiduciary Manager and Administrator including segregation of duties and authorisation routines.

Interest rate and inflation risk:

- is measured by comparing the likely movement in the Plan's liabilities and assets due to movements in inflation and interest rates.
- is managed by holding a portfolio of matching assets (physical bonds or other appropriate assets and/or derivatives via pooled vehicles) that enable the Plan's assets to better broadly match movements in the value of the liabilities due to inflation and interest rates. The construction, ongoing monitoring, and consideration of risks (such as derivatives risk) of this portfolio is undertaken by the Fiduciary Manager.

Political risk:

- is measured by the level of concentration of assets in any one market leading to the risk of an adverse influence on investment values arising from political intervention.
- is managed by regular reviews of the actual investments relative to policy and through the level of diversification within the existing policy.

**Lafarge UK Pension Plan – Non-LRPS Section
Statement of Investment Principles**

Sponsor risk:

- is measured by receiving regular financial updates from the Principal Employer and periodic covenant assessments of the Statutory Employer by the Trustee's covenant adviser.
- is managed through an agreed contribution and funding schedule.

6.2 The Trustee maintains a Risk Register, which it reviews on an ongoing basis. The Trustee considers investment and non-investment risks in qualitative and quantitative terms. Some aspects of these risks may be modelled explicitly to illustrate the potential impact of the risk and the consequences of the different risks (or variations in the levels of risk) on the Plan's assets and liabilities. The risk analysis provides information to the Trustee to demonstrate the potential interaction between the Plan's funding level and investment policy and is formally reviewed when determining long-term investment policy.