Duni Limited Pension Scheme

Statement of Investment Principles

July 2026

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1. Background

This Statement provides details of the investment principles adopted by the Trustees of the Duni Limited Pension Scheme (the "Scheme").

It has been prepared after obtaining and considering the written advice of a person who is reasonably believed by the Trustees to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of investments of occupational pension schemes.

The Trustees have consulted the Principal Employer, Duni Limited (the "Employer"), when setting their investment objectives and strategy, and in the preparation of this Statement.

This Statement has been drafted to demonstrate how the Trustees complies with the requirements of legislation including:

- Section 35 of the Pension Act 1995.
- the Occupational Pension Schemes (Investment) Regulations 2005.
- the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010.
- the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The Trustees' investment powers are set out in Rule 51 of the Scheme's Trust Deed and Rules dated 30 September 1998. The powers granted to the Trustees are wide and this Statement is consistent with those powers.

In drafting this Statement, the Trustees also considered the investment guidance issued by the Pensions Regulator.

The Trustees sets the general investment policy, based on professional advice. The Trustees delegate responsibility for day-to-day investment decisions to its appointed Investment Manager. The Trustees ensure that any person to whom such responsibility is delegated is authorised under the Financial Services and Markets Act 2000.

The Trustees' investment policy takes into account the Scheme's investment objectives and the Scheme's circumstances. The Trustees are responsible for making strategic investment decisions with the aim of achieving these objectives. The Trustees ensure that this Statement remains appropriate for the Scheme's liabilities and circumstances, given the strength of the support provided by the sponsoring employer.

2. Investment Objectives and Risks

The main objectives of the Trustees are:

- To ensure that the Scheme's obligations to the members and beneficiaries can be met in full as they fall due.
- To invest the Scheme's assets in an appropriately diverse and predominantly liquid range of investments.
- To invest in a way that is consistent with the Scheme's funding objectives, such that investment returns in the Trustee's funding plan have a reasonable chance of being achieved in practice.
- To effectively manage funding level volatility to reduce the likelihood of additional contributions being required from the sponsoring employer and to protect members' benefits.

The Trustees wish to maintain a funding level of at least 100% on a buy-out basis through the adoption of a prudent funding and investment strategy, which considers the strength of the covenant of the sponsoring employer.

The Trustees' investment beliefs are:

- Targeting higher levels of investment return requires increased levels of investment risk which increases the volatility of the funding position.
- The performance of the Scheme's assets in the long term is primarily driven by the strategic asset allocation rather than the choice of investment managers.
- Unrewarded risks should be generally avoided, hedged or diversified.
- Well governed companies that manage their businesses in a responsible way should produce higher returns over the long-term.
- Climate change could be a long-term risk for the Scheme and may have an impact upon the chosen investment strategy.
- Responsible investment and engagement over the long-term reduces risk and should have a positive impact on returns.

The Trustees have considered various risks the Scheme faces including market risk, interest rate risk, inflation risk, liquidity risk, default risk, concentration risk, manager risk and currency risk in setting their investment strategy.

The Trustees believe the Target Asset Allocation provides an appropriate balance between mitigating these risks and obtaining an appropriate level of return, taking into account the strength of the sponsoring employer's covenant and long-term nature of the Scheme.

3. Investment Strategy

The strategic split of the Scheme's assets is 100% in Matching Assets and 0% in Growth Assets.

The Target Asset Allocation and funds used for the Scheme's assets, is as follows:

Fund	Asset Class	Target Asset Allocation (%)
L&G - Over 15 Year Gilts Index Fund	Fixed Interest Gilts	26.7
L&G - 5 to 15 Year Index-Linked Gilts Index Fund	Index-Linked Gilts	30.0
L&G - Over 15 Year Index-Linked Gilts Index Fund	Index-Linked Gilts	26.7
L&G - Global Unconstrained Bond Fund	Absolute Return Bonds	16.6
Total		**100.0**

The Target Asset Allocation is designed to hedge the interest rate and inflation risk associated with the Scheme's liabilities.

Risk Hedged	Metric Hedged	Target Hedge Ratio
Long-term Interest Rates	Total Buy-out Proxy Liabilities	100%
Long-term Inflation	Total Buy-out Proxy Liabilities	100%

The target hedge ratio is currently 100% of the Scheme's total 'buy-out proxy' liabilities which is a basis designed to broadly reflect the expected cost of buying benefits with an insurer and uses a discount rate of gilt yields -0.5% p.a.

Maintaining the target hedge ratio will take precedence over maintaining the Target Asset Allocation.

The Target Asset Allocation had an expected return of gilt yields+0.2% per annum at the time it was set. This is below the return required to meet the Scheme's Technical Provisions; however, the Scheme was in surplus and expects to strengthen its Technical Provisions basis at the next actuarial valuation.

