

**THE EDWARD BILLINGTON & SON LIMITED RETIREMENT BENEFITS SCHEME  
(Scheme 25, including all sub schemes)**

**STATEMENT OF INVESTMENT PRINCIPLES**

1. This statement sets out the principles governing decisions about the investment of the assets of the Plan. The Trustees of the Plan (“the Trustees”) have prepared this statement to comply with Section 35 of the Pensions Act 1995 (as amended).
2. As the Plan is wholly insured, this statement is required to cover the Trustees’ policy for compliance with the requirements of Section 36 of the Pensions Act 1995 (choosing investments) and the reasons for the Plan being wholly-insured. In addition, this statement also sets out the Trustees policy on Financially Material Considerations, including how they are taken into account in investment decisions-making. Financially Material Considerations include, but are not limited to, Environmental, Social and Governance factors, including climate change.
3. The Trustees’ policy for compliance with the requirements of section 36 of the Pensions Act 1995 (choosing investments) is as follows:
  - (a) The Trustees have obtained and considered proper advice on the question of whether their investment in an insurance policy with AVIVA (formerly Friends Life) is satisfactory having regard to the requirements of the Investment Regulations, so far as relating to the suitability and diversification of investments and to the principles contained in this statement.
  - (b) The Trustees consider that there is no need, nor is it cost effective, for the scheme to be operated on a directly invested basis. Accordingly, investing only in an insurance policy is appropriate for the needs of the Trustees.
  - (c) The Trustees have invested all of the assets in insurance policies with AVIVA (formerly Friends Life) that invest predominantly in the FLAS With-Profits Sub-Fund (‘the Fund’) which provides members with underlying investment guarantees that are considered by the Trustees to be of value to scheme members. Whilst the returns on the Fund are not directly linked to the underlying investments, the overall diversification of the underlying investments is considered appropriate for the long term, stable returns expected from this type of investment.
4. The reason for the Plan being wholly insured with AVIVA (formerly Friends Life) are as follows:
  - (a) The financial strength of AVIVA (Formerly Friends Life)
  - (b) Their regulation by the Financial Conduct Authority and investors access to the Financial Services Compensation Scheme
  - (c) The professional management of the investment funds
  - (d) Their administration and investment experience
  - (e) The fact that they offer a packaged solution incorporating investment and administration services
5. Notwithstanding the above the Trustees will review the investment strategy of the Plan at least every three years in the light of general investment developments.

6. This statement will be reviewed at least every three years and without delay after any significant change in investment policy.
7. Before preparing the statement, the Trustees have obtained and considered the advice of a person who is reasonably believed by the Trustees to be qualified by his ability and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of occupational pension schemes.
8. The Trustees have also consulted the Employer in relation to this statement.
9. In considering Financially Material Considerations, including Environmental, Social and Governance (ESG) aspects; the only way in which the Trustees could take direct control of such decision making is to surrender their investment within the Insurance Contract. As this would have significant implications to the financial security of member benefits owing to the loss of guarantees held within Scheme 25, including guaranteed annuity rates, the Trustees have decided to retain the Insurance Contract and fully delegate ESG decisions and other Financially Material Considerations to the manager of the relevant funds. Likewise, the stewardship of investments, including the exercise of any attaching voting rights is fully delegated to the manager of the underlying funds. Non-financial matters, such as member views on ethical matters are not considered as part of the Trustees investment decision-making process as it would be impossible to take these into account within the current investment strategy.



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**Signed on behalf of the Trustees of the Plan**

**Date: 26-09-2019**