Statement of Investment Principles

OFP BP Pensioenfonds
Langerbruggekaai 18 – 9000 Gent (Belgium)

Registered on 26 September 2002 by the FSMA under code 50.521

Company number: 0472.656.155

1 January 2021

1. Introduction

1.1 The OFP BP Pensioenfonds (“the OFP”) is an Institution for Occupational Retirement Provision established to provide employment-related pension benefits for companies in the BP group. The OFP can carry out its activities in Belgium as well as abroad, provided that all required conditions are fulfilled.

1.2 Appendix A lists the companies (“Sponsoring Undertakings”) which are (or shall become) constituent members of the OFP and the associated pension schemes (“Schemes”).

1.3 The OFP is entrusted with the management and implementation of the Schemes, and it undertakes to manage the funds entrusted to it in the most efficient way (on an obligation of means basis). It commits itself to prudently administer all financial resources which it has or shall have at its disposal.

1.4 The General Assembly of the OFP, comprising of representatives of the Sponsoring Undertakings, has the widest powers to carry out or ratify actions which concern the OFP, as outlined in the Bye-laws of the OFP (the “Bye-laws”) and under applicable legislation.

1.5 The General Assembly delegates authority to the Board of Directors (“Directors”) to determine the general policy and strategy of the OFP and to oversee the operation of the OFP in accordance with the OFP Bye-laws, associated OFP documentation and governing legislation.

1.6 This Statement of Investment Principles (“SIP”) documents the principles and guidelines adopted by the Directors for governing the investment-related activities of the OFP. In preparing the SIP, the Directors have consulted those persons it considered appropriate.

1.7 This SIP is developed in accordance with the requirement contained in article 95 of the Law on the Institution for Occupation Retirement Provision and restated in article 41bis of the Law on Occupational Pensions.

1.8 The Directors may delegate certain activities to external parties; however, the Directors retain ultimate responsibility for the sound management of the OFP.

1.9 The Directors are required to review the SIP on the admission of any new Sponsoring Undertakings and associated Schemes to the OFP, and in any event at least annually. Changes should be made where necessary so that the SIP continues to be appropriate to the circumstances of the OFP.

1.10 This version of the SIP reflects that as from 01/01/2021 the shares of BP Chembel NV and BP Aromatics Limited - Belgian branch are transferred to the INEOS Group. For this reason, Chembel NV and BP Aromatics Limited - Belgian branch can no longer be Sponsoring Undertakings of the OFP as from that date onwards. The pension rights of the Active Members and the related assets of BP Chembel NV and BP Aromatics Limited - Belgian branch are transferred to the INEOS Pension Fund per 01/01/2021. Castrol (Ireland) Ltd. assumes the pension liabilities for the Passive Members and Beneficiaries (on 01/01/2021) of BP Chembel NV and BP Aromatics Limited - Belgian branch (unless the Passive Member or Beneficiary would have opted for the transfer of his/her vested rights to the INEOS Pension Fund).

Upon considering that as from 01/01/2021 the employees of BP Europa SE - BP Belgium related to the lubricant activities are transferred according to “cba 32bis” to Castrol Belgium BV.

Castrol Belgium BV takes over the Pension Schemes for the transferred employees and assumes all pension liabilities for these employees. As a result, Castrol Belgium BV has become a new Sponsoring Undertaking in the Belgian Section of the OFP.

Upon considering that as from 01/01/2021 the employees of BP Europa SE - BP Netherlands related to the lubricant activities are transferred according to “Art 663 BW” to Castrol Nederland BV. Castrol Nederland BV takes over the Pension Schemes for the transferred employees and assumes all pension liabilities for these employees. As a result, Castrol Nederland BV has become a new Sponsoring Undertaking in the Dutch Section of the OFP.

Upon considering that as from 01/07/2021 the employees of BP Oil España S.A.U. related to the lubricant activities are transferred according to Spanish TUPE law to Castrol España S.L. Castrol España S.L. takes over the Pension Schemes for the transferred employees and assumes all pension liabilities for these employees. As a result, Castrol España S.L. has become a new Sponsoring Undertaking in the Spanish Section of the OFP.

2. Governance Framework

2.1 The relationship between the Sponsoring Undertakings and the OFP is regulated by the Management Agreement agreed between those parties.

2.2 The Sponsoring Undertakings have charged the OFP with the administration and implementation of the Schemes of those Sponsoring Undertakings, as well as with the financial management of the funds transferred or subsequently contributed to the OFP.

2.3 The Directors shall adhere to appropriate fiduciary principles when making decisions affecting the OFP and shall take into consideration the impact of such decisions on all stakeholders associated with the OFP.

2.4 Under Article 27 of the Bye-laws, an Investment Committee may be appointed by the Directors to advise the Directors on investment-related matters and to assist with investment management activities. The mandate of any such Investment Committee is outlined in Appendix D. The Investment Committee shall exercise its mandate in the context of and while respecting this SIP.

2.5 The Directors also determines all the conditions relating to the appointment of such Investment Committee, exercise and termination of the mandate, and possible remuneration payable to members of such Investment Committee.

2.6 At the date of preparation of this SIP, the Directors have not appointed such an Investment Committee. However, an Investment Sub-Group (ISG) was established to inform the Board of Directors on the investment matters as mentioned in Appendix D of this document. The ISG has no executive nor decision powers. It is not set-up as an ‘other operational body’ according to article 31-33 of the law covering the supervision of professional retirement institutions.

3. Investment Management

3.1 The management of the OFP investment portfolio is delegated to regulated external professional investment managers whose activities are governed by the applicable Investment Manager Agreements (IMA), and the investment managers are expected to comply with the SIP.

3.2 The Directors are ultimately responsible for managing the assets and the suitability of the OFP's investment program, delegation of investment management activities to external managers does not absolve the Directors of this responsibility.

3.3 The Directors set the investment strategy for the OFP taking into consideration the economic characteristics and maturity structure of its liabilities, the size of the OFP assets, future cash inflows and outflows, its funded status, the risk appetite of the Sponsoring Undertakings and the outlook on investment markets.

3.4 The investment strategy is outlined in Appendix B. The investment strategy applied in respect of Scheme(s) associated with a particular host country may also be obliged to take into account additional requirements as specified by the competent authorities of that host country under article 18 paragraph 7 of the 2003 IORP Directive. Any such additional requirements are noted as part of the relevant host country description in Appendix B.

3.5 The OFP is required to have diversification in its investments, and to invest its assets in financial instruments that are liquid and readily marketable. The proportion of illiquid investments will be regularly monitored by the Directors to ensure that it does not pose any adverse consequence to the liquidity of the OFP and the ability to pay benefits as they fall due.

3.6 The Directors and investment managers shall establish risk and return performance objectives and appropriate benchmarks for measuring performance against these objectives. The investment performance of the OFP, the investment managers and compliance with the SIP shall be assessed on a quarterly basis.

