Air India Pension & Assurance Scheme Statement of Investment Principles

Unit 1, Gilbert House, Great West Quarter,
Brentford, Middlesex TW8 0GH

1.Introduction

This Statement has been prepared by the Trustees of the Air India Pension and Assurance Scheme in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended), and Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005, and any subsequent additional regulations.

In preparing this Statement, the Trustees have taken appropriate written advice from a suitably qualified individual, Simon Jagger FIA, Director of Jagger & Associates Limited. The Trustees have also consulted with the sponsoring employer. This Statement is consistent with the Scheme's governing documents.

The Scheme is registered with HM Revenue and Customs. The Scheme provides final-salary related benefits. There is no formal employer-related investment, and the Trustees intend none. The sponsoring employer intends to remit all relevant contributions to the Trustees within the relevant timescales.

2.Delegation of Investment Management

The Trustees use a range of pooled funds provided by Legal & General Investment Management (L&G). A cash account is also maintained for managing short-term cash flow. The Trustees may also use an L&G Cash Fund for this purpose.

The details of the investment manager's appointment, covering the roles of the organisation and its various subsidiaries and associated companies, and associated fee rates, are covered by an agreement with effective date 23 June 1999 (the date of the first pooled fund investment with L&G), and in any legally valid amendments thereof. In addition to these agreements, the full details of the restrictions placed on the manager (including restrictions in relation to the allocation of assets, credit limits, and the use of asset classes such as derivatives and foreign currency) are contained within the documentation produced by the investment manager for the individual products used. The Trustees have placed no additional constraints on the investment manager.

The provider, where relevant, is suitably authorised under the Financial Services and Markets Act 2000.

3.Investment Strategy

The assets are now held in a mix of Index-Linked Gilt and Corporate Bond funds. The mix is designed to replicate the buyout position of the Scheme, and it will be reviewed periodically to allow for demographic changes. Gilt funds may be introduced in due course if the credit margin on the Corporate Bond funds becomes unacceptably narrow.

The Global Equity (50:50) Fixed Weights Fund is no longer held, given the buyout-based strategy.

The Corporate Bond Index funds used are the Over 15 Year Corporate Bond Index Fund ("Long-Dated") and the All Stocks Corporate Bond Index Fund ("All-Dated").

The Index-Linked Gilt fund currently used is the Under 15 Year Index-Linked Gilt Index Fund.

The Trustees consider the investment strategy in place, and the investment products used, to be appropriate for the Scheme. In formulating the strategy and deciding on the suitability of the products, the Trustees sought advice from their professional advisers. The Trustees will review their decisions from time to time with their advisers.

4.Expected Return on Investments

The expected return is calculated based on the combined prospective redemption yields of the bond funds held.

Each Investment Grade Corporate Bond Index Fund is a passively managed bond fund that aims to track the relevant iBoxx £ Non-Gilts Index (i.e. Long-Dated or All-Dated as appropriate). The Index-Linked Gilt fund is a passively managed fund that aims to track the relevant index benchmark.

The investment performance of the Scheme's assets is reported on a quarterly basis by the investment manager.

5.Risk Management and Risk Measurement

The Trustees are satisfied that their investment manager is prudent and professional in their general approach to investment. The investment products used involve holding units in pooled funds that maintain diversified portfolios of underlying assets (e.g. bonds, and other financial instruments). This reduces the risk to the Scheme and members of investing in any specific individual asset. The use of passive funds also removes some of the risk involved in a purely active investment strategy.

The Trustees will keep the asset allocation under review, and risk measurement forms part of the performance monitoring process.

6.Realisation of Investments

The Trustees' policy is to ensure that the assets invested are sufficiently realisable to enable the Trustees to meet their obligations to provide benefits as they fall due. The Trustees are satisfied that the arrangements in place conform to this policy. The Trustees monitor their net cashflow position, the likely need to realise capital, and hence any effect on asset allocation and the choice of investment funds.

7.Additional Voluntary Contributions

The Scheme has made available facilities with Legal & General Assurance Society Ltd for members who wish to contribute to enhance their retirement benefits. The Trustees believe these to be appropriate facilities for this purpose, but note that the decisions on the funds used rest entirely with the members.

8.Environmental, Social and Governance (ESG) Considerations including Voting and Engagement

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest in pooled funds and cannot therefore directly influence the environmental, social, and governance policies and practices of the companies in which the pooled funds invest. The Trustees have excluded non-financial matters in the selection, retention and realisation of investments in the past but will incorporate non-financial factors in future investment selection to the extent they feel appropriate.

The Trustees have no formal policy on either ESG (including climate change) or delegation of voting rights. Instead, they have delegated the responsibility for these matters to their investment manager, who will from time to time report on their current and future actions in these areas.

The Trustees will consider a manager's ESG credentials during their appointment and ongoing review process, and will ask for a written update at least an annually on the manager's approach and activity in relation to responsible investing for the products used by the Trustees.

The corporate bond funds held should not normally involve any voting rights.

As the Trustees use pooled funds, their asset manager is not incentivised to align their investment strategy and decisions with the Trustees' policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the manager may make such decisions and/or engage of their own accord.

Performance monitoring, manager remuneration and duration of manager appointment are covered elsewhere in this Statement. As the Trustees use pooled funds, there is no targeted portfolio turnover or turnover range.

As the Trustees use pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.

The Trustees publish their SIP online for general public access. In addition, the Trustees publish annually online an engagement policy implementation statement that outlines how the various

requirements (set out above) have been followed during the year, and describes the voting behaviours of the asset managers on their behalf.

9.Compliance

The Trustees will formally review this statement as and when required, and at least every three years, with the assistance of their advisers. A copy of this statement is available for inspection by Scheme members.

This statement has been agreed by the Trustees on 01 MAY 2026.