



# Conflicts of Interest Policy Summary

for BT Pension Scheme Management Limited trading as Brightwell  
March 2026



BT Pension Scheme Management and Administration Limited t/a Brightwell

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## Introduction

1. This policy summary sets out the principles and outlines the control approach and governance arrangements to be followed in Brightwell for conflicts of interest.
2. Brightwell has no appetite for any discretion to this Policy, which is mandatory. Any breach of the Policy will have a consequence in proportion to the breach and could result in disciplinary action.

## Scope

3. This policy applies to all Brightwell staff including permanent employees, directors (both executive and non-executive), temporary staff and contractors (the Workforce).
4. Brightwell refers to both BT Pension Scheme Management Limited (BTPSM) and BT Pension Scheme Administration Limited (BTPSA). Unlike BTPSM, BTPSA is not an FCA-regulated entity, so BTPSA does not need to formally comply with FCA requirements. BTPSA complies with FCA regulations set out throughout this policy as a matter of best practice.

## Principles

5. Brightwell conducts its business according to the principle that it must manage actual and potential conflicts of interest fairly and effectively between itself and clients, and between clients and other parties it deals with. Brightwell aims to act professionally and independently at all times with clients' best interests in mind, and to take all reasonable steps to:
  - a. Identify circumstances that may give rise to conflicts of interest entailing a material risk of damage to clients' interests; and
  - b. Establish appropriate mechanisms and systems to identify, monitor and manage such conflicts.
6. All members of the Workforce are responsible for ensuring that Brightwell's systems, controls and procedures are adequate to identify and manage conflicts of interest within, and spanning across, their respective areas of responsibility. They are supported by Compliance and other relevant Group functions which assist in the identification and monitoring of actual and potential conflicts of interest and advise on how they should be managed.

## Identifying conflicts of interest

7. Conflicts of interest are situations that arise or may arise in the course of providing a service that may entail a material risk of damage to the interests of a client, employees, scheme members, vendors or to Brightwell itself.
8. When identifying conflicts of interest, Brightwell will consider all factual circumstances and will take into account whether Brightwell, a member of the Workforce, a Brightwell subsidiary or a person linked directly or indirectly by control:

- a. is likely to make a financial gain (or avoid a loss) at the expense of a client or Brightwell;
- b. has an interest in the outcome of the service provided to a client or Brightwell, or of a transaction carried out on behalf of a client or Brightwell, where their interests are distinct from those of Brightwell or a client;
- c. has a financial or other incentive to favour one potential client or service provider over another;
- d. carries on the same business as the client; or
- e. receives, or will receive, from any third party an inducement in relation to a service provided to a client or Brightwell, in the form of money, goods or services other than standard fees or commissions for that service which have been properly notified and disclosed.

In accordance with regulatory requirements (under SYSC 10.1.3R of the FCA Handbook and the General Code of the TPR), Brightwell must operate an effective system of governance and take reasonable steps to identify, evaluate, record, manage and mitigate the types of conflicts of interest that exist, or may arise, between Staff, Brightwell itself, Brightwell's vendors, members and clients in the provision of its services.

9. Brightwell has identified the following activities which may give rise to conflicts of interest, this is a non-exhaustive list:

- Trading and investment decision making;
- Personal account dealing
- Provision of investment advice;
- Staff remuneration;
- Outside business interests
- Directorships (either executive or non-executive) on the boards of other companies;
- Personal relationships between employees;
- Handling of confidential or inside information;
- Having a client pension account:
- Having a family member with a client pension account;
- Stewardship;
- Voting in corporate elections;
- Prioritisation of key resource between clients;
- Cost reduction.

### **Initial and Ongoing Reporting of Actual or Potential Conflicts of Interest**

10. New members of Staff must declare any potential or actual conflicts of interest via Star Compliance. This includes:

- Close personal relationships (CPRs) with an existing employee
- Ownership of a client Pension Account (Own Account) or Family Member Own Account.
- Close personal relationships with individuals connected to companies which compete with or are clients or vendors of, Brightwell or that Brightwell invests in
- Outside business and employment interests (OBIs)

Members of Staff who become aware of a new potential or actual conflict of interest must report this in Star Compliance as soon as practically possible.

11. Staff are required to attest annually that they have disclosed all potential conflicts.
12. Timely disclosure of any potential conflict of interest will allow the appropriate measures to be put in place to manage, mitigate and /or disclose as appropriate.
13. If an individual is unsure as to whether an activity should be considered a potential conflict of interest, advice should be sought from Compliance.

### **Evaluating conflicts of interest**

14. Brightwell has in place organisational and administrative arrangements designed to ensure that potential conflicts of interest are managed effectively, and that clients' interests are not adversely affected. This means that the conflict should be managed in such a way that all clients are treated fairly and Brightwell conducts its business with integrity and high ethical standards.

### **Confidential information controls**

15. Brightwell operates a "need to know" principle whereby confidential information is only shared with those that have a legitimate business need to receive and hold it. Confidential projects are code-named and document access is controlled within our systems.