3.7 The Directors may seek assistance from external consultants as required for providing expertise and advice to assist the Directors in making prudent decisions with respect to the investment of the OFP assets, including the development of the SIP and the hiring, monitoring and replacing of investment managers. The Directors may also consult BP Treasury on investment strategy matters to assist them in their decision-making.

3.8 The investment mandates (as summarised in Appendix E) can be terminated by the Directors by written instruction to the investment managers at any time with immediate effect (BNP Paribas Investment Partners) and with one business day written notice (BlackRock Investment Management (UK) Ltd). In normal circumstances, the investment managers may terminate their mandate on giving one (BlackRock Investment Management (UK) Ltd) or three months' (BNP Paribas Investment Partners) written notice to the OFP. The investment in the Towers Watson Euro Secure Income Fund, managed by Towers Watson Investment Management Limited, has been realized through a direct subscription form and therefore no investment mandate exists between the fund manager and the OFP.

3.9 The investment mandates of the OFP contain at least the following information:

3.9.1 *Investment guidelines.* These guidelines ensure that the asset manager invests in line with the fund's liabilities, risk attitude and the sustainable investment policy.

3.9.2 *Management fees.* These fees are market practice and enforce that the efforts and remuneration of the investment managers are in line with the long-term interests and the liabilities of the OFP.

3.9.3 *Long-term focus.* The investment mandates ensure that no unnecessary costs are incurred through short-term policies or transactions that conflict with the long-term objectives of the OFP.

3.9.4 *Risk management.* The agreements ensure that the investment managers have an adequate risk-management function.

3.9.5 *Reporting*. The investment mandates contain information on the investment and financial reporting which the asset managers will provide to the OFP.

4. Director Responsibilities

The Directors are responsible for managing the investments of the OFP, including:

4.1 Creating the SIP and reviewing it on the admission of any new Sponsoring Undertakings and associated Schemes to the OFP, and in any event at least annually, to ensure its ongoing suitability to the circumstances of the OFP;

4.2 Setting investment strategy for the OFP that is appropriate in the context of the OFP's liability structure, Fund size, and risk tolerances of the OFP and the Sponsoring Undertakings;

4.3 Reviewing the investment strategy at least annually, and more frequently in response to significant changes in investment markets, the OFP's liability structure, asset volume, and risk tolerances of the OFP and the Sponsoring Undertakings;

4.4 Selecting investment managers for the mandates required to implement the investment strategy, taking into consideration their perceived strengths and skills, cost competitiveness and the preferred investment manager relationships established with the Sponsoring Undertakings;

4.5 Setting performance objectives for the appointed investment managers (set out in Appendix E);

4.6 Approving a written Investment Manager Agreement with each investment manager;

4.7 Monitoring investment manager performance against performance objectives and compliance with the SIP;

4.8 Monitoring the investment performance of the OFP against performance objectives and compliance with the SIP;

4.9 Taking appropriate actions when performance of investment manager has not met expectations;

4.10 Reporting at appropriate intervals and at least annually to the Sponsoring Undertakings on the investment performance of the OFP and upon any change to investment policy, investment mandates or investment managers.

5. Investment Manager Responsibilities

5.1 The Investment Manager is responsible for investing the portion of OFP assets allocated by the Directors according to the investment mandate for which they have been hired.

5.2 In carrying out its investment activities the Investment Manager is expected to comply with the SIP and Investment Manager Agreement, and to advise the Directors as soon as practicable if any of its activities are not in compliance with these documents. Relevant parts of the SIP will be provided to the Investment Manager for this purpose.

5.3 The Investment Manager is expected to furnish on a monthly basis all information relating to the investment portfolio reasonably requested by the Directors for the purpose of assessing the Investment Manager performance and compliance with the SIP and Investment Manager Agreement.

5.4 The Investment Manager is expected to meet with the Directors at appropriate intervals (at least annually) to discuss the portfolio and performance, investment markets and other matters relevant to their mandate.

5.5 The Investment Manager is expected to inform the Directors of matters which may impact their mandate; including but not limited to significant changes to their organization, acquisitions and disposals, changes in significant personnel, and material changes in investment process.

5.6 The Investment Manager should inform the Directors promptly of any conflicts of interest arising in the carrying out of its duties as Investment Manager of the OFP.

6. Risk Management

6.1 The Directors recognise that risk is inherent in any investment activity. The Directors review those risks relative to the investment strategy adopted and implement measures to mitigate associated risks and to limit their impact on the OFP's overall investment performance as appropriate.

6.2 The Directors may manage operational risk by inter alia:

a. Appointing a professional, regulated external third-party custodian to hold the OFP's financial assets in accordance with a Custody Agreement negotiated by the Directors;
b. Documenting controls and constraints relating to the relationships with the appointed external investment managers in the Investment Manager Agreements;
c. Reviewing reports and the work of independent external auditors appointed by the General Assembly to audit the accounting records relating to the investment activity of the investment managers; and
d. Receiving reports of independent auditors on their review of the internal operating procedures of the custodian and investment managers.

6.3 The various investment risks are identified below.

6.4 Market risk is the risk that the investment return of the OFP falls short of the growth in liabilities due to inadequate returns earned by asset classes included in the strategic asset mix. The Directors mitigate market risk by inter alia:

a. Diversifying investments within each major asset class included in the strategic asset mix
b. Monitoring and re-balancing the portfolio so that the proportion of assets invested in each major asset class remains within the limits prescribed by the SIP;
c. Where practical, restricting the fixed income portfolio to investments denominated in the currency of the Schemes so as to match the currency in which liabilities are paid;
d. Matching (in part or in full) the duration or timing of cash flows from fixed income portfolios with those of the liabilities to reduce the interest rate risk exposure for the Dutch and the Irish Section;
e. Regular monitoring of the strategic asset mix to ensure its ongoing appropriateness for the circumstances of the OFP.

6.5 Manager risk is the risk that the investment returns earned by the managers appointed by the Directors falls short of the benchmark against which their performance is measured. The Directors mitigate manager risk by inter alia:

a. Investing in collective investment vehicles that are passively managed against widely used broad market indices where appropriate;
b. Restricting the investment activities of externally appointed investment managers through investment manager agreements that are tailored to be consistent with the overall investment objective of the OFP;
c. Requiring the investment managers to monitor and rebalance the asset mix of their portfolio as specified in the IMA to ensure the allocation to each asset class remains within the strategic asset allocation weights;
d. Regular monitoring of the investment performance of each manager, taking into consideration both return and risk aspects of performance.

6.6 Liquidity risk is the risk that the OFP, although solvent, does not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can only fulfil them at excessive cost. The Directors mitigate liquidity risk by inter alia:

a. Monitoring the OFPs' operating cash flows and liquidity strains;
b. Investing the OFP's assets substantially in financial instruments that are liquid and readily marketable so that illiquid investments, if any, will constitute only a small proportion of the total assets and will not pose any adverse consequence to the liquidity of the OFP.

c. Running a cash flow matching portfolio for the Irish DB section (a cash flow negative section) whereby a key objective is to allow for sufficient liquidity (cash availability) at any time.

