IDEMIA UK Pension Plan

Statement of Investment Principles

HOWDEN

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Contents

1. Introduction 3
2. Choosing investments 3
3. Investment objectives 3
4. Kinds of investments to be held 4
5. The balance between different kinds of investments 4
6. Risks 4
7. Expected return on investments 5
8. Realisation of investments 6
9. ESG-related risks, view of members, the exercise of voting rights, engagement activities, manager incentivisation and conflicts of interest 6
10 Monitoring 6
11 Agreement 6
Appendix 1 Note on investment policy of the Plan in relation to the current Statement of Investment Principles 7
Appendix 2 Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities, and policy on arrangements with investment managers 8

1. Introduction

1.1. This Statement of Investment Principles has been prepared by the Trustee of the IDEMIA UK Pension Plan ('the Plan'). It sets down the principles that govern the decisions the Trustee makes about investments

1.2. In preparing this statement the Trustee consulted IDEMIA UK Limited ('the Employer'), and obtained advice from Howden (a trading name of Barnett Waddingham LLP), the Trustee's investment consultant. Howden is authorised and regulated by the Financial Conduct Authority.

1.3. This statement has been prepared taking account of the 2001 Myners review of institutional investment (including subsequent updates), and pension scheme funding legislation.

1.4. The Trustee will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

2. Choosing investments

2.1. The Trustee's policy is to set a target asset allocation expected to meet the Plan's financial and non-financial objectives. In doing so, the Trustee considers the advice of its professional advisers, who they consider to be suitably qualified and experienced for this role.

2.2. The Trustee completed a bulk annuity insurance transaction with Aviva Life & Pensions UK Limited ('the Insurer') via a contract dated 20 July 2026. This is expected to provide income to the Plan that matches the benefits due from it, over the period until all benefits are fully paid out.

2.3. The bulk annuity contract held with the insurer is the Plan's main investment.

2.4. The Insurer is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

2.5. The Trustee holds a relatively small amount of residual assets outside of the bulk annuity contract in a liquidity fund managed by Legal & General Asset Management ('L&G'). L&G is authorised and regulated by the Financial Conduct Authority and are responsible for stock selection. It is expected that these holdings will be used to meet a mixture of costs.

2.6. The Trustee also holds funds accumulated in respect of Additional Voluntary Contributions, which are also invested with L&G. It is expected that these holdings may be transferred to an alternative arrangement and aligned with the Insurer's arrangements.

2.7. Consequently, it is expected that the Trustee's main responsibility in choosing investments over the remaining lifetime of the Plan will primarily be related to relatively narrow areas.

2.8. The Trustee continues to review the appropriateness of the Plan's holdings on an ongoing basis. However, the Trustee would consider it unlikely that any material future changes to the investment strategy will be made, beyond those described above as being necessitated by the process of securing members' benefits.

2.9. The Trustee will consult the Employer before amending the investment strategy.

3. Investment objectives

3.1. The Trustee has agreed investment objectives in light of an analysis of the Plan's projected liability profile, an understanding of the relationship that exists between the value of investments and the actuarial value placed on the liabilities, as well as the constraints the Trustee faces in meeting its objectives.

3.2. The Trustee's main investment objectives are set out below:

- to hold assets that provide a high likelihood that members' entitlements under the Trust Deed and Rules will be met in full as they fall due;
- to invest in assets of appropriate liquidity to meet potential remaining liabilities that are not covered by the bulk annuity policy;
- to otherwise bring the Plan into a position where all of its liabilities can be secured through individual policies held by members.

3.3 The Trustee is aware of the relationship that exists between the investment portfolio that is held and the level of funding of the Plan's liabilities. The Trustee has obtained exposure to investments that they expect will meet its objectives as best as possible.

4. Kinds of investments to be held

4.1. The Trustee is permitted to invest in a wide range of assets including annuities, equities, bonds, cash, property and alternative asset classes, such as hedge funds, private equity and infrastructure. The Plan is also permitted to invest in derivatives including swaps and gilt repurchase agreements.

4.2. The Plan's current investment strategy for assets backing defined benefit liabilities involves holding the majority of its assets in a bulk annuity insurance contract, with a residual holding in the L&G Sterling Liquidity Fund.

4.3. Given the Plan's investment strategy, it is not expected that the Plan will hold any employer-related investments. However, this is typically checked annually by the Plan's auditors.

4.4. Funds accumulated in respect of Additional Voluntary Contributions are discussed in **Appendix 1**.

5. The balance between different kinds of investments

5.1. The Plan invests in assets that are expected, in combination, to achieve the Trustee's objectives.

5.2. The Plan holds a bulk annuity policy expected to produce income expected to match the benefit entitlements of the Plan's members until these are met in full. The remainder of the Plan's assets are held in the Trustee bank account and the L&G Sterling Liquidity Fund.

