

Markem Pension Scheme (the “Scheme”)

Effective System of Governance Policy

November 2024

TRUSTEE TEAM AND THE ADVISERS

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Key Links

General Code - [TPR general \(single\) code of practice | The Pensions Regulator](#)

Governing Legislation - <https://www.legislation.gov.uk/ukpga/2004/35/section/249A>

A. Effective System of Governance

1.1 Purpose and Objectives

This policy is adopted by Vidett, under any of the contracting entities listed below, as sole corporate trustee of the Scheme (referred to hereafter as “Vidett” or “the Trustee”).

- Vidett Trustee Services Limited
- Vidett Governance Services Limited
- Vidett Trust Corporation Limited
- Vidett Pension Services Limited
- Vidett Trustees Limited
- Vidett HRT Limited

The objective is to set out a comprehensive policy covering all aspects of the Trustee’s commitment and approach to the implementation, maintenance, and monitoring of the Scheme’s Effective System of Governance (“ESOG”). This includes the Trustee’s approach to the ESOG, and the Own Risk Assessment (ORA) that the Trustee will undertake from time to time to determine what if any improvements or changes are required to Scheme governance.

Vidett’s Compliance Guide outlines the key parts of the following central Vidett policies, and is available on request:

- Training Policy
- Gifts and Entertainment Policy (excluding the Register of Gifts & Hospitality)
- Business Continuity Plan (excluding the Incident Response Plan)
- Equity, Diversity and Inclusion Policy

This policy must be read in conjunction with those policies adopted by the advisers of the individual schemes the Trustee is appointed to, as amended from time to time.

1.2 Additional Scheme-specific documents (ESOG Catalogue)

The additional Scheme specific documents that make up the Scheme’s ESOG Catalogue are listed below and form part of the overall ESOG for the Scheme:

Adviser review assessment
Investment consultant’s objectives – CMA annual assessment
Register of Trustee Interests and Conflicts
Register of Advisers’ Interests
Register of Gifts & Hospitality (if applicable)
Risk Register
Trustee Business Plan
Statement of Investment Principles (SIP)
Implementation statement
IDRP Forms
Breaches log
Incident response plan, data and asset maps
ESOG planner
GDPR policy and privacy notice

1.3 Policy

Section 249A of the Pensions Act 2004, requires governing bodies of certain pension schemes, including the Scheme, to establish and operate an ESOG, with internal controls. Regulations adopting new requirements for pension scheme governance came into force on 13 January 2019 as part of the transcription of the IORP II Directive into UK law.

The Pension Regulator's General Code of Practice was published on 28 March 2024 pursuant to the powers given to it under sections 90 and 90A of the Pensions Act 2004, and the 2019 regulations. Although it is not a statement of law, it sets out the Pension Regulator's expectations of how a Trustee should comply with its legal duties in governing its Scheme and managing and mitigating its risks, through the establishment and operation of an ESOG.

In implementing its ESOG, the Trustee will ensure that it and the Scheme's advisers, apply judgment and act in a way that is proportionate to the size, nature and complexity of the Scheme.

1.4 Ongoing monitoring of the ESOG

The ESOG has been designed and will be maintained, implemented, reviewed and revised so the Scheme is governed at all times as far as reasonably possible in line with the Scheme's Trust Deed and Rules and any overriding or other applicable laws.

The ESOG will be reviewed, amended or supplemented:

- 1) if, at any time, any matter is identified that does or may pose a material change in the risks to the Scheme or its governance and the Trustee's ability to secure member's benefits – for example due to buy-in/out, merger, wind up or insolvency of the sponsoring Employer;
- 2) If, at any time, the Trustee identifies that any governance system is not fit for purpose or working appropriately, the Trustee will consider the issue and liaise as necessary to address any concerns raised and to make improvements – including making changes to or creating new policies or procedures and alerting those involved in the relevant area to implement any changes.
- 3) As a result of any improvements or changes required or recommended to be made following the Trustee's regular ORA.

The Trustee shall use the following key documents to help monitor and evidence the effectiveness of and compliance with its ESOG:

- The Trustee's Risk Register – this will be reviewed at least annually and any exceptions reported, and actions agreed. The Risk Register is aligned to the ESOG framework of policies to help the Trustee identify compliance or where there are gaps to address.
- The Trustee's ESOG planner and business plan – these will be reviewed annually and any exceptions reported, and actions agreed. The ESOG planner is aligned to the ESOG framework of policies to help the Trustee identify and monitor:
 - compliance with the ESOG
 - where there are gaps to address
 - when a policy is due for renewal
 - findings and actions from the ORA
- The Trustee's Decisions Log

1.5 Own Risk Assessment (ORA)

In addition to the ongoing review and monitoring of the ESOG by the Trustee, the Trustee will undertake an initial ORA no later than 12 months after the end of the first full scheme year that

began after the Code came into force (28 March 2024) and at least once every three years thereafter whilst the individual schemes the Trustee acts for have more than 100 members.

The ORA will identify the individual schemes' key risks and consider how well each scheme's governance systems are working. In preparing and considering the ORA, the Trustee will actively consider whether each scheme's governance should be adapted and improvements made, in a way that is proportionate to the nature, size and complexity of the individual scheme and the risks it is facing.

The ORA will be formally recorded and retained and will cover the following:

- how the Trustee has assessed the effectiveness of each of the individual schemes' policies and procedures including those relating to:
 - investment governance, monitoring, climate change, stewardship and investment decision making
 - assessment of the risks associated with the individual schemes' funding needs
 - risk management, including internal controls, conflicts, continuity planning, and the methods for identifying and assessing risks;
 - the conduct of the governing body including management and decision making and operation of policies; and
 - the administration and payment of members' benefits.
- whether the Trustee considers the operation of the policies and procedures to be effective and why
- the date on which the ORA has been prepared
- the date on which the next ORA will be prepared
- details of any interim reviews or updates that the governing body has carried out or plans to carry out.

The ORA shall be:

- In writing
- Signed by the Trustee
- Shared with the Scheme advisers/providers
- Available on request.

1.6 Responsibility Accountability and Ownership

The Trustee is responsible for the ESOG and ORA. It will manage any review or amendment that may be required to them and shall ensure implementation of the ESOG, including by any other parties involved in the governance, operation and administration of the individual schemes it acts for.

1.7 Delegations

While this policy is the responsibility of the Trustee, the Trustee may delegate authority to advisers or service providers to undertake the gathering of evidence and monitoring of effectiveness on its behalf.

1.8 Reporting and record keeping

The review of the ESOG planner, business plan and risk register will be conducted annually and an exceptions report or summary will be provided.

A report relating to the ORA will be provided triennially for noting at a formal Trustee meeting and once approved this will be signed and retained for record keeping purposes.

The main means of reporting for this Policy is via Trustee meeting minutes. Relevant documents will be updated by the Trustee or any delegated parties in a timely manner following the meeting, where required.

Date: October 2024

Version	Date of review	Amendments to Policy	Adopted by Trustee
1.0	<i>July 2024</i>	<i>New consolidated ST version</i>	
1.1	<i>October 2024</i>	<i>Refinements in relation to sole trustee model provisions and incorporating wider team feedback.</i>	<i>14 November 2024</i>

B. The Governing Body

2.1 Trustee structure

The individual Schemes' organisational structure is set out in its Trust Deed and Rules which permit the appointment of a sole trustee, and the Employer has appointed Vidett. In addition, Vidett's established client team structure for sole corporate trustee cases typically involves the following roles, but will be established according to the individual Schemes' needs:

- Lead Director – Overall responsibility with a focus on strategy
- Alternate Director – Strategic and technical peer review
- Manager or Assistant Manager – Running day to day matters and project management

All references in this policy to "Trustee" should be taken to include all Vidett staff involved in each client team.

In addition, there are sole trustee oversight arrangements at Vidett consisting of experts in the fields of funding, strategy, investment, covenant, legal, risk and governance to provide an additional layer of management and governance across all sole trustee clients.

No governance responsibilities will be delegated outside the Trustee other than to any Scheme Secretary employed by a third party (e.g. by the Employer) or to a dedicated secretarial team within Vidett.

2.2 Expected behaviours and standards

The law requires that all members of the relevant client team are 'fit and proper' to carry out their duties. The Trustee acknowledges that the Pensions Regulator's General Code of Practice sets out the following behaviours and standards for pension scheme trustees:

- to act honestly and with integrity, competence and capability, and financial probity, including in matters outside their role
- to meet legal obligations to govern the Scheme properly
- to act in the best interests of the members and beneficiaries of the Scheme
- to seek to ensure that all members of the Scheme, whether deferred, active or in a pension or decumulation phase, benefit from good governance
- to be open and honest in their dealings
- to have, or be able to acquire, the appropriate levels of knowledge and understanding and to keep these up to date
- to identify and, where relevant, challenge others on any potential or actual failure to comply with the Scheme rules, regulations and legislation.
- to declare all actual / potential / perceived conflicts of interest
- to record & manage any conflicts of interest appropriately
- to have appropriate professional indemnity insurance
- see also section 2.6 on Equity, Diversity and Inclusion (EDI)

The Trustee approaches this, for members of the client team and for members of the relevant sole trustee oversight arrangements, via (i) Vidett's own internal compliance processes for its employees, and (ii) regular Trustee meetings in relation to the client pension scheme.

2.3 Trustee Director/Manager selection

The Trustee will make all decisions using the principles of proportionality, fairness, and transparency and in line with this policy. Due consideration will also be given to achieving an appropriate diversity of experience, skills and knowledge within the client team - this should increase the likelihood that the interests of all members and stakeholders are met and that the Trustee as a whole is effective in achieving the Scheme's objectives.

When selecting a new Director or Manager, Vidett will therefore give consideration to any gaps in skills and competencies across the existing team and consider how these can be addressed over

time by replacement/succession. Consideration will also be given to the EDI guidance for Employers as set out by TPR in March 2023, and subsequent guidance.

2.4 Fitness and propriety assessment

The law also requires that all members of the client team are 'fit and proper' to carry out their duties.

All members of the client team will be required to confirm annually that they are not an undischarged bankrupt and have not been disqualified from acting as a company director or as a pension scheme trustee or convicted of an offence involving dishonesty or deception.