6.7 Credit risk (in relation to fixed income investment) is the risk that the bond issuer is unable to meet all interest and principal payments in full and on schedule. Credit risk in the Matching Portfolio is mitigated by restricting the debt securities to investment grade and by avoiding taking active positions on credit exposure. For most sections, passive exposure to defined debt securities universes is gained using a combination of publicly available unitised funds. Part of the Matching Portfolio for the Dutch section is managed on a segregated basis using high quality Eurozone government and corporate bonds which provide additional flexibility for hedging the liabilities. The Growth Portfolio will be allowed greater but controlled credit risk exposure through pooled funds by investing in alternative credits for diversification and to generate enhanced returns from the additional credit spreads.

6.8 Interest rate risk is the risk that the change in the market value of assets does not offset fully the change in the value of the liabilities as a result of changes in the market interest rates. The board of directors has identified the Dutch and the Irish DB plans to represent the large majority of the interest rate risk. For the Irish DB section, a full cash flow matching strategy is adopted. In view of the size of the Dutch plans, a tailored strategy is adopted for the Dutch section to reduce the interest rate exposure by extending the duration of the Matching Portfolio assets which include the use of a combination of a segregated bond portfolio, interest rate swaps and secure income assets. A dynamic interest rate hedging policy has been put in force.

6.9 Currency risk is the risk that exchange rate fluctuations will impact the value of the investments denominated in currencies other than those in which the liabilities are expressed. The underlying investments in the Matching Portfolio are all denominated in Euro; only investments in the Growth Portfolio is allowed limited currency exposure which is not hedged as the Directors consider the currency effects to be neutral over the long-term and the short-term exposure to be acceptable.

6.10 The Directors receive quarterly investment and risk reports from their appointed independent investment consultant detailing the performance of each manager and mandate against its strategic benchmark. The reports also include an estimate of the funding level by country section based on a roll-forward estimate of the liability values, and an estimate of the VaR "value-at-risk", being the potential change in the funding position as a result of adverse events. These reports are tabled and discussed at each regular Director meeting.

7. Exercise of Investment Rights

7.1 The Directors are responsible for exercising rights attached to the investments of the OFP and exercise such rights in the interests of the OFP beneficiaries. The Directors may delegate some or all of such rights to its external investment managers or to other external advisors as appropriate.

7.2 The OFP endeavours to improve sustainable practises of its portfolio by actively engaging with the investee companies / assets and where relevant utilise the voting rights it has as a shareholder of companies. The OFP strives, where it is in the position to do so, to include ESG aspects into these stewardship activities, Due to governance constraints, the OFP has a preference to invest through pooled investment vehicles. This implies that the OFP confirms to the stewardship policy present within the selected funds. The OFP therefore delegates Stewardship activities to external providers (asset managers), but makes sure to understand their policies, examine their suitability to the OFP's convictions, and review the managers' reporting on its stewardship activities.

7.3 The Directors require the appointed investment managers to vote on behalf of the OFP at every opportunity when reasonably practicable and commercially prudent.

7.4 In casting votes in respect of the OFP, the appointed investment managers will normally implement their own voting policies on shareholder activism and in the interest of maximizing the value of the investment. However, the Directors retain the right on a case-by-case basis, where deemed necessary or appropriate, to direct investment managers to vote in accordance with the wishes of the Directors.

7.5 The exercising of rights which are not voting rights (e.g. dividend entitlements, rights issues etc.) is delegated by the Directors to the investment managers of the OFP as part of their normal investment responsibilities.

8. Sustainable Investments

8.1 The Directors are responsible for the sustainability of the investment results of the fund to be able to continue to fulfil its ambitions in the future. For this reason, the OFP has carefully considered its position regarding sustainable investing.

8.2 **Investment belief on Sustainability**
The pension fund has a responsibility towards society and in particular its participants. Financial considerations, therefore, are not the only considerations for determining the investment policy. The board believes that sustainable investment improves the risk/return profile of the pension fund in the long term. Investing sustainably is therefore a consideration for the OFP.

8.3 **Principles**

- Sustainability should be integrated into the complete investment cycle of the pension fund.

- The pension fund can use the following sustainable investment instruments, considering the practical implications:
    - Stewardship: The pension fund utilizes its influence to steer the behaviour of the entities it finances through voting and engagement. It will engage with its managers on their voting and engagement policies or consider external engagement managers.
    - Negative screening: The fund has the option to exclude countries, sectors or companies when breaching minimum sustainability requirements and when positive change is not expected.
    - Positive screening: The fund has the option to tilt its portfolio toward desired ESG and/or SDG criteria.
    - Delegation: Sustainability is integrated into the pension fund's selection, evaluation and reporting criteria.

- Sustainable positioning should take place in line with the convictions of the fund. Long term developments like e.g. climate change and technological developments should be taken into account.

8.4 **OFP positioning on sustainable investment**

Principles
The OFP believes that, in the long term, sustainable investment leads to an improved risk/return profile. The integration of Environmental, Social and Governance considerations into the investment process leads to better informed investment decisions and furthermore limits the pension fund's reputational risk. Integrating sustainability considerations into the investment cycle provides a framework for the steps toward implementation of the policy, as shown in the table 1.
The fund strongly believes that long-term structural developments (megatrends), like e.g. climate change, will eventually materialize in the financial markets, and hence impact investment results. (1) Technological change, (2) changing society and demography, and (3) climate change are expected to be the most impactful megatrends for the pension fund. The pension fund has an advantage over other investors because it can invest for the long term, therefore it should exploit this competitive advantage by positioning the portfolio to protect against and where possible profit from these long-term structural developments.

The OFP has some tolerance for short term headwinds when it expects a more resilient portfolio in the long term. The fund is willing to accept short term volatility, compared to a traditional approach, as a result of implementing sustainability aspects, because it expects better long-term returns. It is acceptable that the pension fund incurs limited net costs (or a lower return) in exchange for a more sustainable investment portfolio. Also, where practical the pension fund tilts the investment portfolio towards ESG aspects.
The OFP has not enough in-house capacity for implementing a full sustainable investment policy. Third parties employed by the OFP are therefore examined on their sustainable investment policies and activities. The OFP evaluates the extent to which these are in line with the OFP's position.

8.5 The OFP does not explicitly consider the adverse impacts of investment decisions on sustainability factors as stipulated in article 4 of the Sustainable Finance Disclosure Regulation ("SFDR") and the upcoming secondary legislation. The pension fund operates under limited governance and therefore has no capacity to perform the additional due diligence when the adverse impact of investment decision on sustainability factors are considered.