### **Stewardship-related conflicts of interest**

16. Brightwell operates controls to mitigate the risk that investment decisions made by third-party asset managers do not align with the stewardship approach of Brightwell's clients. These controls are as follows:
  - Prior to appointment as a manager for Brightwell's clients, all third-party asset managers must undergo a due diligence questionnaire which requests information on their approach and controls for sustainable investing and stewardship
  - Once appointed, all third-party asset managers are required to complete an annual net zero and stewardship questionnaire detailing their approach to sustainable investing and stewardship
  - All third-party managers are assessed based on the information provided in the questionnaire and throughout the year, in quarterly sustainable investment meetings, regarding their commitments and activities in relation to net zero and stewardship. This information is compared against Brightwell's Sustainability best practice manager expectations and scored accordingly.
  - Where Brightwell identifies that a third-party asset manager's stewardship approach is misaligned, Brightwell will work with the third party to resolve the issue or will put in place an appropriate strategy to manage it.

### **Conflicts of interest in relation to Brightwell's corporate structure**

17. Brightwell considers the BT Pension Scheme to be its ultimate parent company which presents a potential conflict of interest between Brightwell's obligations to its owner and its obligations to other clients.
18. Brightwell has in place a range of policies and processes to ensure conflicts are managed, as set out in this policy. Brightwell operates with an independent Executive Committee and Board of Directors with no BT Pension Scheme representation. Brightwell also has independent Non-Executive Directors (forming the majority of the Board), one of whom is the Chair for the Brightwell Board. Additionally, Brightwell's regulated activities are overseen by an independent Compliance function, and an independent Investment Risk team, as well as an internal audit function.

### **Termination/avoidance**

19. Some conflicts of interest may have such a potential impact on the firm or clients that the only way to manage them adequately is to avoid them entirely. In such cases, the activity to which the conflict of interest relates may need to be terminated or avoided. As part of the initial and ongoing management of conflicts, Compliance, in consultation with relevant stakeholders, will determine whether a conflict needs to be terminated or avoided.

### **Conflicts of interest register**

20. Brightwell maintains conflicts of interest registers via Star Compliance. The registers are used to record any reported actual, apparent or potential conflicts of interest as well as appropriate controls (if any) in place. Compliance liaises with relevant individuals to determine the appropriate action to manage such conflicts of interest and this is recorded in Star Compliance.
21. The Conflicts Registers will be provided to the Exec Committee on request and as any new material conflict, or potential conflict, is identified.

### **Disclosure**

22. In rare cases, where arrangements made by the firm are not sufficient to ensure with reasonable confidence that risks of damage to the interests of a client will be prevented, the firm must clearly disclose before undertaking business with the client(s) the nature of the conflict and the steps taken to mitigate the risks associated with it. This must be done in a durable medium, with sufficient detail to explain the risk to the client(s) in order that they may make an informed decision regarding the service provided.

### **Monitoring**

23. Compliance periodically undertakes reviews of the associated policies and processes relevant to this policy. Periodic independent audit reviews are undertaken by an external audit firm.

### **Breaches of Policy and Escalating Concerns**

24. A breach of this policy is a serious matter and may render the staff member(s) responsible subject to disciplinary action.

25. In addition, a breach of policy may also constitute a breach of specific legal or regulatory requirements or obligations which might subject Brightwell and/or the staff member in question to legal or regulatory enforcement investigations or actions which may incur financial or other penalties.

26. If a staff member suspects, or has reason to suspect, that a breach has occurred, may have occurred or is about to occur, they should promptly raise a concern with their Line Manager and Compliance (in line with the guidance in the Whistleblowing policy).

### **Training & Attestations**

27. All staff will receive training on the topics covered in this policy upon joining the company and periodically thereafter. They will also be required to reaffirm their understanding of the policy and their disclosure of any personal account dealing, gifts and hospitality and conflicts of interest, via an attestation process.

### **Roles and Responsibilities**

23. Approval of this Policy is the responsibility of the Brightwell Board. This approval is sought via the Risk, Audit and Compliance Committee (RACC).

### **Review**

24. This Policy is reviewed at least annually.

Term	Explanation
Close Personal Relationship	<p>A CPR in the context of this policy is a personal relationship an employee has with another person which goes beyond normal course of business relationships and has the potential to give rise, or appear to give rise, to a personal conflict.</p>
Outside Business Interest	<p>An OBI is defined as an employee undertaking certain activities or business interest outside of the scope of their employment with Brightwell.</p> <p>These include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Working for/being involved with another company/organisations other than BTPS (whether or not compensation is received) which has the potential to give rise to a Personal Conflict — e.g. directorships or employment where the employee might owe obligations or duties to the other organisation which might conflict with the interests of Brightwell or compromise their ability to meet their obligations to Brightwell and its client.</li> <li>• Financial roles for another organisation.</li> <li>• Any activity (such as holding political office or accepting a public appointment), whether historic current or future, which might give rise to an employee becoming designated as a Politically Exposed Person (“PEP”) or Public Official (“PO”).</li> </ul>