2.5 Trustee Knowledge and Understanding

Under the Pensions Act 2004, there is a duty placed upon trustee boards to have a certain level of knowledge and understanding of the law and other aspects of pensions in general, and also specifically for the schemes for which they are trustee. For ease, this trustee knowledge and understanding is referred to as TKU.

The Trustee's approach to building and maintaining a working knowledge of the Scheme and broader pensions issues is set out below. The aim is to demonstrate that the Trustee will possess the skills, and experience to run the Scheme effectively.

Training policy

All members of the relevant client team will comply with the requirements set out in Vidett's staff training policy to ensure they maintain appropriate knowledge and understanding so that they are able to properly exercise their functions in respect of Scheme governance.

The training policy covers the initial requirements for new staff, Continued Professional Development (CPD) requirements for all staff, and support for maintenance of professional qualifications/accreditations relevant to working in the Trustee role. Vidett provides support to access internal and external training opportunities in all areas relevant to the governance of pension schemes.

Monitoring

A note on the status of adherence to the training policy will be included at least annually in Trustee meeting minutes. Vidett staff who are accredited members of the PMI/APPT (as appropriate) are also subject to regular monitoring of their CPD.

2.6 Equity, Diversity and Inclusion

Vidett's principle-based approach to Equity, Diversity and Inclusion (EDI) is set out below. It confirms how Vidett operates as Trustee and how the approach relates to the day-to-day business it must carry out. Vidett commits to:

- promote and maintain an inclusive culture within the Trustee that values and respects individual differences so employees can all contribute to their full potential. It will actively challenge and address any barriers to inclusion e.g. support required by any person attending Scheme meetings
- eliminate discrimination, harassment, and prejudice in all forms within the Trustee's activities
- ensure equal opportunities for all employees, regardless of their *protected characteristics*
- embed EDI principles into the Trustee's decision-making processes, policies, practices, and communications
- monitor investment advisers and managers performance in relation to EDI as part of ESG, particularly with regard to social and governance aspects

- consider EDI aspects of Scheme projects to ensure they are non-discriminatory, for example:
 - Data correction exercises
 - Legal reviews
 - Actuarial factor reviews
- continuously monitor and review the effectiveness of this policy to drive positive change and improvement and provide views on how EDI has been embedded into meetings

Vidett's internal EDI HR policy and any associated employee guidance is also relevant. The Trustee shall review the position on EDI generally on an annual exceptions-only basis, and be expected to comment on any initiatives to embed it.

2.7 Legal requirements for meeting arrangements

The Trustee must include the following in its written meeting records:

- the date, time and place of the meeting
- the names of all in attendance, including professional advisers or any other person present
- the names of those invited to the meeting but who did not attend
- any decisions made at the meeting, including the names of those who participated in them
- any decisions made outside a meeting since the previous meeting, and the names of the members of the Trustee who participated in the decision
- decisions relating to the winding-up of the Scheme

2.8 Established meeting processes

The Trustee has adopted the following processes in accordance with the Scheme rules and legislation:

- Trustee meetings will usually be held at a proportionate frequency as agreed with the client and noted in the Scheme business plan. Any extraordinary meetings may be called as required
- the complexity and urgency of any issues affecting the Scheme will be considered to determine the length of the meeting
- the Manager or Assistant Manager (or Scheme Secretary if separate) will make the meeting arrangements, draft the agenda, circulate meeting papers/board pack and check that the actions from the matters arising are completed on a timely basis
- the Manager or Assistant Manager (or Scheme Secretary if separate) will liaise with the Lead Director and the Scheme's advisers to set the agenda, with agreed standing agenda items, for example risk register and conflicts of interest items, and administration tasks
- the Lead Director will work with the Manager or Assistant Manager (or Scheme Secretary if separate) to set expectations for upcoming meetings. This will allow all participants to prepare for meetings and effectively action any tasks and decision in between meetings

2.9 Decision-making

All decisions made in relation to the Scheme will be made in accordance with the Trustee's central decision-making process for sole trustee appointments. Key points of this process are noted below:

- material decisions for sole trustee schemes will be referred to the relevant oversight arrangements for review in advance of the final decision being taken
- other decisions will be taken and approved in accordance with the Trustee's internal processes
- clear records relating to any decision taken by the Trustee will be held, including related advice or information

- all Trustee decisions will be recorded in the minutes of Trustee meetings (by referring to or appending the relevant ongoing records for the period)
- records of decision-making will be held securely with appropriate retention periods
- any mandates and/or signing authorities in place will be regularly updated to reflect changes to the Trustee
- redactions relating to sensitive or confidential or legally privileged information and/or data covered by the data protection legislation may be appropriate
- consideration of ways to publish information to encourage Scheme member engagement and promote a culture of transparency will be made where appropriate

2.10 Service Provider Selection & Management

The Trustee is responsible for the appointment of all advisers and service providers, including the Scheme's investment managers, custodian, administrator, actuary, investment adviser, legal adviser, covenant adviser, auditor and any other service providers (referred to in this policy as **Service Providers**).

2.10.1 Selection

When appointing new Service Providers, the Trustee will consider whether a formal tender process is proportionate or whether reliance on Vidett's collated adviser documentation and feedback will allow a more streamlined process to be followed.

In either case the selection process will be carried out in a manner that ensures the Trustee:

- considers any proposed delegation and gives due consideration to the prospective Service Provider's experience and skill-set and whether they have experience of working with similar schemes
- fully understands and details the scope of the proposed role and associated responsibilities
- is familiar with and understands the impact of the terms and conditions of contracts, and takes legal advice, where appropriate

2.10.2 Appointment

The appointment of the actuary, auditor and legal adviser will all follow statutory requirements as laid out in Section 47 of the Pensions Act 1995. Other considerations on appointment will include agreement of:

- appropriate delegations and procedures for referral
- key performance indicators (KPIs) and accountability with the Service Provider
- escalation points and a process for recording decisions
- the flow of communication
- identification, monitoring and management of any conflicts of interest
- data protection protocols
- fees and charge out rates
- scope of services

2.10.3 Management

The Trustee is aware that it is accountable for the activities delegated and will regularly monitor the performance of Service Providers against agreed targets, measures and objectives, where applicable. This will involve:

- Regularly assessing performance against any agreed KPIs and service level agreements (SLAs) in periodic administration reports
- Reviewing the performance against any objectives set, and agreeing new KPIs where appropriate
- Assessing quality of service and value for money

- Ensuring that improvements are made where poor service is identified
- Being aware of any obligations, professional conduct rules and whistleblowing requirements that may be placed on some advisers

There may be circumstances where service falls short of requirements when a warning will be given and remedial action agreed. The Trustee will monitor progress in line with their internal control policies and may issue a final warning if appropriate.

Where service remains consistently poor or no longer demonstrates good value, or where a contract is not, or cannot be renewed, it may be necessary for the Trustee to replace a Service Provider to ensure that there is no detriment resulting for members from their actions.

2.10.4 Review and Replacement

The performance of existing Service Providers will be reviewed informally at least annually following their appointment. A formal review will be conducted where this is deemed necessary e.g. due to performance issues, if the adviser/provider becomes uncompetitive, or if the adviser/provider fails to keep pace with market developments.

For investment consultants and fiduciary managers the investment consultant scorecard should be completed as part of the review against the investment objectives.

When a decision is made to replace an existing Service Provider, the Trustee will carefully consider the interests of the Scheme members. Due consideration will be given to the terms and conditions of contracts, including any fees or penalties, and procedures for releasing relevant information to governing bodies and new advisers.

The Trustee will assess the risks associated with transitioning to a new provider and put plans in place to mitigate them (where proportionate this will involve formally setting out the key steps, actions, decisions, owners and timescales, including how costs will be met) to enable a continuous and consistent service in the event of a change of Service Provider.

2.10.5 Delegations

While the appointment of statutory suppliers is the responsibility of the Trustee, it may delegate the recommendation of appointment and the selection of other suppliers (e.g. investment managers being recommended by the Scheme's investment adviser) as well as the ongoing monitoring of all suppliers.

Recommendations are referred to the Trustee for approval.

2.10.6 Reporting

Where the Trustee has a Service Level Agreement, this should include the general approach to reporting with any variations or specific reporting requirements to be agreed on a case-by-case basis depending on the issue or project.

The investment objectives for consultant and fiduciary managers must be updated every three years and reviewed annually.

2.11 Remuneration for Scheme activities

The Trustee has overall responsibility for setting, approving, reviewing and overseeing the implementation of the Scheme's remuneration policy. The general guiding principles that the Trustee considers should be applied in relation to determining the levels of remuneration for all those undertaking activities in relation to the Scheme, paid for by the Trustee, are to:

- provide clear, transparent and effective governance of the levels and means of remuneration for those who undertake activities in relation to the Scheme, paid for by the Trustee
- support principles of consistency and transparency about relevant aspects of remuneration, while at the same time preserving confidentiality
- mitigate potential conflicts of interest and encourage risk awareness and prudent risk taking (having regard to sustainability)
- support the sound, prudent and effective management of the Scheme by encouraging use of remuneration structures that are consistent with the strategy and objectives of the Scheme and that support the long-term interest of members and beneficiaries

This applies to the remuneration of the following:

- Service Providers (as defined in 2.10 above) for the Scheme or whose activities materially impact the Scheme's risk profile

2.11.1 Remuneration principles and application

The levels and means of determining remuneration, will be agreed by the Trustee, having considered the principles noted below. This is considered by the Trustee to be proportionate to the size, scale, nature and complexity of the Scheme's activities and will be applied pragmatically, taking account of the nature of the service being provided and the need to manage necessary changes to existing practices without causing disruption.