8.6 The remuneration policy of the OFP does not depend on the OFP's integration of sustainability risks.

SIGNATURES

This Statement of Investment Principles of the OFP is drawn up with the approval of the Board of Directors of the OFP and is submitted for ratification at the Annual Meeting of the General Assembly to be held on 17th June 2021.

Date: 27th May 2021 City: Gent

OFP BP Pensioenfonds – for the Board of Directors

Name: Besemer Frank

Title: Chairman

Signature:

Name: Van Vossole Patrick

Title: Secretary

Signature:

Appendix A – Sponsoring Undertakings and Pension Schemes

BP GROUP BELGIUM

- **Defined benefit pension schemes:**
  - BP Basic Scheme (white-collar)
  - Ex-BP Basic Scheme (white-collar) - closed
  - BP Basic Scheme (blue collar) - Oil sector – closed
  - Castrol Basic Scheme (blue collar) - Oil sector – closed

- **Defined contribution scheme (with interest guarantee)**
  - Ex-BP Supplementary Scheme (white-collar) - closed

- **Cash Balance pension schemes:**
  - BP Basic Scheme (blue collar) - Chemical sector - closed
  - BP Supplementary Scheme (white collar) - Chemical sector - closed
  - MIP Saving Plan - Oil sector
  - BP Basic Scheme (blue collar) - Oil sector
  - Castrol Basic Scheme (blue collar) - Oil sector
  - BP Welcome structure (onthaalstructuur – structure d'acceuil) Scheme – All Belgium

BP GROUP IRELAND

- **Defined benefit pension schemes:**
  - Non-Contributory Pension Scheme - closed

BP GROUP SWITZERLAND

- **Defined benefit pension scheme:**
  - Foseco Pension Scheme - closed

BP GROUP SPAIN

- **Defined contribution scheme (without interest guarantee):**
  - BP España Pension Scheme
  - BP Oil España Pension Scheme
    (including integration of the collective of participants from BP Oil Refinería de Castellón)
  - Castrol España S.L. Pension Scheme

- **Defined benefit scheme:**
  - BP Oil España DB Pension Scheme – closed

BP GROUP CYPRUS

- **Defined benefit schemes:**
  - BP Eastern Mediterranean Non-Contributory Scheme
    - BP Eastern Mediterranean Retirement Benefits (Differential) Scheme
    - BP Eastern Mediterranean Guaranteed Value of the Provident Scheme

- **Defined contribution scheme (without interest guarantee):**
  - BP Eastern Mediterranean Provident Scheme

BP GROUP NETHERLANDS

- **Defined benefit schemes:**
  - 1991 BP Raffinaderij Rotterdam BV (DB Closed Plan) – BPRAF section
  - 1998 BP Nederland (DB Closed Plan) – BP NL section
  - 2002 BPNL (DB & DC Closed Plan) – BP NL section
  - 2003 BP Raffinaderij Rotterdam BV (DB Closed Plan) – BPRAF section
  - 2006 BP Europe SE – BP Nederland (DB & DC Closed Plan) – BP NL section
  - 2006 BP Raffinaderij Rotterdam BV (DB & DC Closed Plan) – BPRAF section
    - VPL transitional plan addendum II of “pensioenreglement 2006 BP Raffinaderij Rotterdam B.V”
  - 2015 BP Raffinaderij Rotterdam BV & BP Europe SE – BP Nederland DB Plan

- **Defined contribution scheme (without interest guarantee):**
  - 2015 BP Raffinaderij Rotterdam BV & BP Europe SE – BP Nederland DC Plan
  - 2015 BP Nederland Netto Pensioenreglement

Appendix B – Investment Strategy

1. Assets backing the following liability types: Defined Benefit, Defined Contribution (with interest guarantee) and Cash Balance

The investment strategy adopted by the Directors balances the objectives of delivering retirement benefits at an acceptable long-term cost to the Sponsoring Undertakings within acceptable risk levels in order to promote benefit security for the OFP's beneficiaries.

For the purposes of setting investment strategy, the Directors take into consideration the economic characteristics and maturity structure of the OFP's liabilities, the size of the OFP assets, future cash-inflows and outflows, the funded status of the OFP, the risk appetite of the Sponsoring Undertakings and the long-term risk/return characteristics of each asset class.

The primary objective of the investment strategy is to achieve an absolute long-term rate of return on the assets at least equal to the rate of growth in liabilities, while maintaining prudent risk levels so as to promote benefit security by limiting the risk of significant short-term funding shortfalls.

The strategic investment policy for the individual sections is evaluated as part of the Continuity Analysis or Asset Liability Management study (which are performed at least once every three years) to assess the impact of the strategy on the future financial position of the Schemes and to determine whether any change to the strategy is required.

The investment strategy adopted by the OFP is based on a Liability Driven Investing approach which comprises a "Matching Portfolio" (aims to match the interest rate sensitivity of the liabilities to a specified level on a nominal basis) and a "Growth Portfolio" (targets higher return to provide for indexation and long term asset growth).

With the exception of the Dutch and the Irish sections, the Matching Portfolio consists of fixed income pooled funds. As at 31 December 2020, the approximate duration of the liabilities of those sections on the LTP basis were: Belgium 13.8 years, Spain 8.2 years, Switzerland 6.2 years and Cyprus 8.7 years.

For the Irish section, the Directors have chosen to use a full cashflow matching approach in order to hedge the liabilities with greater precision. This approach entails investing in a portfolio of index-linked and nominal government bonds and high-quality supra-national bonds to provide income that matches the cashflow profile of the section as closely as possible while maintaining positive liquidity (cash availability) at all times. The high funding level of the Irish section allows for this approach to be implemented with an additional buffer of funds to protect against longevity risks, remaining duration mismatch (i.e. in order to keep a positive cash position at all times it is accepted that the duration of the investments is somewhat lower than the duration of the liabilities) and inflation mismatch (i.e. the risk that Irish inflation differs significantly from European inflation). At the end of the fourth quarter of 2020 the duration of the liabilities of the Irish section on the LTP basis was approximately 13.0.

For the Dutch section, the Matching Portfolio comprises a segregated portfolio of investment grade Eurozone government bonds, interest rate swaps, cash (for collateral management purposes), and Eurozone corporate bonds and, following the latest investment strategy review, an allocation to Secure Income assets to enhance diversification and return. Secure Income assets are long-term, typically illiquid, high quality investments that provide stable, predicable income from investments such as infrastructure.