6. Risks

6.1 The Trustee has considered the following risks for the Plan with regard to its investment strategy and ability of the Plan to meet its liabilities in full. The need to manage such risks formed a key part of the decision to purchase a bulk annuity contract with the Insurer.

Risk versus the liabilities	The Trustee notes that by securing the Plan's benefits with an insurer, the risk of defined benefits not being met is now very low.
Covenant risk	The Plan is less reliant on the strength of the Employer's covenant as the Plan's defined benefits have been secured in full with an insurer. Until the bulk annuity policy is converted into individual member contracts with the Insurer, the Employer would retain a legal obligation to make good any shortfall between benefits due from the Plan and the income provided by the bulk annuity contract.
Insurer counter party risk	The risk of the insurer defaulting has been managed through the selection of a reputable UK regulated insurer and potentially supported by the insurance compensation regime in place should an insurer fail.
Investment manager risk	The Trustee monitors the performance of the residual assets. The Trustee has a written agreement with a reputable, UK-regulated investment manager, which contains a number of restrictions on how the manager may operate.
ESG/Climate risk	The Trustee has considered long-term financial risks to the Plan and ESG factors (including climate risk). While the Trustee considers these factors to be potentially financially material, management of these risks over the lifetime of the contract is primarily an issue for the Insurer to manage.
Concentration risk	The investment manager and the Insurer are expected to manage broadly diversified portfolios and to spread assets across a number of individual securities, as appropriate given their relevant mandates and the insurance regulatory regime.
Liquidity risk	The Plan invests in assets, including cash, such that there is sufficient allocation to liquid investments to meet the Plan's remaining cashflow requirements that are not covered by the bulk annuity insurance contract. The Plan's administrators monitor the level of cash available in the Plan's bank account.
Currency risk	The Plan's liabilities and the income produced by the bulk annuity contract are both denominated in sterling.
Loss of investment	In the event of the Insurer becoming insolvent, the Plan could suffer losses on the contract, but would still retain the liability to pay members' benefits. This risk is mitigated by the UK-regulatory regime for insurers. The risk of loss of investment by the investment manager is assessed by the Trustee. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud).

6.2 The risks set out above are primarily managed through the terms of the insurance policy and the regulatory protections provided by the UK insurance regime. The Trustee therefore takes the view that such risks are likely to have a low likelihood of impacting the Plan's ability to meet its liabilities as they fall due.

7. Expected return on investments

7.1. The Trustee has chosen to invest the vast majority of assets backing defined benefits in a bulk annuity policy. The remaining assets are held in holdings reflective of the nature of the residual liabilities that may fall due on the Plan that are not covered by the policy, and ongoing expenses.

7.2. The Trustee has not set an expected return on the bulk annuity policy, given that its primary purpose is as an insurance contract rather than a return-seeking investment.

8. Realisation of investments

8.1. The bulk annuity policy with the Insurer is not readily realisable and the Trustee does not expect to need to surrender or realise the contact given its nature and purpose. The income from the bulk annuity policy will be used to pay benefits covered by the policy.

8.2. The Trustee otherwise makes disinvestments from the investment manager with the assistance of its advisers and administrators, as necessary, to meet the Plan's cashflow requirements.

9. ESG-related risks, view of members, the exercise of voting rights, engagement activities, manager incentivisation and conflicts of interest

9.1 Since the majority of the Plan's assets are held in an insurance policy, these matters are primarily an issue for the Insurer to manage. This is reflected in the Trustee's own policies, as summarised in Appendix 2.

10 Monitoring

10.1 The Trustee will monitor performance of the residual holdings backing defined benefit liabilities and the AVC arrangements on a regular basis, considering whether the current manager and funds offered remain appropriate.

11 Agreement

11.1 This statement was agreed by the Trustee and replaces any previous statements.

11.2 Copies of this statement and any subsequent amendments will be made available to the Employer, the investment managers, the Scheme Actuary and the Plan Auditor upon request and will be published online as required by regulations.

This Statement of Investment Principles was approved by the Trustee of the IDEMIA UK Pension Plan on 18 September 2026.

Appendix 1 Note on investment policy of the Plan in relation to the current Statement of Investment Principles

1. Appointed managers/insurer

The Trustee has appointed the following investment managers to carry out the day-to-day investment of the Plan's assets.

- Legal & General Asset Management ('L&G')
- Bulk annuity policy with the Insurer

The Trustee invests members' Additional Voluntary Contributions ('AVCs') through a range of funds managed by L&G. This arrangement is reviewed from time to time.