- The Trustee will consider any relevant provisions in:
 - the Trust Deed
 - Articles of Association (if appropriate)
 - legislation
 - any applicable guidance from regulatory authorities
- remuneration structures will be aligned with the strategies, objectives and long term interests of the Trustee, as they relate to the activities concerned
- remuneration will not be structured in a way as to encourage risk-taking that exceeds the Trustee's risk tolerances in respect of the activities concerned
- remuneration structures will mitigate the risk of potential conflicts of interest, irrespective of the source of remuneration. Potential conflicts will be documented, and the register of interests will be addressed at each Trustee meeting and updated when necessary
- in determining the levels and means of remuneration, value for money is a more relevant consideration than aiming to achieve the lowest levels of remuneration possible
- remuneration structures will ensure that remuneration is not solely based on financial performance metrics

2.11.2 Roles and responsibilities of all parties involved in determining remuneration

The Trustee is responsible for setting levels of remuneration for Providers unless otherwise specified in the Trust Deed and Rules of the Scheme or this Policy.

The Employer is responsible for setting the level of remuneration for the Trustee. The Employer does not have the power to restrict the ability of the Trustee to set and revise the principles of this Policy.

2.11.3 Procedures for determining remuneration for providers

Contractual terms for those within scope of this Policy

The Trust Deed governing the Scheme allows the Trustee to appoint and remunerate Service Providers.

The terms of remuneration will be agreed by engagement documentation confirming the contractual arrangement for the Providers to provide services to the Scheme. The contractual arrangement will ensure that any payments reflect performance achieved over the long-term and do not reward failure.

With the exception of any investment management or consultancy services where a fee based on assets under management may be agreed, the Trustee will, as far as possible, agree a fixed fee with the Providers which is reasonable to their responsibilities, the suitability requirements for the position and the time commitment required. The agreed fee will reflect the role and requirements of the Provider and the services provided to the Scheme. However, for some work (such as consultancy services, where the scope of the service to be provided may not be clear at outset) it may be necessary to operate on either an agreed budget or a time cost basis with hourly rates agreed in advance.

Documented agreements with Providers should address (to the extent that they are relevant) any levels of remuneration, any approaches to calculating remuneration that is not fixed in amount, terms for the payment of remuneration including duration, termination payments, penalty clauses, contingent fees, terms for the approval and payment of expenses, and the treatment of any applicable taxes.

The criteria for determining remuneration for the Providers:

- shall be transparent in relation to any performance related fees (where applicable), and shall not unduly encourage risk taking unless this is specifically agreed in the relevant contractual documents;
- shall not give rise to conflicts of interest.

As laid out in section 2.10 Service Provider Selection and Management, and in accordance with requirements laid out in the General Code of Practice, the Trustee reviews its Providers at least once every three years, and after any significant event in relation to the Scheme or the relevant provider. At this time the Trustee may benchmark levels of remuneration to check that they are in line with their experience of the market; relevant considerations will include the scheme size, structure, complexity, services provided, knowledge of the scheme and value for money.

Where existing agreements do not comply with this principle the Trustee will seek to agree with the Provider an appropriate amendment.

The Trustee considers that the levels of remuneration or fees agreed with Providers taking into account the factors set out above are appropriate because they are consistent with the market for the service provided and are of the level required to ensure services of the quality needed for the proper management of the Scheme.

2.12 Risk Management

Internal controls are a key component for establishing and operating an ESOG. It is not necessary, nor possible, to eliminate all risks from a pension scheme, but the risks faced should be considered and assessed. The Trustee will:

- set a robust framework and process for the identification, evaluation and recording of risks
- apply the risk management process (identification, evaluation, recording, monitoring, and mitigating risks) across all Scheme activities

2.12.1 Risk Register

The Trustee has documented its key risks and its internal controls in a risk register.

The risk register grades each risk using a traffic light scale of Red/Amber/Green (RAG) where Red indicates a high risk and major impact, Amber indicates there are some concerns, and Green

is low risk and minor impact, to draw focus onto the key risks and inform Trustee decision making.

It also considers the mitigating impact of controls to reduce the likelihood of a risk event occurring or reducing the severity of the consequences should it occur. Where the Trustee considers that assurance is required to confirm reduction in risk likelihood or severity it is recorded in the risk register.

When designing internal controls (having regard to the Scheme risk profile) the Trustee considers:

- how the control will be implemented and the skills of the person performing the control
- the level of reliance that can be placed on information technology processes (whether fully automated or not) and the testing of such processes
- whether a control can prevent future recurrence or merely detect an event that has already happened
- the frequency and timeliness of a control process
- how the control will ensure secure data management
- processes for identifying errors or control failures
- what would be appropriate approval and authorisation controls
- whether professional advice is needed when designing internal controls.

2.12.2 Risk management function

The risk management function enables our sole trustee schemes to adopt strategies, processes and the reporting procedures necessary to identify, monitor and manage risks as well as regularly reviewing risks on an individual and aggregate basis.

The Trustee's risk management function shall comprise the whole client team and will report to the relevant sole trustee oversight party annually on how risks are being managed within the Scheme.

2.12.3 Identifying, evaluating and recording risks

The Trustee needs to adapt to lessons learnt from the past as well as managing risks in the present and anticipating those that might occur in the future.

Identifying risks

The Trustee considers the full range of risks associated with scheme governance as listed in the Pension Regulator's General Code of Practice and the Trustee's Risk Register (both as amended from time to time).

Evaluating risks

The Trustee will evaluate risks faced by the Scheme from time to time to determine the key risks. In evaluating risks the Trustee will:

- refer to (and review) documents it should be familiar with
- consider relevant sources of information such as records of internal disputes and breaches of the law
- consider the various functions and activities carried out in the running of the Scheme, including activities that have been outsourced
- consider the input of relevant associated parties e.g.
 - findings from auditor's reports
 - assurance reporting by Service Providers (AAF)
 - discussions with Service Providers
 - discussions with the sponsoring employer
- evaluate the likelihood and impact of the risks occurring

- evaluate the likelihood and impact of separate risks coinciding and the interdependencies between such risks
- Consider its appetite for risk and (where relevant) establish the sponsoring employer's capacity to absorb investment risk
- Where members and beneficiaries bear risks, also consider those risks from the perspectives of members and beneficiaries

Recording, monitoring and mitigating risks

The Trustee will maintain appropriate risk records, including the following steps:

- recording the risks identified and ensuring they are reviewed regularly
- identifying new risks (such as significant changes affecting the scheme, employers, and members)
- establishing and maintaining a risk register
- considering contingency plans for actions to be taken if risks materialise
- recording and implementing plans with target dates for mitigating risks
- carrying out "after action" reviews and incorporating any lessons learnt

The Trustee will review its internal controls at least annually, or when substantial changes take place, such as changes to Scheme advisers or IT systems. This may be staggered if different areas of the Scheme's operations are reviewed in turn.

Roles and responsibilities

The whole client team will jointly be responsible for monitoring risk and issues between meetings.

The Trustee receives information from relevant parties (administrator, investment manager etc) at least annually to enable the risk register to be updated.

The Trustee will retain legal responsibility for risk management and will not delegate any aspect of the risk management and internal control functions.

2.12.4 Managing risk using internal controls

The evaluation of risks enables the Trustee to determine which risks require internal controls to be put in place to reduce their incidence and impact. Internal controls refer to all the following:

- the arrangements and procedures to be followed in the administration and management of the Scheme
- the systems and arrangements for monitoring that administration and management, and
- arrangements and procedures to be followed for the safe custody and security of Scheme assets.

The Trustee has designed appropriate internal controls which ensure that the Scheme is administered and managed in accordance with the requirements of the law and the Scheme rules.

The Trustee approaches this through a clear separation of duties between members of the relevant client team and members of the relevant sole trustee oversight arrangements for escalation and decision-making

Assurance reports

Vidett regularly reviews third party assurance reports to check that Service Providers are meeting their own standards for internal controls. In addition Vidett commissions its own assurance report (AAF 07/02) annually from external auditors and acts on any issues or concerns identified.

2.13 Conflicts of Interest Management

Conflicts of interest may arise for Vidett and the advisers appointed to its schemes because they have other roles, interests, or duties. For example, in their work for other clients. Vidett's approach to conflicts of interest in the governance of schemes where it operates as sole trustee is set out below and ensures there is effective oversight of actual or potential conflicts of interest as they arise.

All members of the client team will comply with the requirements set out in Vidett's central Code of Conduct to ensure they are able to manage any potential conflicts of interest that may arise in the governance of the schemes where it acts as a Trustee.

Vidett's policy describes the circumstances which may give rise to a conflict of interest that could be detrimental to the interests of the Scheme, and the procedures to be followed and measures to be adopted in order to manage such conflicts.

2.13.1 Trustee conflicts

The Trustee will maintain a scheme-specific Register of Trustee Interests and Conflicts - any disclosed interests which could give rise to a conflict of interest for the Trustee shall be noted in the register.

Before each Trustee meeting any Trustee representative in attendance shall review and declare that the Register of Trustee Interests and Conflicts is up to date and complete or advise of any change and such matters will be recorded in the minutes of the relevant Trustee meeting, and the register will be updated.

2.13.2 Service Provider conflicts

Each Service Provider shall retain its own conflicts of interest policy which shall be made available to the Trustee on request. Each Service Provider has a professional responsibility to advise the Trustee if any circumstances arise that have or might give rise to a conflict of interest. The Trustee will maintain a scheme-specific Register of Service Provider Interests to set out any interest that a Service Provider may disclose, or which is identified which could give rise to a conflict of interest for any adviser to the Scheme.

2.13.3 Gifts and Hospitality

The Bribery Act 2010 sets out various requirements that extend to various categories of person including the Trustee and Service Providers. The client team will comply with Vidett's central Gifts and Hospitality Policy (covered in the Compliance Guide) which ensures compliance with the Bribery Act.

The Trustee will maintain a scheme-specific Register of Gifts and Hospitality to record all relevant activity.

2.13.4 Confidential Information

It is important that confidential information in relation to the operation of the Scheme or the deliberations of the Trustee are not disclosed to third parties and the Trustee, and each Service Provider must agree not to disclose such information without the Trustee's prior approval, unless it is required by law.

This agreement shall be expressly set out in each Adviser's terms of engagement.

2.14 Business Continuity Plan

The objective of the Business Continuity Plan (“BCP”) is to protect members’ benefits and ensure that the operations of the Scheme can be maintained in the event of a disruption to its activities.

The day to day running of the Scheme is outsourced to a third-party administrator, who is required to have its own BCP in place to maintain services to the Scheme.

