

Atradius UK Pension Scheme

Statement of Investment Principles



Purpose of this Statement

This SIP has been prepared by the Trustee of the Atradius UK Pension Scheme (the “Scheme”). This statement sets out the principles governing the Trustee’s decisions to invest the assets of the Scheme.

The Scheme’s investment strategy is derived from the Trustee’s investment objectives. The objectives have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

Governance

The Trustee of the Scheme makes all major strategic decisions including, but not limited to, the Scheme’s asset allocation, including any insurance buy-in policies, and the appointment and termination of the investment manager.

When making such decisions, and when appropriate, the Trustee takes proper written advice. The Trustee’s investment advisers, Isio Group Limited, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience. The investment advisers’ remuneration may be a fixed fee or based on time worked, as negotiated by the Trustee in the interests of obtaining best value for the Scheme

Scheme details

The Scheme operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.

Prior to 6 April 2016, members of the Scheme were contracted-out of the State Second Pension under the Pensions Schemes Act 1993.

Since 6 April 2006, the Scheme has been treated by HM Revenue and Customs (HMRC) as a registered pension scheme, in accordance with Schedule 36 of the Finance Act 2004.

Details of the Scheme’s investment arrangements are set out in the Investment Implementation Document (“IID”).

In reviewing and revising this Statement, the Trustee has consulted with Atradius Crédito y Caución S.A. de Seguros y Reaseguros (the “Company”) and will do so whenever it intends to review the Statement. However, responsibility for maintaining the Statement and deciding upon the investment policy rests solely with the Trustee.

Financial Services and Markets Act 2000

In accordance with the Financial Services and Markets Act 2000, the Trustee will set the Scheme’s investment policy, but will delegate the responsibility for selection of specific investments to an appointed investment manager, which may include an insurance company or companies. The investment manager shall provide the skill and expertise necessary to manage the investments of the Scheme competently.

Context for the buy-in policy

During Q3 2024, the Trustee purchased an insurance buy-in policy with Pension Insurance Corporation plc (‘PIC’), a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority.

Under the current policy, PIC are obliged to make payments to meet the Scheme’s benefit payments due to members covered by the policy. The Trustee selected PIC after having considered appropriate advice from their advisers.

In addition to the buy-in policy, there are assets invested with an investment manager, which are reserves to cover the costs of benefits not covered by the buy-in policy including future accrual and potential true up payments.

Investment objectives

The Trustee invests the assets of the Scheme with the aim of ensuring that all members' current and future benefits can be paid. The Scheme's financial position will be reviewed on an ongoing basis to assess the position, including as part of Actuarial Valuations.

Financial risk related to the past service liability has been substantially reduced through the insurance buy-in policy with PIC, and the security provided by PIC and the regulatory environment that they operate within. The investment of the residual assets is managed through a broadly low-risk approach with the aim of ensuring other costs are secure, for example future service and any true up payments that may be required by PIC as the insurance provider.

Investment strategy

The Trustee takes a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The majority of the Scheme's assets are invested in the buy-in policy, which covers the majority of the Scheme's liabilities. The buy-in policy provides security in terms of key financial risks including market, interest rate, inflation, and longevity risk. The remaining assets are invested with a broadly low risk approach with a professional investment manager in order to secure liabilities and costs outside of that which is covered by the existing buy-in policy.

The Scheme's investment strategy is derived following careful consideration of the factors set out in Appendix A. The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Scheme, and also the strength of the sponsoring company's covenant. The Trustee considers the merits of a range of asset classes.

The Trustee recognises that the investment strategy is subject to risks, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is largely managed through the insurance buy-in policy. The Trustee monitors the asset portfolio outside of the buy-in policy.

Investment Management Arrangements

The Trustee has appointed an investment manager to manage the assets of the Scheme that are not included within the insurance buy-in policy with PIC, as listed in the IID. The investment manager is regulated under the Financial Services and Markets Act 2000.

All decisions about the day-to-day management of the assets have been delegated to the investment manager via a written agreement. The delegation includes decisions about:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
- The exercise of rights (including voting rights) attaching to the investments;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustee takes the investment manager's policies into account when selecting and monitoring the manager. The Trustee also takes into account the performance targets the investment manager is evaluated on. The investment manager is expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.





Investment Manager Monitoring and Engagement

For the assets outside of the insurance buy-in policy with PIC, the Trustee will monitor and engage with the Scheme's investment manager and other stakeholders on a variety of issues.

Below is a summary of the areas covered and how the Trustee seeks to engage on these matters with the investment manager.

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Performance, Strategy and Risk	<ul style="list-style-type: none">The Trustee receives a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustee meetings.The Scheme's investment manager will be invited, in person to present to the Trustee on their performance, strategy and risk exposures.	<ul style="list-style-type: none">There are significant changes made to the investment strategy.The risk levels within the assets managed by the investment manager have increased to a level above and beyond the Trustee's expectations.Underperformance vs the performance objective over the period that this objective applies.
Environmental, Social, Corporate Governance factors and the exercising of rights	<ul style="list-style-type: none">The Trustee's investment manager will provide regular reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.The Trustee receives information from their investment advisers on the investment manager's approach to engagement.The trustee will engage via their investment adviser, with the investment manager and/or other relevant persons about relevant matters at least annually.	<ul style="list-style-type: none">The manager has not acted in accordance with their policies and frameworks.The manager's policies are not in line with the Trustee's policies in this area.