In concert with this, the Directors have adopted a dynamic interest rate hedging strategy for the Dutch section where the target interest rate hedge ratio is related to both the funding level of the section on a PBO basis and the absolute level of interest rates. The Directors have also introduced the facility for interest rate hedging to be performed through the use of derivative contracts in addition to physical assets to give greater flexibility. The dynamic interest rate strategy is based on the following principles:

- If Interest Rate < 3% and Funding Level < 110%: 50% i-rate hedging, if not then if,
- Interest Rate < 4% and Funding Level < 120%: between 55 and 72% i-rate hedging
- Interest Rate > 4% or Funding Level > 120%: between 85% and 100% i-rate hedging

The duration of the liabilities for the Dutch section on the LTP basis was approximately 21.2 at the end of the fourth quarter of 2020. For the Growth portfolios of the Dutch, Belgian and Cypriot sections the Directors have opted to improve the level of diversification through the introduction of new Alternative Credit asset classes. The implementation of this allocation is ongoing.

The investment strategy for the Dutch section has been formulated to take account of the risk tolerance of the sponsors which is expressed using the one-year cash flow at risk (that is, the total contribution required in a given year).

The Directors have adopted a strategic benchmark for each country section that comprises a mix of fixed income and equity investments which provide adequate diversification within each asset class and balance the potential for enhanced long-term returns versus an acceptable level of short-term volatility associated with each asset class. In determining this strategic benchmark, and selecting benchmarks for the underlying asset categories, the Directors consider the impact of long-term trends on the investment portfolio.

The overall return benchmark of the individual sections is bespoke to reflect the varying investment strategies adopted and comprises a blending of the Matching Portfolio and Growth Portfolio return benchmarks weighted by their strategic asset allocation weights.

The long-term return of each strategy is expected to be broadly in line with the strategic benchmark, and at least in line with the assumptions underlying the actuarial valuations of the associated Schemes.

In deriving the overall investment strategy for the OFP, the notional strategic asset allocation appropriate to each section is considered in isolation before the separate strategies are combined and weighted to form the overall strategic asset allocation for the OFP.

Should there be a Stabilisation Fund established under Article 34 of the Bye-laws, its strategic allocation will be equal to the weighted average strategic allocation of the various Schemes.

Appendix E contains details of the investment manager mandates and benchmarks.

Strategic Asset Allocation for the OFP
The strategic asset allocation and the permitted bandwidths for the OFP is shown below. The Alternative Credit allocation will be implemented during 2021.

For the Dutch section:

Asset Class	Min.	Ultimate Strategic	Max.
Matching	**60%**	**65%**	**70%**
Segregated Liability Driven Investment (bonds, swaps, credits and cash)		50%	
Secure Income Assets		15%	
Growth	**30%**	**35%**	**40%**
ACWI Equities	12%	15%	18%
Alternative Credit	12%	15%	18%
Emerging Market Debt	6%	7.5%	9%
Multi Strategy Alternative Credit	6%	7.5%	9%
Listed European Property	3%	5%	7%

For the Irish section:

100% segregated cash flow matching mandate

For the non-Dutch non-Irish sections:

	Belgium	Spain	Switzerland	Cyprus
Matching	**55,0%**	**100,0%**	**100,0%**	**55,0%**
BR Euro Corporate	25,0%	50,0%	50,0%	25,0%
BR Euro Government	30,0%	50,0%	50,0%	30,0%
Growth	**45,0%**	**0,0%**	**0,0%**	**45,0%**
EM Equities	5,0%	0,0%	0,0%	5,0%
DM Equities	25,0%	0,0%	0,0%	25,0%
Alternative Credit	10,0%	0,0%	0,0%	10,0%
Listed European Property	5,0%	0,0%	0,0%	5,0%*

* The current strategic asset allocation for Cyprus excludes the existing investment of EUR 835.000 in property as it is considered to be on sale.

Types of Investments & Investment Styles
A range of sub-asset classes within fixed income, secure income assets, property and equities that are benchmarked against widely used broad market indices are incorporated in the investment strategy to ensure adequate diversification and a global approach. For non-listed investments a suitable performance target is agreed. For the matching portfolio for the Dutch section, a liability-based benchmark is agreed, where the focus is on partially hedging the interest rate risk.

The Directors have a preference for collective investment vehicles that are passively managed to contain cost and to reduce investment manager risk. For investments where passive management is not possible or not efficient, exceptions can be made.

The Directors believe the overall strategy, the choice of investment products and styles and the diversified asset mix is appropriate for the OFP to meet its performance objective and risk appetite.

Investment Restrictions
As specified by the relevant Cypriot competent authority, the following considerations apply in respect of investment of assets associated with the Cypriot Defined Benefit Schemes:

a) not more than 30% of these assets shall be invested in shares, other securities treated as shares and debt securities which are not admitted to trading on a regulated market; or at least 70 % of these assets shall be invested in shares, other securities treated as shares and debt securities which are admitted to trading on a regulated market; and

b) not more than 5% of these assets shall be invested in shares and other securities treated as shares, bonds, debt securities and other money and capital-market instruments issued by the same undertaking; and not more than 10 % of these assets shall be invested in shares and other securities treated as shares, bonds, debt securities and other money and capital market instruments issued by undertakings belonging to a single group; and

c) not more than 30% of these assets shall be invested in assets denominated in currencies other than those in which the liabilities are expressed.

Compliance with these additional requirements is monitored by the Directors as part of the regular investment monitoring process.

Monitoring credit quality of fixed income investments
In addition to using externally available issuer ratings, as part of their investment process, the investment managers employ dedicated in-house credit teams to research the credit quality of fixed income instruments and the probability of default using their own research methodology. The credit evaluation takes in both qualitative and quantitative factors in formulating the credit view, including but not limited to macro-economic outlook, country specific factors and economic data, financial statement analysis, external credit ratings, assessing debt profile and creditworthiness of issuers and meetings with company management. In the case of fixed income pooled index fund, the ultimate constituents of the individual fund will be determined by the relevant index as the asset manager is mandated to track the index with a very limited ex-ante tracking error to minimise return discrepancies versus the benchmark.

Stock lending
The OFP does not engage in stock lending directly except through its investment in collective investment vehicles where stock lending forms an integral part of the investment product.

Derivatives
The current investment mandates of the Dutch section permit limited use of certain derivatives both for hedging and non- hedging purposes as detailed in the investment management agreements.

Short-selling & Leverage
Direct short-selling and leverage (investing in assets in excess of the value of the portfolio by borrowing) by investment managers are prohibited.

Environmental, Social and Governance Policy
The investment policy evaluation and portfolio construction processes do not currently integrate environmental, social and governance factors in order to exclude them from the investment universe; investment products and their underlying holdings are not actively screened for exposure to such factors. However, the Directors are engaged in a full review of the environmental, social and governance policy.

Rebalancing
The Directors are responsible for rebalancing across the investment managers to ensure the allocation of assets to each investment manager and to the specified asset classes conform to the permitted ranges set out in the SIP.

The Directors have delegated to the investment managers the responsibility for rebalancing their respective portions of the total portfolio in respect of the mandates for which they have been hired, so as to comply with the overall asset mix ranges and risk objectives set out in the SIP.