Vidett have a central BCP (covered in the Compliance Guide) that sets out how it manages any disruption to its activities that may impact the Scheme.

2.14.1 Possible causes of disruption

The following have been identified as possible causes of disruption:

- system failure – a serious failure in computer systems at the Scheme’s administrator or sponsoring employer
- loss of key Trustee team members, due to illness, resignation, retirement or death
- fire or flood (or other similar incident) causing serious disruption for the Scheme’s administrator or sponsoring employer
- pandemic
- cyber incident affecting one of the key Trustee suppliers or sponsoring employer
- data protection breach

2.14.2 Continuity planning

Administrator’s BCP

The administrator should have a documented BCP which includes disaster recovery and a cyber incident response plan covering all of its locations, demonstrating:

- robust security, back-up and/or recovery procedures for paper files and all scheme records
- recovery of all systems in an alternative location if the original location is unusable
- alternative premises appropriate to the scale of the operation are available and the facilities are tested regularly
- a communication plan (internal and external) with an appropriate cascade of instructions
- in the event of a cybercrime incident, key functions are restored quickly in line with the plans set out

Disaster Recovery testing should be carried out by the administrator at least annually, and the results published in the administrator’s AAF internal controls report, including the date of the test and whether there were any exceptions. If so, they should be subject to a remedial action plan, with timelines and responsibilities identified and evidence the action plan has been/is being fulfilled.

Vidett conducts an annual check of administrators’ BCPs and AAF reports, and investigates any issues identified.

BCP of other key Trustee suppliers

The Trustee expects each of its Service Providers and advisers, including actuary, auditor, legal adviser, and investment consultant to have a documented BCP, and asks them to provide this on request.

Trustee’s Incident Response Plan (see separate document)

This plan lays out the process to be followed in the event of a cyber incident affecting one of the key Trustee suppliers or the sponsoring employer, or a major data protection breach.

2.14.3 Trustee actions

If the Trustee decides that further action is required, the Trustee will:

- liaise closely with the Service Provider representative to agree priorities; in particular to prioritise pensioner payments, retirement processing, bereavement services, receiving and monitoring contributions and minimising the risk of pension scams
- keep the sponsoring employer informed
- check that the administrator's banking and payroll systems can be accessed, and instructions given remotely; is there back up provision if a key person is unable to give instructions, or as a last resort confirm if the previous month's payroll can be run again
- review cashflow management plans and consider holding a higher level of cash until the issue has been resolved
- ensure that there is continued access to resources with temporary additional support or ascertain timeframe for bringing new resources on board
- understand what contingency plans are in place to mitigate any under-resource due to possible increase in work volumes or the loss of staff
- determine whether any communication should be sent to members

2.14.4 Lessons learnt

After any disruption as outlined under 2.14.1 above, it is important to identify any lessons that can be learnt to reduce the risk of a future incident arising and to improve the response. The Trustee will have regard to the following points in the event of a disruption under 2.14.1.

- Can any measures be implemented to prevent a similar incident from occurring again?
- Is it necessary to update certain Scheme documents e.g. data protection policy, risk register?
- Any training needs identified?
- Does the BCP need to be updated?

Each Service Provider shall review its own policy on an annual basis or as necessary to comply with regulatory guidance or legislation and shall advise the Trustee accordingly.

C. Funding and Investment

3.1 Investment Governance

The section lays out how the Trustee complies with its obligations in relation to the investment of the Scheme's assets, including the requirement to ensure that investments are appropriately diversified. It covers investment governance, decision-making and monitoring.

The documents listed below also form part of the investment governance structure and should be read in conjunction with this document:

- Investment adviser's performance objectives
- Statement of Investment Principles (SIP)
- Implementation Statement

Details of the arrangements in place with the Trustee's investment adviser and third-party providers (e.g. any investment managers, fiduciary managers and/or custodians) are set out in their respective terms of engagement, contracts and agreements.

The link below is to the Regulator's guidance that has informed this policy.

[Funding and investment: detailed guidance | The Pensions Regulator](#)

3.1.1 Governance obligations

The Trustee acknowledges its obligations to:

- have a good working knowledge of investment matters relating to the Scheme
- understand the investment powers and duties under the Scheme's trust deed, and rules and legislation
- appoint a suitably qualified person to advise on investments
 - this may be an investment consultant or fiduciary manager and either will be covered by the term "investment adviser"
- obtain and consider advice from the Scheme's investment adviser before making investment decisions
- produce a statement of investment principles (SIP), which covers the Trustee's policies relating to the Scheme's investments
- produce an annual implementation report as part of the annual report and accounts.

In relation to the obligations above:

- the roles, responsibilities and reporting relationships of the parties involved in making investment decisions in relation to the Scheme are outlined in the SIP and detailed in the terms of engagement and legal agreements with the investment adviser, investment manager and other third-party providers
- the Trustee seeks advice from its investment adviser as necessary and appropriate, taking the cost of receiving such advice into account. Professional advice is typically sought when the subject matter is complex or unfamiliar to the Trustee or when additional information or expertise is required, for example when reviewing/setting investment strategy or selecting investment managers
- the form and structure of liabilities, the strength of the employer covenant, the risk of sponsor default, life expectancy of members and the need to access cash at particular times are taken into account when making investment decisions and in particular when investment objectives and investment strategy are being reviewed and determined

3.1.2 Investment decision-making

The Trustee receives regular investment training and seeks professional investment advice when required in order to ensure that decisions can be made in an effective and timely manner. Terms of engagement with investment managers and advisers are reviewed and negotiated at the time of appointment, including the Trustee's expectations for future reporting requirements. The criteria for selecting investment managers and advisers includes a requirement for them to have adequate operational frameworks and risk controls in place (see also section 3.1.4 Delegations below)

The Trustee prepares the Scheme's SIP, setting out its investment strategy, including the investment objectives and policies adopted. Decisions made in relation to investments are intended to deliver the objectives and outcomes in accordance with the principles set out in the Scheme's SIP. At least every three years or immediately following any significant change in investment policy, the Trustee reviews the Scheme's SIP and assesses whether investment performance is in line with objectives and continues to remain suitable.

The Trustee assesses the protection of member benefits in the event of the insolvency of a sponsoring or participating employer, or a decision to discontinue the scheme, via covenant reviews and the integrated risk management framework, and records the associated risks and mitigations within the risk register.

The Trustee will take into account the overall framework for protection applicable to the Scheme. This will include any protections available to the Trustee under the governing trust documents for the Scheme, contractual protections in investment and contractual documents, the role of professional advisers appointed under s47 of the Pensions Act 1995, the availability of redress for Scheme members whether under the Financial Services Compensation Scheme or the Pension Protection Fund (as applicable) and any insurance coverage in place for the Scheme including Vidett's own indemnity insurance.

The Trustee assesses the Scheme's funding needs with reference to its recovery plan (if applicable) as part of regular actuarial valuations and investment strategy reviews, and monitors the position via regular funding updates.

The Trustee assesses asset-related risks, such as the security of assets and their liquidity, when reviewing the investment strategy and seeks to mitigate these risks as appropriate. Similarly, the Trustee assesses liability-related risks, such as those relating to the indexation of benefits provided by the Scheme, as part of the strategy review process and seeks to mitigate these risks as appropriate. Details of the Scheme's investment strategy are given in the SIP and details of the risks considered and mitigation measures taken are given in the risk register.

The Trustee communicates the conclusions about the security of assets to members via the annual newsletter (if applicable) and through information contained within the SIP, and considers ad hoc updates as appropriate. The Trustee communicates the conclusions about the security of assets to the sponsoring employer(s) through regular meetings and ongoing dialogue, and as part of the triennial valuation and strategy review processes.

3.1.3 Investment monitoring

Details of the investment monitoring arrangements, including reviewing the investment reporting received from any investment advisers or managers, are set out in the SIP.

The Trustee has appointed an investment adviser to assist the Trustee to monitor its investments.

Regulations require trustees to set objectives for the investment adviser and:

- review the performance of their investment adviser against the objectives at least every 12 months

- review and, if appropriate, revise the investment adviser's objectives at least every three years and without delay after a significant change in investment policy

3.1.4 Delegations

The Trustee may delegate some of its duties to its investment adviser. In these circumstances any delegated activities will be subject to clear objectives, measurements, and defined responsibilities.

Day-to-day management of the Scheme's assets may be delegated to professional investment managers or to a fiduciary manager, as detailed in the SIP. This also includes Additional Voluntary Contributions assets.

3.1.5 Reporting

The Trustee receives quarterly investment monitoring reports from its investment adviser or managers.

The Trustee ensures that the following documents are made available on a publicly available website as shown in section 8 below, to satisfy disclosure requirements to report to members:

- Statement of Investment Principles (SIP)
- Implementation Statement
- TCFD Report (if the value of the Scheme's assets exceeds £1 billion)

3.2 ESG, Stewardship and Climate Change

ESG, Stewardship and Climate Change is the responsibility of the Trustee. The Trustee is responsible for reviewing this area regularly (at least once every three years) and for making suitable changes to ensure continued compliance with the evolving regulatory environment.