Through the engagement described above, the Trustee will work with the investment manager to improve their alignment with the above policies. Where sufficient improvement is not observed,

the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.

Employer-related investments

The policy of the Trustee is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Scheme invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Scheme's total asset value. The Trustee will monitor this on an ongoing basis to ensure compliance.

Direct investments

Direct investments, as defined by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, the Trustee will obtain appropriate written advice from their investment advisers.

Additional Voluntary Contributions

The Scheme provides a facility for members to pay Additional Voluntary Contributions (AVCs) into the Scheme to enhance their benefits at retirement. The Trustee's objective is to provide a range of funds which will provide a suitable long-term return for members, consistent with members' reasonable expectations. In keeping with their policy for the main Scheme assets, the Trustee's policy is to seek to achieve this objective through offering members the opportunity to invest in a suitable mixture of real and monetary assets. The Scheme's default AVC strategy is a "lifestyle" strategy where members' AVCs are initially allocated to a diversified growth fund which aims to generate growth over the long term. Within 5 years of retirement, the fund is progressively switched to cash to reflect that members are able to use their AVCs as part of their tax free cash sum at retirement.

The Trustee keeps under review the suitability of the AVC contributions and the funds within which they are invested.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the sponsoring Company and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in the investment arrangements.

Signed and dated 31 March 2025 for and on behalf of the Trustee of the Atradius UK Pension Scheme





Appendix A – Risks, Financially Material Considerations and Non-Financial matters

A non-exhaustive list of risks and financially material considerations that the Trustee has considered and sought to manage is shown below.

The Trustee adopts an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

Risks	Definition	Policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	<ul style="list-style-type: none">• Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength.• Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	<ul style="list-style-type: none">• Funding risk is considered as part of the investment strategy review and the actuarial valuation.• The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	<ul style="list-style-type: none">• When developing the Scheme's investment and funding objectives, the Trustee takes account of the strength of the Company covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.



The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

Risks	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	Interest rate and inflation risk is substantially managed through hedging provided through the buy-in policy and residual asset portfolio.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits and any other obligations as they fall due.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable. Note this is mostly applicable to the assets outside of the buy-in policy.
Credit	Default on payments due as part of a financial security contract.	To appoint an investment manager who actively manages this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default. Note this is mostly applicable to the assets outside of the buy-in policy
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	Note this is mostly applicable to the assets outside of the buy-in policy. To appoint a manager who satisfies the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI Signatory The Trustee monitors the manager on an ongoing basis.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge currency risk on overseas exposure. Note this is mostly applicable to the assets outside of the buy-in policy.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.



Appendix B

The Trustee have the following policies in relation to the investment management arrangements for the Scheme:

<p>How the investment manager is incentivised to align their investment strategy and decisions with the Trustee policies.</p>	<ul style="list-style-type: none"> Where the Scheme’s assets are invested in pooled funds, the Trustee does not have the scope to align funds to its own objective, however the Trustee selects a suitable set of funds to align the overall portfolio to its objective.
<p>How the investment manager is incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.</p>	<ul style="list-style-type: none"> The Trustee reviews the investment manager’s performance relative to medium and long-term objectives as documented in the investment management agreements. The Trustee monitors the investment manager’s engagement and voting activity on an annual basis as part of their ESG monitoring process. The Trustee does not incentivise the investment manager to make decisions based on non-financial performance.
<p>How the method (and time horizon) of the evaluation of investment manager’s performance and the remuneration for their services are in line with the Trustee policies.</p>	<ul style="list-style-type: none"> The Trustee reviews the performance of all of the Scheme’s investments where possible on a net of cost basis to ensure a true measurement of performance versus investment objectives.
<p>The method for monitoring portfolio turnover costs incurred by the investment manager and how they define and monitor targeted portfolio turnover or turnover range.</p>	<ul style="list-style-type: none"> The Trustee does not directly monitor turnover costs. However, the investment manager is incentivised to minimise costs as they are measured on a net of cost basis where possible.
<p>The duration of the Scheme’s arrangements with the investment manager</p>	<ul style="list-style-type: none"> The duration of the arrangements is considered in the context of the type of fund the Scheme invests in. The Scheme’s investment mandates are open-ended and therefore the duration is flexible. The Trustee will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.
<p>Voting Policy (where applicable) - How the Trustee expect the investment manager to vote on their behalf</p>	<ul style="list-style-type: none"> The Trustee monitors the voting policies that are implemented by the Scheme’s investment manager on their behalf.
<p>Engagement Policy - How the Trustee will engage with the investment manager, direct assets and others about ‘relevant matters’</p>	<ul style="list-style-type: none"> The Trustee monitors the engagement policies that are implemented by the Scheme’s investment manager on their behalf. The Trustee, via their investment advisers, will engage with the manager about ‘relevant matters’ at least annually. Example stewardship activities that the Trustee have considered are listed below. Asset manager engagement and monitoring – on an annual basis, the Trustee assess the voting and engagement activity of their asset manager. The results of this analysis feeds into the Trustee’s investment decision making. When selecting and appointing an asset manager – the Trustee will consider a potential manager’s stewardship policies and activities.



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