4. Investment Manager Arrangements

The Trustees entered into a contract with Legal & General Assurance (Pensions Management) Limited ("L&G") in August 2023 to undertake the day-to-day investment management of the Scheme's assets.

The Investment Manager is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA under the Financial Services and Markets Act 2000.

The Trustees have delegated the engagement with the issuers of the Scheme's underlying investment holdings to the Investment Manager and therefore can only influence engagement and voting indirectly.

Investment Manager remuneration is considered as part of the manager selection process and regularly monitored with the assistance of Aptia Pension Consulting to ensure it remains appropriate. The Investment Manager is remunerated by receiving a percentage of the Scheme's assets under management and through an annual fixed fee. The Trustees do not directly incentivise the Investment Manager to align its approach with the Trustees' policies and objectives but instead selects pooled funds that meet the Trustees' medium to long-term objectives.

The Trustees are long-term investors and so have not set an explicit target to review the duration of their investment management arrangements. The arrangement will be reviewed in conjunction with any review of the investment strategy.

The Trustees limit any employer-related investments in accordance with statutory requirements.

Disinvestments

The Trustees ensure the investment strategy maintains sufficient liquidity and makes disinvestments from the assets managed by the Investment Manager to meet the Scheme's cashflow requirements.

The current disinvestment policy is for any ad-hoc investments or disinvestments to be taken from the L&G Global Unconstrained Bond Fund. In addition, there is a monthly regular disinvestment in place.

5. Review and Monitoring

The Trustees will review this Statement at least every three years to ensure that it remains accurate and relevant. The Statement will be reviewed and, if necessary, amended more frequently should any material changes be made to the Scheme's investment arrangements.

The Trustees will report annually on how the policies in this Statement have been followed through an Implementation Statement published alongside the Trustees' Annual Report and Accounts.

The Investment Manager will provide the Trustees with sufficient information to enable them to monitor financial and non-financial performance. The Trustees have appointed Aptia Pension Consulting to assist them in monitoring of the investment strategy and performance of the Investment Manager and funds used, including on ESG matters. Aptia Pension Consulting provides performance monitoring reports to the Trustees on a semi-annual basis. In addition to these semi-annual reports from Aptia Pension Consulting the Trustees also review the monthly statements and quarterly reports provided by the Investment Manager. As a long-term investor, the focus is on performance over the medium to long-term.

The Trustees expect the Investment Manager to change underlying holdings only to an extent required to meet their investment objectives. The Investment Manager provides information on portfolio turnover and associated costs as appropriate, and the performance figures that the Trustees and advisors analyse are net of transactions costs, so this is taken into account indirectly.

6. Responsible Investment Governance and Engagement

The Trustees believe that good corporate stewardship and Environmental, Social and Governance ("ESG") issues can have a material financial impact on investment returns over the expected lifetime of the Scheme's liabilities. The Trustees' policy is to delegate day-to-day stewardship activities (including engagement and voting) to the Investment Manager, whilst retaining oversight through regular reporting. The extent to which financially material considerations and ESG factors are taken into account by the investment managers is considered by the Trustees when selecting organisations with which to invest.

The Financial Reporting Council's UK Stewardship Code has been taken into account by the Trustees. The Trustees do not take any non-financial matters into account in the selection, retention and realisation of investments.

The Scheme's voting rights are exercised by the underlying fund managers in accordance with their own corporate governance policies, current best practice and the UK Corporate Governance Code and the UK Stewardship Code. The Trustees expect the underlying fund managers, to exercise ownership rights attracted to investments, including voting and engagement rights, in order to safeguard sustainable returns. The Trustees monitor stewardship activity through reports provided by the Investment Manager.

With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees takes the view that this falls within its general approach to ESG issues.

The Trustees do not explicitly take into account members' ethical views, given the membership is expected to hold a broad range of views on these issues.

7. Additional Voluntary Contributions

The Scheme provided a facility for members to pay Additional Voluntary Contributions ("AVCs") to enhance their benefits at retirement. The AVCs are invested separately from the Scheme's defined benefit assets and members bear the investment risk in relation to their AVC accounts. The AVC policies are currently held in funds with Transact (Integrated Financial Arrangements Ltd), Utmost Life and Pensions, and Aviva.

Members may select from the investment options made available by the AVC providers, including any default arrangement where applicable. The Trustees review the AVC arrangements from time to time and take advice as appropriate.

8. Agreement

This Statement was agreed by the Trustees and replaces any previous statements. A copy of this Statement is available to Scheme members on request and is also available online.

Signed: Date:

Name:

On behalf of the Trustees of the Duni Limited Pension Scheme