The Trustee acknowledges its obligations to:

- have a good working knowledge of ESG, Stewardship and Climate Change matters relating to the Scheme
- understand and review the risks to the Scheme that might arise from climate change and monitor them formally on its Risk Register
- understand the approach taken by its investment managers in relation to stewardship and engagement
- appoint a suitably qualified person to advise on ESG, Stewardship and Climate Change unless a member of the client team has appropriate knowledge
- include a Responsible Investment section within its statement of investment principles (SIP), which covers the Trustee's policies relating to the Scheme's ESG, Stewardship and Climate change beliefs and how they relate to investments
- where possible, ensure its appointed investment managers use their Stewardship and engagement rights and opportunities to implement the beliefs of the trustee board
- produce an annual implementation statement as part of the annual report and accounts that reflects the actions of the Scheme in relation to ESG, Stewardship and Climate Change
- Produce a TCFD Report (if its assets are above £1bn), and any other report (e.g. TNFD) should these reports become obligatory

In relation to the obligations above, the Trustee:

- must consider financially material considerations as well as non-financial risks, in relation to ESG, Stewardship and Climate Change

- must consider the possible short, medium, and long-term effects of climate change on the Scheme’s objectives and its operations
- must maintain and document processes for identifying and assessing climate-related risks and opportunities
- must integrate these processes into their risk management and governance arrangements
- must ensure they oversee, assess, and manage climate-related risks and opportunities relating to the Scheme
- must develop its beliefs to direct its monitoring and management of ESG, Stewardship and Climate related risks
- must consider the DWP Stewardship Regulations 2022 (and any subsequent replacement)
- will seek to understand the beliefs of the Sponsor or the Members to incorporate into Stewardship priorities, investment governance and investment strategy (if applicable)
- may set targets for the Scheme’s investments with regard to temperature alignment or emissions reductions or other frameworks
- must report on its decisions and actions in the areas of ESG, Stewardship and Climate Change, including demonstrating that their beliefs have been followed
- must seek advice from its investment adviser as necessary and appropriate, taking the cost of receiving such advice into account. Professional advice is typically sought when the subject matter is complex or unfamiliar to the Trustee or when additional information or expertise is required

3.2.1 Stewardship and ESG related Investment decision-making

The Trustee will receive regular training in ESG, Stewardship, Climate and Environmental related topics. The Trustee will seek professional advice when required in order to ensure that decisions can be made in an effective and timely manner.

The Trustee will set terms of engagement with investment/fiduciary managers and advisers on its expectations for ESG, Stewardship and Climate Change including future reporting requirements.

The Trustee will prepare the Scheme’s SIP, outlining the roles, responsibilities and reporting relationships of the parties involved in making investment decisions on ESG, Stewardship and Climate Change.

3.2.2 Stewardship monitoring

The Responsible Investment section of the SIP details the investment monitoring arrangements, including reviewing the investment reporting received from any investment advisors, managers and fiduciary managers.

The Trustee has appointed an investment adviser to assist the Trustee to monitor its actions in relation to ESG, Stewardship and Climate Change, including the preparation of the Implementation Statement

3.2.3 Delegations

The Trustee may delegate some of its ESG, Stewardship and Climate Change duties to its investment adviser/fiduciary manager. In these circumstances any delegated activities will be subject to clear objectives, measurements, and defined responsibilities. Day-to-day management of the Scheme’s assets may be delegated to professional investment managers or to a fiduciary manager, as detailed in the SIP. This also includes Additional Voluntary Contributions assets.

Reporting

The Trustee receives regular investment monitoring reports from its investment adviser or managers that report on the Scheme's actions in regard to Stewardship.

The Trustee ensures that the following documents are made available on a publicly available website, to satisfy disclosure requirements to report to members:

- Statement of Investment Principles (SIP)
- Implementation Statement
- Responsible Investment Principles (if applicable)
- TCFD Report (if the value of the Scheme's assets exceeds £1 billion)

D. Administration

4.1 Scheme Administration

This section sets out Vidett's approach to maintaining proper administration of all client schemes and ensuring there is effective oversight of this process. It covers the planning and preparation required in relation to scheme administration and lays out how Vidett ensures that it maintains proper administration of client schemes. This includes the administration and legislative requirements for trustees when processing member pension transfers, in particular with regard to pension scams.

The Trustee has shared the Scheme Administration provisions of this policy with the Scheme's Administrator and has reminded them that the administration modules in the code (as laid out in Appendix 1: Administration modules) form part of the work delegated to them in the administration contract.

The Scheme Administrator will be asked to maintain a breaches log covering reportable and non-reportable breaches as part of Trustee monitoring of its Service Providers. All such breaches should be reported to the Trustee for agreement on whether to report them to the Regulator.

This policy will be reviewed regularly. Vidett will consider the following factors as part of such reviews:

- Changes in legislation during the previous 12 months
- Guidance from the Pension Scams Industry Group (PSIG) and the Pensions Administration Standards Association (PASA)
- Advice from the Scheme's administrator
- Actual experience on the Scheme

The links below are to important external documents relating to Scheme administration that have informed this policy.

<https://www.pasa-uk.com/about/>
<https://www.pasa-uk.com/guidance/psig-code/>
[TPR regulations in relation to dealing with transfer requests](#)
[Pledge to combat pension scams | The Pensions Regulator](#)

4.1.1 Planning and preparation

Each client team builds up and maintains sufficient knowledge and understanding of scheme administration responsibilities, tasks and issues (including pension scams) as part Vidett's general training policy.

For each scheme Vidett will:

- confirm the scope of administrator responsibilities and tasks
- negotiate contractual terms, taking appropriate advice where necessary
- consider quality as well as value for money when selecting an administrator
- develop long-term administrative objectives and agree a process for delivering these with the administrator
- monitor administration performance to maintain standards and drive any necessary improvements

4.1.2 Maintaining proper administration

Vidett maintains proper administration on each client scheme as it:

- regularly receives appropriate information and reports from the Administrator, challenging when appropriate
- ensures that all tasks delegated to an administrator are being carried out properly

- manages any issues with administrator performance (or other matters) and may utilise contractual terms to drive improvements
- ensures that the Trustee's Report and Accounts are produced and audited annually, which includes a review of at least a sample of the scheme administration's processes and actual cases completed, plus adequacy of related IT controls

In the event of a change of the Administrator's key personnel, or administration provider, Vidett will put procedures in place to enable a continuous and consistent service.

4.1.3 Pension Transfers Policy

Transfer governance requirements and powers

Each client team should be familiar with the legislative requirements surrounding the transfer process including statutory timescales, the Pensions Regulator (TPR)/HMRC reporting requirements and the specific information required to facilitate the transfer.

In addition, the client team should have an understanding of the members' duty to comply with the Pension Schemes Act (PSA) 2021 in respect of their statutory right to transfer.

Pension transfer and scam due diligence process

Each client team will review their position with its Administrator (and any successor) to understand their process and consider if there are any gaps to address.

Each client team will make reasonable efforts to ensure evidence of due diligence is received by its Administrator prior to the transfer of benefits taking place. In addition, there should be an agreed process with the Administrator to combat 'Red and Amber Flags' based on TPR guidance. See Appendix 2: Transfer process decision tree for an outline of the process that is expected to be followed.

Each trustee team should understand its Administrator's approach and have sight of any relevant communications, and keep this information filed for reference purposes as part of the ESoG filing.

The scheme administrator will maintain a list of IFAs and receiving schemes which it understands are linked to actual or suspected fraudulent arrangements.

The Trustee will expect the administration team to maintain a log of transfers which details amber and red flags, if any. This is to be displayed in periodic administration reports.

When any amber flags are detected, the scheme administrator must direct the member to mandatory guidance from MoneyHelper and only pay the transfer value once they receive confirmation from MoneyHelper that they have provided guidance.

Red flag cases should be referred to the Trustee for a decision on whether the transfer is to proceed or not, and this will be reviewed on a case-by-case basis.

TPR has asked trustees to pledge to commit to:

- regularly warn members about pension scams through its member communications
- get to know the warning signs of a scam and best practice for transfers by completing the scams module in the Trustee Toolkit and encourage all relevant staff or trustees to do so
- study and use the resources on the Financial Conduct Authority (FCA) ScamSmart website, TPR scams information and the PSIG code (see link under item 8 below)
- report concerns about a scam to the authorities and communicate this to the scheme member

The Trustee has considered these matters and has submitted a pledge to TPR.

Member communications

Each client team will work with its Administrator to make sure members are aware of the relevant timescales and requirements needed to facilitate the transfer request.

Each trustee team will also make reasonable efforts to ensure members are made aware of the potential for pension scams, how to protect themselves and how to report a scam or suspected scam. This can be achieved through various means such as including information in retirement wake-up packs, transfer correspondence, member newsletters, annual benefit statements (if applicable) and the scheme website (if applicable).

Reporting

The Administrator's stewardship reports are provided and reviewed regularly. These should include details of any amber or red flag transfer cases processed.

Any transfer payment of more than £1.5m or, if lower, 5% of scheme assets must be reported to TPR as a "notifiable event".

Any exceptional items will be reported through the Administrator's periodic reports. This includes HMRC annual Event reporting and quarterly tax returns which the Trustee will review for monitoring purposes.

Appendix 1: Administration modules

1. Key administration requirements in TPR’s General Code

The Trustee recognises its responsibilities with regard to having a contract in place with the Scheme administrator and its own role in planning and maintaining administration as noted above. It has delegated day to day administration of the Scheme to the Administrator¹.

The purpose of this Appendix is to set out those modules of the Pension Regulator’s Code of Practice relevant to the administration of the Scheme, and the role of the Trustee in overseeing the operation of these services provided to the Scheme:

Module	Key requirements
ADMINISTRATION	
Information handling	
Financial transactions	<ul style="list-style-type: none"> • Payments to be made promptly and accurately (including the right authorisation (doer and checker)) • Authorisation processes do not cause undue delay • Use electronic payments wherever possible • Review performance against SLAs • Contributions invested within agreed SLAs
Transfers out	<ul style="list-style-type: none"> • Compliance with the requirements of: <ul style="list-style-type: none"> ➢ the Pension Schemes Act 1993 (as amended), including the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (2173/2021); and ➢ the pension scheme rules; <p>in relation to dealing with transfer requests</p> <ul style="list-style-type: none"> • Collect information • Carry out due diligence • Respond to member correspondence efficiently and within agreed SLAs • Where appropriate: <ul style="list-style-type: none"> ➢ Direct members to mandatory guidance from MoneyHelper ➢ Check whether the member has received appropriate independent financial advice. • For DC schemes where the member requests a transfer to access their flexible pension benefits, direct members to Pension Wise guidance Liaise with Trustee regarding amber and red flags
Record keeping	<ul style="list-style-type: none"> • Operate processes to maintain and update accurate member data • Provide the Trustee with core and scheme specific data scores on request • Rectify errors identified in scheme records as soon as possible • Provide members with accurate information regarding their pension benefits (accrued and projected), working with the Administrator where appropriate to achieve this.
Data monitoring and improvement	<ul style="list-style-type: none"> • Have procedures in place for identifying, rectifying and reporting errors to the Trustee

¹ References to the “Administrator” in this Appendix refer to the provider of administration services to the Scheme, and are not to be confused with references to the “Administrator” for the purposes of Section 270 of the Finance Act 2004 (re reporting to HMRC).