The Directors will monitor on a quarterly basis the investment managers allocation and their portfolios versus the strategic asset allocation and will, if necessary, use incoming or outgoing cashflows to rebalance the asset allocation and portfolios to align with the investment strategy.

If the asset allocation and/or the sub-portfolios exceed the permitted bandwidths, the Directors can take any of the following active decisions:

- to instruct one or more managers to transfer an appropriate amount to another account of the same manager or to another manager;
- not to rebalance.

Custodian
The Directors has appointed State Street Bank Gmbh (Amsterdam branch) as a global custodian.

2. Assets backing the following liability types: Defined Contribution (without interest guarantee)

The default investment strategy for Defined Contribution (without interest guarantee) schemes will be a passively managed lifecycle investment where the asset allocation changes according to a pre-defined path as the member approaches their retirement date. The parameters of the lifecycle design may vary for different Schemes depending on local cultural norms and preferences, and the options available to members on retirement.

In Schemes where members are permitted individual member choice regarding investment policy, they are able to formulate their own strategy using the investment funds shown in Appendix E.

The default lifecycle strategies for the applicable sections are outlined below.

Spanish Defined Contribution Schemes

Under Spanish social and labour law, individual member choice of investment policy is not permitted in Defined Contribution (DC) plans. It is permitted to have an age-related investment allocation. The strategy outlined below applies to all members of the Spanish DC schemes:

Asset allocation in accumulation phase:	60% global equities, 40% global bonds
Investment style:	100% index funds
Consolidation phase:	10 years, from equities to bonds and cash
Glide path (linear):	2.0% p.a. switch from equities to bonds, 2.0% p.a. switch from equities to cash
Final asset allocation:	20% equities, 60% bonds, 20% cash
Delivery mechanism:	Lifecycle
Rebalancing:	Quarterly (accumulation & consolidation phases)

The "accumulation phase" consists of the period ending ten years before normal retirement age (65). The "consolidation phase" consists of the ten years prior to normal retirement age. This strategy results in the following asset allocation for a member during the consolidation phase approaching retirement:

Year to retirement	Equities	Bonds	Cash
10	60.0%	40.0%	0%
9	56.0%	42.0%	2.0%
8	52.0%	44.0%	4.0%
7	48.0%	46.0%	6.0%
6	44.0%	48.0%	8.0%
5	40.0%	50.0%	10.0%
4	36.0%	52.0%	12.0%
3	32.0%	54.0%	14.0%
2	28.0%	56.0%	16.0%
1	24.0%	58.0%	18.0%
0	20.0%	60.0%	20.0%

A key design principle is that the strategy during the consolidation phase should seek to dampen volatility in the period leading up to retirement, where volatility is assessed relative to the typical use to which the members' accumulated funds are put at retirement.

Most Spanish DC members on retirement take a proportion of their benefits as a cash lump sum but keep a sizeable portion in an interest-earning investment.

Cypriot Defined Contribution Scheme

The strategy outlined below applies to the members of the Cypriot DC scheme who are allocated to, or have opted for, the default "lifecycle" investment strategy option:

Asset allocation in accumulation phase:	70% global equities 30% Euro government and corporate bonds
Investment style:	100% index funds
Consolidation phase:	10 years, from equities to cash 5 years, from bonds to cash

Glide path (linear):	7% p.a. switch from equities to cash, 6% p.a. switch from bonds to cash
Final asset allocation:	100% cash
Delivery mechanism:	Lifecycle

Rebalancing: Quarterly (accumulation & consolidation phases)
The “accumulation phase” consists of the period ending ten years before the retirement age elected by the member. The “consolidation phase” consists of the ten years prior to the retirement age elected by the member. This strategy results in the following asset allocation for a member during the consolidation phase approaching retirement:

Year to retirement	Equities	Bonds	Cash
10	70%	30%	0%
9	63%	30%	7%
8	56%	30%	14%
7	49%	30%	21%
6	42%	30%	28%
5	35%	30%	35%
4	28%	24%	48%
3	21%	18%	61%
2	14%	12%	74%
1	7%	6%	87%
0	0%	0%	100%

A key design principle is that the strategy during the consolidation phase should seek to dampen volatility in the period leading up to retirement, where volatility is assessed relative to the typical use to which the members’ accumulated funds are put at retirement.

Members also have the option to choose from a number of BlackRock investment fund options as detailed in Appendix E.

As specified by the relevant Cypriot competent authority, the following considerations also apply in respect of assets associated with the Cypriot Defined Contribution Scheme:

a) not more than 30 % of these assets shall be invested in shares, other securities treated as shares and debt securities which are not admitted to trading on a regulated market; or at least 70 % of these assets shall be invested in shares, other securities treated as shares, and debt securities which are admitted to trading on a regulated market; and

b) no more than 5 % of these assets shall be invested in shares and other securities treated as shares, bonds, debt securities and other money and capital-market instruments issued by the same undertaking and no more than 10 % of these assets shall be invested in shares and other securities treated as shares, bonds, debt securities and other money and capital market instruments issued by undertakings belonging to a single group; and

c) not more than 30 % of these assets shall be invested in assets denominated in currencies other than those in which the liabilities are expressed.

Compliance with these additional requirements is monitored by the Directors as part of the regular investment monitoring process.

Netherlands Defined Contribution Schemes

Lifecycle Annuity (default)

The strategy outlined below applies to the members of the Netherlands DC schemes who are allocated to, or have opted for, the default "lifecycle" investment strategy option:

Asset allocation in accumulation phase:	83% global equities 17% Euro government, corporate and inflation-linked bonds
Investment style:	100% index funds
Consolidation phase:	30 years – reallocation from equities to bonds (non-linear)
Asset allocation change:	6 monthly
Final asset allocation:	20% global equities, 80% Euro government, corporate and inflation-linked bonds
Delivery mechanism:	Lifecycle
Rebalancing:	Quarterly (accumulation & consolidation phases)

The "accumulation phase" consists of the period ending thirty years before the retirement age elected by the member. The "consolidation phase" consists of the thirty years prior to the retirement age elected by the member. This strategy results in the following asset allocation for a member during the consolidation phase approaching retirement:

Year to retirement	Equities (%)	Bonds (%)
30	83.0	17.0
29	83.0	17.0
28	83.0	17.0
27	83.0	17.0
26	83.0	17.0
25	83.0	17.0
24	83.0	17.0
23	83.0	17.0
22	80.3	19.7
21	77.5	22.5
20	74.8	25.2
19	72.0	28.0
18	69.3	30.7
17	66.6	33.4
16	63.8	36.2
15	61.1	38.9
14	58.3	41.7
13	55.6	44.4
12	52.9	47.1
11	50.1	49.9
10	47.4	52.6
9	44.7	55.3

8	41.9	58.1
7	39.2	60.8
6	36.4	63.6
5	33.7	66.3
4	31.0	69.0
3	28.2	71.8
2	25.5	74.5
1	22.7	77.3
0	20.0	80.0

A key design principle is that the strategy during the consolidation phase should seek to dampen volatility in the period leading up to retirement, where volatility is assessed relative to the typical use to which the members' accumulated funds are put at retirement.