The investment managers and AVC providers are authorised and regulated by the Financial Conduct Authority.

2. The balance between different kinds of investment

Most of the Plan's assets backing defined benefits are held in a bulk annuity policy. The remaining assets are held in the Plan's bank account and in the L&G Sterling Liquidity Fund, bearing in mind the nature of the potential additional liabilities that may fall due on the Plan that are not covered by the policy. The objective of the fund is outlined below.

Asset class	Fund	Objective
Liquidity/money-market	L&G Sterling Liquidity Fund	Offer access to liquidity, provide capital stability and a competitive return in relation to SONIA.

3. Investment management charges

The fees paid by the Plan are recorded in the contracts agreed between the Trustee and the investment managers.

4. Remuneration of investment consultant

The Trustee has appointed Howden to advise on investment matters. Howden are remunerated on a mixture of pre-agreed fixed fees and time-cost rates.

Appendix 2 Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities, and policy on arrangements with investment managers

1. Financially Material Considerations

The Trustee considers that factors such as environmental, social and governance (ESG) issues (including but not limited to climate change) have the potential to be financially material over the long-term. However, as the Trustee has completed a purchase of a bulk annuity policy in respect of the entirety of the Plan's defined benefit liabilities, the Trustee is not directly able to manage these risks and has delegated this responsibility to the Insurer.

The remaining assets are held bearing in mind the short-term nature of the potential additional liabilities that may fall due on the Plan and are not covered by the Insurer policy.

The management of ESG and climate change by insurers was considered as part of the decision to purchase the buy-in policy.

The Trustee has an expectation that the Insurer will consider ESG-related issues in selecting securities and other investments, or will otherwise engage with the issuers of their underlying holdings on such matters in a way that is appropriate for the nature of the assets under consideration.

2. Approach to monitoring ESG policy

The Plan's assets are held as a bulk annuity policy and cash. Given the nature of the current holdings in the Plan, the Trustee will review and monitor the ESG policy as they deem appropriate, considering the risks that present themselves.

3. Policy on the exercise of voting rights and engagement activities

The Trustee notes that by securing the Plan's benefits with an insurer, they have limited ability to influence the voting and engagement activities undertaken on behalf of the Insurer. Responsibility for engagement with the issuers of investments underlying the bulk annuity policy, including voting policy (where applicable), is the responsibility of the Insurer.

The Plan retains cash and liquidity holdings but the Trustee notes, due to a number of controls at both the asset manager and counterparties, the impact of impact of engagement on the risk/return of the cash/liquidity holdings is limited. The Trustee has therefore not set stewardship priorities in respect of these holdings.

4. Non-financially material considerations

When constructing the investment strategy and selecting investment managers, the Trustee does not prioritise non-financial matters. Given the bulk annuity purchase, the Trustee has limited ability to address non-financial matters.

The Trustee will review its policy on whether or not to take account of non-financial matters periodically.

5. Policy on arrangements with investment managers

Incentivising alignment with the Trustee's investment polices

Arrangements for incentivising the investment managers of the assets underlying the bulk annuity policy are an issue for the Insurer.

Method and time horizon for assessing performance

The Trustee does not undertake regular formal monitoring of the investment managers due to the limited benefit of this activity given the bulk annuity policy held with the insurer for the majority of liabilities. However, the Trustee would undertake such monitoring if it was deemed necessary.

The Plan invests in a liquidity fund and a bulk annuity policy. The investment manager is remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the fund grows, due to successful investment by the investment manager, they receive more and as the value falls they receive less.

The Trustee asks the Plan's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered as frequently as the Trustee considers appropriate in light of the prevailing circumstances.

Portfolio turnover costs and duration of arrangement

The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. However, given the bulk annuity policy and liquidity holdings of the Plan, the Trustee notes that the impact of portfolio turnover costs and the duration of arrangement with the investment manager are expected to have zero impact.

For the open-ended pooled fund in which the Plan invests, there are no predetermined terms of agreement with the investment manager.

The suitability of the Plan's asset allocation and its ongoing alignment with the Trustee's investment beliefs is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

6. Conflicts of interest

The Plan's investment adviser is independent and no arm of their business provides asset management services. This, and their FCA-regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflicts of interest.

The Trustee expects its investment manager and the Insurer to have conflicts of interest policies in relation to their engagement and ongoing operations. The Trustee therefore believes it has managed the potential for conflicts of interest in the appointment of the investment manager, Insurer and investment adviser, and conflicts of interest between the Trustee, investment adviser, investment manager, Insurer and any underlying investee companies.