	<ul style="list-style-type: none"> • Have processes in place to inform the Trustee of any material errors / gaps in scheme data • Understand the Trustee's obligations under data protection law, and ensure processes are in place to manage scheme member data to comply with data protection principles • Ensure processes are in place to address any breaches of data protection legislation
IT	
Maintenance of IT systems	<ul style="list-style-type: none"> • Standards for maintaining IT systems: <ul style="list-style-type: none"> ➢ Cyber security measures in place & functioning ➢ Record evidence of how changes are planned and executed in the system ➢ Data backed up regularly ➢ Disaster recovery processes in place & tested ➢ Written policies for maintaining and upgrading / replacing hardware and software ➢ Ensure sufficient resources and skills exist to carry out this work ➢ Provide evidence that the IT system can meet current and anticipated requirements
Cyber controls	<ul style="list-style-type: none"> •
	<ul style="list-style-type: none"> • Ensure Trustee has knowledge and understanding of cyber risk • Agree roles and responsibilities re cyber risk and any Incident Response Plan • Ensure appropriate system controls are in place and remain up to date
Contributions	
Receiving contributions	<ul style="list-style-type: none"> • Maintain contribution records • Processes in place to accept contributions from participating employers. Safeguard contributions once received, and processes to pursue missing contributions quickly • Be able to show compliance with HMRC tax requirements such as annual allowance
Monitoring contributions	<ul style="list-style-type: none"> • Check whether contributions have been made on time and in full • Maintain a contribution monitoring record (where appropriate)
Resolving overdue contributions	<ul style="list-style-type: none"> • Notify Trustee when a payment failure is identified so they can contact the employer to resolve the overdue payment
COMMUNICATIONS AND DISCLOSURE	
Information to members	
Annual pension benefit statements DC	<ul style="list-style-type: none"> • Must provide information in accordance with the Disclosure of Information Regulations
Summary funding and pension benefit statements DB	<ul style="list-style-type: none"> • Must provide information in accordance with the Disclosure of Information Regulations • Benefit statement to be provided within 2 months of request
Retirement risk warnings and guidance	<ul style="list-style-type: none"> • Must provide risk warnings and guidance information with DC retirement and transfer value quotations
Notification of right to cash transfer sum or contribution refund (open schemes)	<ul style="list-style-type: none"> • Must provide where members have a right to a cash transfer sum or contribution refund

Scams	<ul style="list-style-type: none"> • Must check that at least one of the conditions for a transfer out is met • Should carry out due diligence on the scheme to which the member wishes to transfer • Should provide clear information on how to spot a scam in the communications sent to members
Audit requirements	<ul style="list-style-type: none"> • Liaise with the Scheme auditor in order that audited accounts can be completed within the 7 month deadline, and bring any issues to the Trustee’s attention • Ensure copies of the accounts are provided to members on request or made available on a public website
Dispute resolution	
	<ul style="list-style-type: none"> • Must have an internal dispute resolution policy and make a copy available to Scheme members.

2. Administrator’s Relevant Documents

In addition to any specific provisions in the Scheme administration contract, the Trustee understands that the Administrator utilises the following documents in the administration of the Scheme:

- Scheme Administration Manual (if applicable)
- Scheme Benefit Specification (if applicable)
- AAF reports
- Business continuity reports
- Cyber credentials

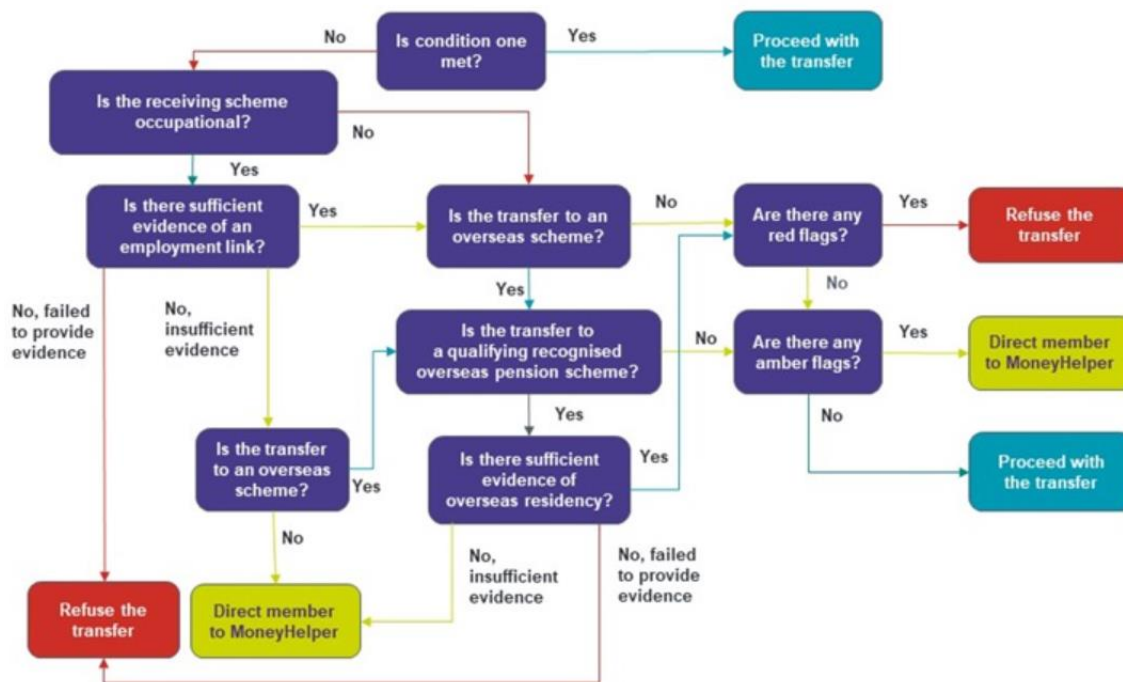
The Trustee has agreed with the Administrator that where any discrepancies are identified from time to time, these matters shall be referred to the Trustee and the Trustee shall take such action as may be appropriate in the circumstances, including taking advice from the Scheme’s professional advisers (where appropriate).

3. Administrator to confirm understanding of this Policy

The requirements above form part of the work delegated to the Administrator under the Scheme administration contract.

The Trustee has put in place a process whereby the Administrator acknowledges that they have read this section of the Policy and Appendix, and confirmed their agreement to it, on a regular basis.

Appendix 2: Transfer process decision tree



First condition: The receiving scheme is listed in the transfer regulations

Check if the receiving scheme is one of the following:

- a public service pension scheme (schemes established by a public authority for civil servants, armed forces, health service workers, teachers, judiciary, police, firefighters and local government workers)
- an [authorised master trust on our published list](#)
- a collective defined contribution (CDC) scheme that has obtained authorisation is included on the list which we will publish

Second condition: Check for an employment link, overseas residency and red and amber flags

4.2 Cyber Security

Vidett is accountable for the security of client schemes' information and assets and therefore is ultimately responsible for ensuring cyber security measures and procedures are in place and functioning across all providers and advisers as well as internally.

Cyber risk can be broadly defined as the risk of loss, disruption or damage to a pension scheme, its members or the sponsor because of the failure of its IT systems and processes. Such risk could include the loss and/or damage to a scheme's financial assets, members' personal data and key systems, such as the administration, payroll or governance systems, as well as the scheme's advisers suffering an attack.

Vidett maintains Cyber Essentials Plus accreditation as part of our assurance to clients in this area. The scheme-specific documents below are also relevant to the management of cyber risk:

- Risk register
- Incident response plan
- Data Protection policy
- Business Continuity Plan
- Data and asset maps

Vidett's approach will be reviewed regularly, at least every year, and Vidett will consider whether any changes are needed to the approach or supporting processes.

When carrying out the review Vidett will consider the following:

- Have there been any cyber incidents in the year and are there any lessons learnt that may influence the policy?
- Are there any changes in how data is shared with providers?
- Have the Service Providers' controls, processes and response plans changed and have they been regularly tested and reviewed?
- Any market developments, new information and guidance on cyber risks, incidents and controls?

The links below are to important external documents relating to cyber security that have informed this policy.

[TPR Guidance on cyber security principles for pension schemes](#)
[PASA Cybercrime Guidance](#)
<https://www.ncsc.gov.uk/cyberessentials/overview>
[NCSC's guidance about their role](#)
[PLSA Cyber Risk Made Simple Guide](#)

4.2.1 Vidett's approach

The process below is designed to help reduce the risk of a cyber incident affecting any Vidett client schemes and to provide a framework for managing the cyber risk these schemes are exposed to. Each client team will adhere to this policy in respect of their specific client scheme.

This process follows 'Cybercrime Guidance' issued by PASA in November 2020, the 'Cyber Risk Made Simple' guide issued by PLSA in July 2022 and updated guidance issued in December 2023 by The Pensions Regulator (TPR) on 'Cyber security principles for pension schemes'.

Roles and Responsibilities

Vidett will ensure compliance with this process across all client schemes and will review the process on at least an annual basis. Cyber risks will be documented in each scheme's individual risk register which will be reviewed on at least an annual basis. Each scheme will also maintain a data map and an asset map which document the flow of data and assets between the Trustee,

sponsor and Trustee advisers/providers, including the investment managers. Vidett will ask all advisers and providers to confirm their compliance with this policy on an annual basis.

Training

All Vidett staff will comply with the requirements set out in the staff training policy. Training on cyber risk is a key issue, and this will cover general cyber issues and how schemes can protect themselves and members from a cyber-attack. Training may be provided by advisers or cyber specialists. All training will be recorded in individual training logs.