Variable Annuity Lifecycle option

The strategy outlined below is available for members who are planning to opt for the purchase of a variable annuity on retirement. This strategy was required under Dutch legislation "Wet Verbeterde premieregeling" from 1 January 2018.

Asset allocation in accumulation phase:	83% global equities 17% Euro government, corporate and inflation-linked bonds
Investment style:	100% index funds
Consolidation phase:	30 years – reallocation from equities to bonds (non-linear)
Asset allocation change:	6 monthly
Final asset allocation:	40% global equities, 60% Euro government, corporate and inflation-linked bonds
Delivery mechanism:	Lifecycle Variable Pension
Rebalancing:	Quarterly (accumulation & consolidation phases)

The "accumulation phase" consists of the period ending thirty years before the retirement age elected by the member. The "consolidation phase" consists of the thirty years prior to the retirement age elected by the member. This strategy results in the following asset allocation for a member during the consolidation phase approaching retirement:

Year to retirement	Equities (%)	Bonds (%)
30	83.0	17.0
29	83.0	17.0
28	83.0	17.0
27	83.0	17.0
26	83.0	17.0
25	83.0	17.0
24	83.0	17.0
23	83.0	17.0

22	80.3	19.7
21	77.5	22.5
20	74.8	25.2
19	72.0	28.0
18	69.3	30.7
17	66.6	33.4
16	63.8	36.2
15	61.1	38.9
14	59.7	40.3
13	58.3	41.7
12	56.9	43.1
11	55.5	44.5
10	54.1	45.9
9	52.7	47.3
8	51.2	48.8
7	49.8	50.2
6	48.4	51.6
5	47.0	53.0
4	45.6	54.4
3	44.2	55.8
2	42.8	57.2
1	41.4	58.6
0	40.0	60.0

A key design principle for this alternative strategy is to have a higher risk profile at the point of retirement than the standard Lifecycle Annuity in order to better match variable pension products available in the market. Note that the Lifecycle Annuity and the Lifecycle Variable Annuity strategies are identical until 15 years prior to retirement date.

Members also have the option to choose from a number of BlackRock investment fund options as detailed in Appendix E.

Appendix C – Expected Return on Assets

The table below illustrates the expected return on assets and volatility backing the defined benefit liabilities for the separate sections based on the strategic allocation outlined in Appendix B.

Asset Class	Strategic Allocation %					
	Ireland	Belgium	Switzerland	Spain	Cyprus	Netherlands
Equities	0%	30%	0%	0%	30%	15%
Segregated Liability Driven Investment (bonds, swaps, credits and cash)						50%
Euro Government bonds incl.supranat.	100%	30%	50%	50%	30%	0%
Euro Investment Grade Corporate bonds	0%	25%	50%	50%	25%	0%
Property	0%	5%	0%	0%	5%	5%
Alternative Credit	0%	10%	0%	0%	10%	15%
Secure Income Assets	0%	0%	0%	0%	0%	15%
Total	100%	100%	100%	100%	100%	100%
Expected 10-year return on assets (% p.a.)	-0.1	1.6	-0.6	-0.6	1.6	0.4
Expected 1-year volatility (%p.a.)	6.6	7.0	5.3	5.3	7.0	9.1

* “Alternative Credit” comprises high yields, emerging market debt, private debt, securitized debt and similar non-mainstream fixed income. Expected return based on implementation by Emerging Market Debt and Multi Strategy Alternative Credit.

The above expected return and volatility figures are based on the below projections for the underlying asset classes as at December 2020. The expected return for Ireland is based on actual yield on assets communicated by BNPP 31/12/2020.

% p.a.	Expected Return	Expected Volatility
Equities DM	4.0	18.8
Equities EM	4.1	27.4
Euro Government bonds	-0.9	5.3

Euro Corporate bonds	-0.3	5.8
Euro IL Government bonds	-0.7	13.2
Euro Property	2.6	15.5
Secure Income Assets	2.1	8.4
Emerging Market Debt	1.0	14.3
Multi Strategy Alternative Credit	0.5	7.8

Appendix D – Mandate of Investment Committee

Any Investment Committee established by the Directors under Article 27 of the Bye-laws will operate as set out below.

1. Investment Matters

1.1 The Investment Committee shall deal with the following issues

- Draft and update the SIP including investment objectives, performance targets, benchmarks, measurement of performance.
- Portfolio manager selection process
- Appoint Investment Consultant
- Mandates for investment managers
- Monitoring performance
- Contractual arrangements re asset managers
- Monitor market trends & practices and new investment products
- Investment and disinvestment decisions
- Asset-liability modelling
- Cash flow management
- Custodial services
- Any other issues that the Directors require it to deal with

2. General

1. The Investment Committee is appointed by the Directors and will not have any decision-making powers, other than when the Directors have given authority to the Investment Committee to take a specific decision. The Investment Committee will report to and make recommendations to the Directors.
2. The Investment Committee will obtain expert advice on matters where it lacks sufficient expertise to fulfil its mandate.
3. Conflicts of interest should be disclosed at the start of the meeting or at any time when a member of the Investment Committee or service provider becomes aware of a conflict. This issue should be recorded in the minutes of the Investment Committee.
4. The Investment Committee will have access to the OFP's advisors i.e. the actuary and investment consultant.
5. The Investment Committee members shall elect a chairman and his/her role will be to bring order to the Investment Committee meetings.
6. The Investment Committee will meet as and when required to do so by the Directors, or on the request of any member of the Investment Committee.
7. The Investment Committee will be guided on the reference to binding legislation and guidelines.
8. The Investment Committee will keep minutes of each meeting which will be tabled at the Directors' meetings.

Appendix E – Investment Mandates

The below section presents additional implementation details for the individual country sections of the OFP.

The assets of the Cypriot schemes have been transferred to the OFP following admission at the beginning of January 2016, except for one legacy direct property holdings which is being re-registered to the OFP and will be sold as soon as suitable opportunities arise.

BNP Paribas Investment Partners

- Ireland Section - Cash Flow Matching Mandate
  - Segregated Mandate
  - Section: Irish DB Section
  - Base currency: Euro
  - Permitted investments: AAA and AA Euro Government bonds and supranationals and cash (incl. BNP money market funds)
  - Proportion Inflation-linked bonds: minimum 75%
  - Benchmark - Irish Cash Flows (technical provisions) as updated annually
  - The investment objective is to cash flow match as close as possible the cash flows corresponding to the technical provisions of the Irish DB plan while maintaining a cash flow positive situation at all times.

