

## **Uniac Pension Fund: Statement of Investment Principles (SIP)**

### **1. Introduction**

The Uniac Pension Fund (the “**Fund**”) provides pensions for certain former employees that worked for Unilever outside the UK. The investment requirement is to provide long term security, maintenance of value and to ensure the Pension promise is met. This Statement is prepared by Unilever Pension Trust Limited and the Law Debenture Pension Trust Corporation plc as joint trustees of the Fund. The Trustees have consulted with Unilever PLC as the Principal Employer of the Fund, and received written professional independent investment advice in respect to this Statement. In investing the assets, the Trustees take account of the status of the Fund as a Section 615 (overseas) fund, which has implications for the taxation of the assets. This Statement has been prepared in accordance with Section 35 of the Pensions Act 1995, as amended from time to time.

### **2. Appointment and Delegation**

Investment management and compliance stewardship is delegated by the Trustees to authorised discretionary and non-discretionary managers. The names of the managers and mandates are outlined in the Fund’s annual report and accounts.

### **3. Investment Strategy**

The strategic allocation of the assets, between the major asset classes, is viewed by the Trustees as the most important means of controlling the balance between risk and expected return on the Fund’s assets. Assets are invested in a way appropriate to the nature and duration of the liabilities and to ensure appropriate diversification between asset classes. The Trustees will seek professional independent investment advice in relation to the allocation of the Fund’s assets.

### **4. Investment Objectives**

The overriding objective of the Trustees is to ensure that sufficient assets are available to pay out members’ benefits as and when they fall due. A large part of the assets are secured as a pension policy with an insurance company held in the name of the Trustees. The Trustees will invest the non-insured assets to achieve a balance between the desire to achieve sufficient investment returns to be able to secure the benefits and the need to match the Fund’s liabilities (in terms of insurance pricing where possible), in light of the need to minimise the risk of an unacceptably high contribution rate (or low funding level) resulting from too aggressive an investment strategy. Further, the Trustees wish to maintain the investments of the Fund at sufficiently marketable levels so that the Fund can realise the investments, if necessary, to make the benefit payments required or pay insurance premiums.

## 5. Investment Management Structure

Having set the strategic allocation for each asset class, the Trustees use external investment managers to implement the strategy in order to achieve the objectives. Where appropriate, a diversified broad market exposure is targeted, and in some cases, returns are sought above those of market indices.

## 6. Permitted Investments and Constraints

Among the guidelines given to each external investment manager are a number of other restrictions and constraints. The manager briefs have been set after consideration of the guideline policies of Unilever's internal investment team.

## 7. Custody

The Trustees regard the safekeeping of the Fund's assets as being of paramount importance. Accordingly, the custody of the assets under management has been delegated to Northern Trust Company (the "Custodian"). The Trustees are satisfied that the Custodian meets their criteria with regard to the safekeeping of assets and service levels are documented and reviewed on a regular basis.

## 8. Monitoring

Performance is measured, and reports are prepared quarterly.

## 9. Environmental, Social and Governance (ESG)

The Trustees are signatories to the United Nations Principles for Responsible Investment (UNPRI) through the Unilever Pension Funds umbrella agreement. It is the Trustees' policy that ESG considerations are taken into account in the selection, retention and realisation of investments to the extent that they are relevant in assessing the future prospects of specific investments. The Trustees do not take any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) into account in the selection, retention and realisation of investments. *Corporate governance activities have been delegated to the Fund's investment managers or specialist ESG engagement organisations, with the understanding that they will exercise voting rights in the best long-term financial interests of the assets that they manage.* The Trustees may, from time to time, ask the Fund's managers or specialist ESG engagement organisations to explain their corporate governance policy and practices, and review voting activities.

## 10. Investment Manager Costs and Practices

The Trustees have limited influence over managers' investment practices because all the Fund's assets are held in pooled funds, but they encourage their managers to improve their practices where appropriate.

The Trustees' view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustees' responsibility to ensure that the managers' investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies.

*[Signature removed for publication]*

Lyn Williams, Chair of Trustees

Signed on behalf of the Trustees of the Fund

Date 7 February 2023