

STATEMENT OF INVESTMENT PRINCIPLES

for the

BOEHRINGER INGELHEIM 1965 PENSION SCHEME

September 2020

1. Introduction

1.1. What is the purpose of this Statement of Investment Principles?

This Statement of Investment Principles (“SIP”) sets out the policy of the Trustees of the Boehringer Ingelheim 1965 Pension Scheme (“the Scheme”) on various matters in connection with the investment of the Scheme’s assets.

1.2. Who has had input to the SIP?

This SIP has been formulated after obtaining and considering written professional advice from Lane Clark & Peacock LLP (“LCP”), the Scheme’s investment consultants and actuaries, who the Trustees believe to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments, including the need for diversification, given the circumstances of the Scheme and the principles contained in this SIP.

Boehringer Ingelheim Limited (“the Employer”) was consulted on the SIP. The current investment manager of the Scheme was given the opportunity to comment on a draft of the SIP and its comments have been incorporated into this final version. The manager is required to carry out its investment responsibilities in a manner consistent with this SIP.

1.3. What is the legal and statutory background to the SIP?

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 (“the Act”) and the Occupational Pension Schemes (Investment) Regulations 2005 (“the Regulations”).

The Scheme’s assets are held in trust by the Trustees. The investment powers of the Trustees are set out in the Scheme’s Rules.

2. Trustees’ overall investment policy

The Trustees’ investment objective is to provide members the benefit payments as they fall due. In order to do that, the Trustees believes that wholly insured arrangements best deliver this objective. The Trustee has selected insurance policies with Legal & General Assurance Society Limited and New Ireland Assurance Company plc and holds no other assets than these other than cash and members’ Additional Voluntary Contributions.

3. Manager alignment

The Trustees are required, under Regulation 2(3)(d) of The Occupational Pension Schemes (Investment) Regulations 2005, to include details of their manager alignment policies in this SIP, or explain why they have not done so. The Trustees have not set out their manager alignment policies because the Scheme is wholly insured, all current investment manager appointments are expected to terminate on a short timescale and the Trustees do not expect to appoint any investment managers in the future.

4. Additional Voluntary Contributions (“AVCs”)

While the main Scheme assets are invested in line with the above, AVCs are invested either in a with -profits policy with The Equitable Life Assurance Society or in a choice of funds with LGAPM. The AVC policies are no longer open to new members.

The Trustees have chosen the following LGAPM sub-funds as investment vehicles for members’ AVCs:

- Consensus Lifestyle Profile
- UK Equity Index Fund
- European Equity Index Fund
- Consensus Fund
- Ethical Fund
- With-Profits Fund
- Fixed Interest Fund
- Cash Fund

The Consensus Lifestyle Profile is the default option for members’ AVCs.

5. Review

The Trustees will, from time to time, review the appropriateness of this SIP with the help of their investment consultants, and will amend the SIP as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

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For and on behalf of the Trustees of the Boehringer Ingelheim 1965 Pension Scheme