Assessing cyber risk

All client teams should at appropriate intervals consider:

- the flow of Scheme data between all of the parties involved in the administration/operation of the Scheme to check it is being transferred securely
- the flow of Scheme assets between all of the parties involved in the payment, reconciliation, investment and disinvestment of Scheme assets, and related instructions
- the value to criminals from data theft or corruption, or the interruption of critical services to members
- the potential impact of a cyber incident on members, the Scheme, and the sponsoring employer, including operational, reputational and financial harm
- accessing internal or external specialist skills and expertise to understand and manage cyber risk
- All trustee teams should liaise with the Scheme's sponsoring employer as necessary to:
 - check that appropriate system controls are in place and are up to date (e.g. firewalls, anti-virus and anti-malware products) in respect of any personal member data or other confidential information held on company systems
 - understand the cyber controls in place (e.g. in relation to salary renewal data, deficit contribution payments) and other relevant factors

Each client team will assess the cyber risk and record this on the risk register for review at least annually.

Managing cyber risk

Vidett will centrally obtain cyber-risk reports from all advisers and providers where possible and will ask them to demonstrate compliance with the requirements of this policy, for example through accreditation with ISO27001, Cyber-Essentials/Plus and evidence in their externally audited internal controls (AAF) reports. This includes providing confirmation that critical systems and data are regularly backed up; data protection policies are followed (including access, protection, use and transmission of data), and action is taken so that policies and controls are regularly reviewed and remain effective. The reports will be assessed centrally with results being accessible to all Vidett staff.

Each client team should obtain additional reports from any other Service Providers (including the sponsoring employer where they provide administration services) on cyber risks and incidents to satisfy themselves that all of the Scheme's Service Providers have satisfactory cyber controls in place.

Vidett expects to receive regular plain English reports from relevant parties on increasing threats, the volume, nature and impact of any system compromise, and data breach, as well as relevant updates on how any emerging cyber risks are being controlled.

4.2.2 Cyber security – Trustee requirements

All Vidett staff are responsible for taking the necessary steps to ensure that client scheme's IT security, data and assets remain secure, in compliance with Vidett's IT Policy.

4.2.3 Incident response

In the event a Service Provider is subject to a cyber incident, Vidett will work with them to assess and understand the cyber incident and how to mitigate the impact of it on all client schemes that are impacted.

Each client team will put in place a scheme-specific incident response plan to safely and swiftly resume operations. This sets out the incident response team; key roles and responsibilities; reporting requirements and potential actions.

4.2.4 Reporting

The incident response plan lays out the reporting requirements, including whether breaches need to be reported to the Information Commissioner (www.ico.org.uk). In preparing the incident response plan, the client team will notify all advisers of the key contact(s) in the event of a cyber incident or data breach occurring.

TPR requests that trustees also report significant cyber incidents to them on a voluntary basis (report@tpr.gov.uk). When a significant cyber incident occurs, Vidett may also need to report it to the National Cyber Security Centre (NCSC).

Individual team members are responsible for reporting any personal cyber or data breach in accordance with the incident response plan.

E. Communications and Disclosure

5.1 Member Communications

Vidett's approach to communicating with members is detailed below and this is designed to:

- set out the Trustee's general principles as to how it wishes to communicate with members.
- ensure that the Trustee plans for and complies with all legal obligations in its communications with members (including access to communications).

The following documents are relevant and should be read in conjunction with this document:

- Implementation statement
- Statutory financial statements
- Equity, Diversity and Inclusion - Scheme and internal HR policies

Communication to members in relation to administrative issues (e.g. pension scams and Scheme audit/accounts) is referenced under 4.1.3 and Appendix 1 to Section 4.1 above so is not covered explicitly in this section.

The link below is to the Regulator's guidance on communicating with members which has informed this policy.

[Communicate to members | The Pensions Regulator](#)

5.1.1 Legal Obligations

The law details when the Trustee must communicate with members, the information to be provided and the timescales for providing the information. These requirements range from information provided when a member joins the scheme, ongoing communications, taking benefits and beyond. The law also sets out information the Trustee must provide on request.

The Trustee will ensure it keeps up to date with all wider legal obligations and good practice relating to member communications.

5.1.2 Principles for Member Communications

The Trustee's general principles for member communications are:

- all communications sent to members should be timely, accurate, clear, concise, relevant and in plain English and make clear where action is required
- member communications should be regularly reviewed, taking account of member feedback, any changes to Scheme design and developments in law and the code of practice
- when deciding on the format of communications and information to be published, consider any technology that may be available to and appropriate for members, including where member communications may be stored
- to consider communication methods that ensure inclusivity, such as accessible online content, audio, Braille, large font, and languages other than English
- to provide any additional information or explanation, including illustrations where appropriate, to help members understand issues or make informed decisions about their benefits
- to provide contact details of advisers who will be able to assist members should they have any queries
- to keep members informed about the risks of potential pension scams
- regularly to inform members of the impact their contributions will have on their overall benefits

5.1.3 Service Providers

The Trustee will ensure that the requirements of this policy are communicated to relevant Service Providers, such as the scheme administrator, who may have responsibility for member communications.

5.2 Internal Dispute Resolution Procedure

The purpose of this procedure is to provide a forum for resolution of complaints raised by any appropriate person (the "Complainant") linked to the Scheme, to allow complaints to be investigated, considered and a decision reached in accordance with the terms of this policy..

5.2.1 Who may use the procedure

A person (a "Complainant") may make a complaint under this procedure if they are (or were in the six months before they invoke this procedure) or claim to be:

- An active member, deferred pensioner or pensioner of any relevant scheme
- The widow, widower, surviving civil partner, surviving dependant or surviving non-dependent beneficiary of any person in a)
- A prospective member of any scheme – i.e. eligible to become a member

5.2.2 Representatives of Complainants

If a Complainant makes a complaint under this procedure, they may appoint a representative to act on their behalf. The representative need not have any connection with the Scheme. If a Complainant dies, the application may be continued by his or her Personal Representatives. If a Complainant is a minor, or is for some reason incapable of acting on his or her behalf, the application can be made or continued by a member of his or her family or by some other suitable person.

5.2.3 Scope of the procedure

This procedure is not available in relation to disputes where either (a) proceedings have commenced before any court or tribunal or (b) the Pensions Ombudsman has begun an investigation. It is expected that members will complete Stage 1 and 2 of this IDR policy (where appropriate) before pursuing a complaint to the Pensions Ombudsman.

5.2.4 Process

This procedure is explained in more detail below but is divided into two stages:

- At Stage One, the decision is made by the client team allocated to the Scheme
- If the Complainant is not happy with the result of that decision they may ask for the complaint to be reconsidered at Stage Two. At Stage Two the decision is reviewed under the sole trustee oversight process

The Trustee also has the option to refer a complaint straight to Stage Two, and will inform the member where they reach this decision.

5.2.5 Stage One - Complain to the Trustee

If the Complainant wishes to make a complaint, they must complete Form IDR1 and send it to the Trustee. This form includes all the details required from the Complainant at Stage One.

A written acknowledgement of receipt of the form will be issued within **fifteen working days**. Complainants are asked to contact the Trustee if no acknowledgement is received.

Having fully considered the matters involved, the Trustee will make a decision about the complaint the Complainant has made. If the Trustee needs additional information in order to consider the complaint, they will contact the Complainant to request this information.

The Trustee will provide a written notice of their decision to the Complainant (and if applicable their representative) **within a reasonable period of not more than three months** of receipt of the properly completed Form IDR1 and any further information that may have been requested from the Complainant. The Stage One decision will include (where appropriate):

- A statement of the decision
- A reference to the legislation or scheme rules relied upon
- If a discretion has been exercised, a reference to the part of the scheme rules which confers that discretion
- A statement that the member has the right to refer the dispute for reconsideration by Vidett under Stage Two of this procedure, within the timescales set out below

If the Trustee is not in a position to reach a decision within three months of receipt of all required information, the Complainant will be notified of the reasons for the delay and given a revised date when the decision should be issued.

5.2.6 Stage Two – Appeal to the oversight arrangements

If the Complainant is not satisfied with the Stage One response, they may appeal to Vidett's sole trustee oversight arrangements (involving senior staff outwith the client team) for the complaint to be considered under Stage Two. Any complaints under Stage Two must be made within 6 months of the date when the Stage One decision is sent to the Complainant.

To appeal the Complainant must write to Vidett with all of the following information:

- The information supplied under Stage One
- A copy of the initial decision
- A statement explaining why the Complainant is dissatisfied with the initial decision
- A statement that the Complainant wishes the complaint to be reconsidered by the Trustee

Alternatively, the Trustee may also refer a Stage One complaint straight to Stage Two. Where relevant, the Trustee will inform the Complainant that the complaint is to be escalated to Stage Two without being considered under Stage One of this procedure.

At Stage Two, the sole trustee oversight arrangement will consider the matter and will make a final decision. Written notice of the final decision will be issued to the Complainant (and if applicable their representative) **within a reasonable period of not more than three months** and will include (where appropriate):

- A statement of the decision, and (where relevant) the extent (if any) to which it confirms or replaces the Stage One decision
- A reference to the legislation or scheme rules relied upon
- If a discretion has been exercised, a reference to the part of the scheme rules which confers that discretion
- A statement that the Pension Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to the scheme, together with the contact details for the Pensions Ombudsman

If Vidett needs longer than three months to consider the Stage Two complaint, they will inform the Complainant that they need longer to investigate the complaint, and will give a revised date when the decision should be issued.

5.2.7 Further information

MoneyHelper

General requests for free information or guidance in connection with pensions benefits can be sought from MoneyHelper (a service provided by HM Government/Money and Pensions Service) at:

MoneyHelper, 120 Holborn, London EC1N 2TD
Telephone: 0800 011 3797
Website: <https://www.moneyhelper.org.uk/en>

Pensions Ombudsman - Early Resolution Procedure

Complainants can informally raise any concerns or discuss a potential complaint with the Pensions Ombudsman using its helpline service:

Telephone: 0800 917 4487 (select option for potential complaint)
Email: enquiries@pensions-ombudsman.org.uk

For more complex problems or issues the Pensions Ombudsman may pass complainants onto its "Early Resolution Team" who can agree to liaise with the Trustees or other third parties on their behalf. Using this service will not affect complainants' right to apply to the Pensions Ombudsman for a formal adjudication if they later choose to do so (see below).