BNP Paribas Investment Partners

- Dutch Section – Matching portfolio (excl. secure income assets)
  - Segregated Mandate
  - Section: Dutch DB Section
  - Base currency: Euro
  - Permitted investments: IG Euro corporate bonds, Euro government bonds, interest rate swaps and cash (incl. money market funds)
  - Benchmark – Dutch technical provisions as updated annually
  - I-rate hedge: target i-rate hedge percentage resulting from the dynamic interest rate hedging policy taking into account the duration of the secure income assets.
  - The investment objective is to deliver the same return% as the technical provisions of the Dutch DB Section while maintaining the I-rate hedge percentage in line with policy and within allowable margins.

Towers Watson Investment Management

- Dutch Section – Matching portfolio (secure income assets)
  - Fund: Towers Watson Euro Secure Income Fund
  - Section: Dutch DB Section
  - Base currency: Euro
  - Permitted investments: A diversified range of portfolio funds (mostly real estate, infrastructure, debt, but possibly other sectors) displaying one or more of the following characteristics:
    - long-term cash flows which are likely to exhibit a degree of inflation linkage;
    - cash flows which are secured through leases, loan commitments, concession agreements or other forms of contracts signed with strong Counterparties which are difficult to break;

        - Counterparties are motivated to uphold contractual agreements due to the highly collateralised nature of the related cash flows, in other words – there is a strong disincentive to default.
    - Most economic value is based on the contractual cash flows – as opposed to the residual asset value – thereby lowering the volatility of asset returns Benchmark: Bloomberg Barclays Euro Government Inflation-Linked 10+ Year Index (Total Return).
    - The investment objective is outperformance of the benchmark of 2% to 3% per annum net of fees over 5-year periods denominated in Euros, as well as provide investors with a diverse portfolio of secure long-term cash flows.
    - For the Towers Watson Euro Secure Income Fund a 12-month notice period applies. Redemptions are not permitted within the first 5 years after drawn commitment.

BlackRock Investment Management (UK) Limited

- Dutch Section – Growth Portfolio
    - Section: Dutch DB Section
    - Permitted investments: collective funds:
        - Developed Market Equities
        - Emerging Market Equities
        - European Property
        - Alternative Credit: Emerging Market Debt
            - Active: Corporates
            - Passive: Sovereigns
        - Alternative Credit: Multi Strategy Alternative Credit
            - The selected Multi Strategy Alternative Credit fund has monthly liquidity.

    - Benchmarks
        - Developed Market Equities: MSCI World Net Dividend Index
        - Emerging Market Equities: MSCI Emerging Markets Index
        - European Property: FTSE EPRA NAREIT Developed Europe Index
        - Alternative Credit – Emerging Market Debt:
            - Active: J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified
            - Passive: J.P. Morgan EMBI Global Core Index
        - Alternative Credit – Multi Strategy Alternative Credit: not applicable.
    - The investment objective is to deliver the same return% as the benchmark with a minimum tracking error against the same benchmark.

BlackRock Investment Management (UK) Limited

- Other Countries (Belgium, Cyprus, Switzerland and Spain) – Matching and Growth Portfolio
    - Permitted investments: collective funds:
        - Euro Government Bonds
        - Euro Corporate Bonds
        - Developed Market Equities
        - Emerging Market Equities
        - European Property
    - Benchmarks

- Euro Government Bonds: FTSE EMU Government Bond Index
- Euro Corporate Bonds: FTSE EuroBIG ex Domestic Treasury Index
- Developed Market Equities: MSCI World Net TR Index
- Emerging Market Equities: MSCI Emerging Markets Index (Net)
- European Property: FTSE EPRA/NAREIT Developed Europe ex UK Dividend Net

- The investment objective is to deliver the same return% as the benchmark with a minimum tracking error against the same benchmark.

BlackRock Investment Management (UK) Limited

BlackRock will manage the holdings of the different DC plans.

The following BlackRock funds are permitted for use:

- to deliver the OFP's investment strategy for assets backing defined contribution (with interest guarantee) liabilities;
- to construct default lifecycle strategies for Defined Contribution (without interest guarantee) schemes;
- by members to select their own investment strategy for Defined Contribution (without interest guarantee) schemes in cases where investment choice is permitted.

Note that not all of the funds listed are permitted for use for all of the above purposes.
All BlackRock funds selected are EU-domiciled UCITS and are thus subject to specific investment restrictions under EU UCITS legislation, relating both to the types of investments which may be made and the extent of such investments.

The investment objective of the BlackRock funds is to closely track the returns of the associated benchmark as stated.

Name of Fund	Fund Benchmark	Investment Style	Base Currency	ISIN Code
Equities				
Blackrock EUR Government Bond fund 20-year target Duration ETF	iBoxx EUR Eurozone 20yr Target Duration Index	Passive	EUR	IE00BSKRJX20
BlackRock Developed World Index Sub-Fund	MSCI World Index	Passive	USD	IE00B61D1398
BlackRock Emerging Markets Index Sub-Fund	MSCI Emerging Markets Index	Passive	USD	IE00B3D07M82
BlackRock Europe Index Sub-Fund	MSCI Europe Index	Passive	EUR	IE00B4L8LJ62
BlackRock North America Index Sub-Fund	MSCI North America Index	Passive	USD	IE00B8J31B35
BlackRock Pacific Rim Index Sub-Fund	MSCI Pacific Rim ex-Japan Index	Passive	USD	IE00B8J31D58

Fixed Income				
BlackRock Euro Credit Bond Index Fund	Citigroup Non-EGBI EuroBIG Index	Passive	EUR	IE0005032192
BlackRock Euro Government Bond Index Fund	Citigroup Euro Government Bond Index (EGBI)	Passive	EUR	IE0031080751
BlackRock Euro Government Inflation- Linked Bond Fund	Barclays Capital Euro Govt Inflation-Linked Bond Index	Passive	EUR	IE00B4WXT741
BlackRock World ex Euro Government Bond Index Fund	Citigroup World Govt Bond Index (ex EMU Govt Bonds)	Passive	USD	IE0005033380
BlackRock UK Credit Bond Index Fund	iBoxx Sterling Non-Gilts Index	Passive	GBP	IE0000405013
BlackRock US Corporate Bond Index Fund	Citigroup Eurodollar Bond Index	Passive	USD	IE0000407050
Cash				
Institutional Euro Liquidity Fund	7 Day LIBID	Passive	EUR	IE00B3KF1681

Stewardship (voting & engagement)
The OFP delegates Stewardship activities to external providers (asset managers), the below links present publicly available information on both their policy and the execution.

BlackRock Investment Management (UK) Limited
https://www.blackrock.com/corporate/about-us/investment-stewardship#our-responsibility

BNP Paribas Investment Partners
https://investors-corner.bnpparibas-am.com/investing/sustainability-we-believe-in-stewardship/

Towers Watson Investment Management Limited
https://www.willistowerswatson.com/en-GB/Insights/2020/03/sustainable-investment-policy