Formal complaints

If complainants are dissatisfied with the Trustees' decision once they have completed the Internal Dispute Resolution Procedure, they may refer their dispute to the Pensions Ombudsman's formal complaint procedure. The Complainant must contact the Pensions Ombudsman about a complaint within three years of the event being complained about– or, if later, within three years of the Complainant first being aware of it. There is discretion for those time limits to be extended.

The Ombudsman can investigate and determine complaints or disputes of fact or law in relation to pension schemes. He has statutory powers to make binding determinations and to award compensation for maladministration. The Ombudsman will not usually investigate a complaint under this formal procedure unless the Complainant has completed the process set out in this Internal Dispute Resolution Procedure.

The Ombudsman can be contacted in respect of a formal complaint at:

Telephone: 0800 917 4487 (select option for formal application)
Email: enquiries@pensions-ombudsman.org.uk

Complainants can also write to the Pensions Ombudsman (whether in respect of the Early Resolution Procedure or a formal complaint) at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

F. Reporting to TPR

6.1 Whistleblowing - Reporting Breaches of the Law

This section sets out the Trustee's approach to ensuring compliance with the regulatory requirements to report breaches of the law to the Pensions Regulator ('TPR').

The links below are to the Regulator's Code and guidance on reporting breaches of the law which have informed this policy.

[Code 1 Reporting breaches of the law | The Pensions Regulator](#)
[Comply duty report breaches law | The Pensions Regulator](#)
[Reporting and registering | The Pensions Regulator](#)
[Whistleblowing disclosures | The Pensions Regulator](#)

6.1.1 Obligation to report

There is a general requirement to report breaches of the law to TPR where there is reasonable cause to believe that:

- a legal duty which is relevant to the administration of the Scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to TPR in the exercise of its functions

A limited exception applies in respect of items subject to legal privilege.

6.1.2 What are breaches of the law?

Any breach of a legal duty relevant to the administration of the Scheme, whether imposed by legislation or a rule of law.

Examples of breaches of the law include:

- Late accounts
- Late/non-payment of contributions
- Failure to comply with Member Nominated Trustee (MNT) requirements
- Failure to comply with member disclosure / information requirements
- Late appointment of scheme adviser
- Failure to complete scheme funding valuation
- Failure to carry out employer consultation
- Failure to protect members' personal data
- Failure to comply with data protection legislation

This list is not exhaustive. Whether a breach is reportable will vary depending on the type of the scheme, the nature and severity of the breach.

'Administration of the Scheme' is interpreted widely by TPR in this context, to include any matters such as scheme funding, investment policy, investment management, custody of invested assets, DB funding or members' ability to access information. It is not just benefit administration, it is anything that could potentially affect member benefits, or the ability of members and others to access information which they are entitled to.

6.1.3 Who must report?

The duty to report applies to:

- The Trustee
- Scheme managers/Scheme Secretary (if applicable)
- Persons involved in the administration or management of the Scheme. This can include third party administrators, insurance companies, an in house payroll or administration

function, or independent financial advisers / consultants who provide services to trustees relating to recording keeping.

- The employer(s) in relation to the scheme (or where the employer enters insolvency, the insolvency practitioner).
- Professional advisers / Service Providers. Where the Trustee appoints a firm, the obligation applies to that firm; where an individual is a named adviser (e.g. the Scheme Actuary role), the obligation applies to that individual.
- Employers in a multi-employer scheme (delete if not applicable)

The Trustee is responsible for ensuring that those responsible for reporting breaches are aware of the legal requirements, providing relevant training where appropriate. Material breaches should be reported to TPR as they are identified regardless of the person's role. The Trustee's policy is that (where appropriate), where an obligation to report arises, one combined report is made to TPR by those subject to the obligation to report.

6.1.4 Exception to the obligation to report

Legal privilege

The duty to report does not override legal privilege, as set out in the Pensions Act 2004. Communications between an appointed professional legal adviser and their client, or a person representing that client, for the purpose of obtaining legal advice, do not have to be disclosed.

Confidentiality obligations do not override the obligation to report.

The Pensions Act 2004 makes clear that the duty to report overrides any other duties a reporter may have, including confidentiality. There are whistleblowing protections for employed individuals making a report in good faith and TPR will take all reasonable steps to protect a reporter's identity.

In all cases TPR expects reporters to act conscientiously and honestly and to take account of expert or professional advice where appropriate.

6.1.5 The decision to report

There are two key judgements required:

- Is there 'reasonable cause to believe' there has been a breach of the law (whether imposed by legislation or by rule of law) relevant to the administration of the scheme?
- If yes, is the breach likely to be of material significance to TPR?

Reporting payment failures

The Trustee adopts the traffic light framework to decide whether a breach is likely to be of material significance:

- RED breaches are situations which are always of material significance to TPR and should be reported;
- GREEN breaches are situations which are not of material significance and do not have to be reported to TPR (but are recorded appropriately); and
- AMBER breaches are less clear cut situations. The reporter(s) must take into account the context of the breach in order to decide whether it is of material significance and should be reported.

'Reasonable cause to believe'

Means more than merely having a suspicion that cannot be proved. Where feasible the reporter should try to carry out checks with the Trustee or with others with knowledge of what happened

to establish whether a breach has occurred. It is important not to alert those who may potentially be involved in dishonesty (theft or fraud). In such cases, if there is an immediate risk to Scheme assets, the reporter should bypass the usual checks and report without undue delay.

Material significance

Factors to consider include:

a. Cause of the breach

Where the breach is caused by:

- dishonesty, negligence or reckless behaviour
- poor governance, inadequate controls resulting in deficient administration, or slow or inappropriate decision-making practices
- incomplete or inaccurate advice, or
- a deliberate act or failure to act

TPR considers it likely the breach will be of material significance.

b. The effect of the breach

When reporting, the Trustee should include the following but common sense is also required to assess the impact:

- significant proportion of members, or category of members, are affected
- members' benefits are significantly impacted
- pattern of recurring issues not resolved
- misappropriation of Scheme assets by any Trustee or anyone associated with the Scheme
- conflicts of interest not appropriately managed
- lack of or poor internal controls and / or risk management leading to financial irregularities
- a lack of knowledge and understanding by those running the Scheme leading to poor governance and administration
- risks are not properly identified or managed
- accurate information about benefits and scheme administration is not provided to members leading to poor decision making
- records are not being properly maintained, including those for the dashboard
- non-compliance with the requirements of the Pension Protection Fund PPF during an assessment period (DB schemes only)

Reaction to the breach

If prompt action to investigate and correct the breach and its causes is taken, including communications with the affected members where appropriate, then TPR will not normally consider the breach to be materially significant.

A breach is likely to be of material significance where –

- prompt action is not taken to remedy it or tackle the cause to minimise recurrence
- it is not prioritised by the Trustee
- affected scheme members are not informed
- it forms part of a series of breaches
- it is caused by dishonesty

Wider implications of the breach

The reporter should also consider whether it is more likely that other breaches may occur in the future and / or other Schemes could be similarly impacted e.g. if they are administered by the same organisation.

It is also appropriate for the reporter to consider broader Scheme issues such as funding levels in DB schemes where members' benefits may be more at risk, and how well run the Scheme is. Previously identified breaches may be taken into account when reporting but care should be exercised where changes have been made to address these.

An isolated breach is not usually considered to be of material significance unless other aspects of the breach increase the severity of it.

6.1.6 How to report

Reporting should be made in writing via TPR online web form, email or by post. If the breach is sufficiently serious, it can be reported to TPR by phone before submitting a written report. The reporter should include their own details and those of the Scheme and employer, a description of the breach(es) including relevant dates and the reasons why it is believed a breach should be reported. Urgent reports should be marked as such and any serious matters highlighted.

Timing for report

Reports must be made as soon as reasonably practicable, which will depend upon the seriousness of the breach.

In all cases, the time taken for the reporter to investigate the breach and reach a conclusion on the cause and material significance should be consistent with the speed required for "as soon as reasonably practicable".

In cases of immediate risk to scheme assets, the payment of members' benefits, or where there is any indication of dishonesty, the Trustee is not required to seek an explanation or assess the effectiveness of proposed remedies, and should report without delay. In cases of potential dishonesty the report should avoid, where possible, checks which might alert those implicated, and should alert TPR by the quickest means possible.

In all cases, the more serious the potential breach, the more urgently the checks should be carried out and any notifications made.

Where a longer reporting period is decided reasonable, the reasons for this should be recorded with any evidence.

Payment failure of DC contributions

Reporting a payment failure for a DC scheme can be done via TPR's maintaining contributions portal.

Further guidance

The below link provides further guidance and TPR contact details.

[Whistleblowing about your workplace pension | The Pensions Regulator](#)

6.1.7 Reporting procedures

Procedures should be established to ensure reporters can meet their legal obligations. This includes the following processes:

- clarifying the law around suspected breaches
- clarifying the facts of any breach, where not known
- considering whether the breach is of material significance and the wider implications

- clear referral process on escalating the breach so a decision can be made at a senior level whether to report it or not
- established procedures for dealing with difficult cases
- timeframe for reporting the breach, appropriate to the breach circumstances
- a system to record breaches even if not reported (see 'Breaches log' below)
- process for reviewing reporting procedures following important changes to the scheme's governance arrangements

6.1.8 Breaches log

A key tool to help compliance and monitoring is to set up a 'breaches log'. This should cover not only breaches that may need to be reported to TPR, but also any General Data Protection Regulation (GDPR) breaches or cyber incidents which may need to be reported to the Information Commissioner's Office (ICO).

The Trustee maintains its own breaches log (covering all statutory breaches including disclosure deadlines) separate to any breaches log operated by the scheme administrator.

6.1.9 Reporting to other bodies

Where a duty to report to another body (such as the ICO) coincides with the duty to report to TPR, the report should include details of other bodies that have been reported to.

6.1.10 Multiple reporters

Where appropriate, the Trustee's policy is for one combined report to be made in relation to any breaches in relation to the Scheme, on behalf of all those subject to the duty to report. This acknowledges that more than one person may be responsible for reporting the same breach, and the duty to report is not discharged by another person reporting.

Where an initial report has been made and additional relevant information is held about the breach, a further report may be submitted. However duplicate reports should be avoided unless different or additional information is being provided.