

Kelly Services (UK) Limited Benefits Plan

Statement of Investment Principles

May 2026

Contents

1	Introduction	1
2	Decision Making	3
3	Investment Objectives	4
	Defined Benefit Section	4
	Defined Contribution Section	4
4	Investment Responsibilities	5
	Trustee's Duties and Responsibilities	5
	Investment Adviser's Duties and Responsibilities	5
	Investment Manager Arrangements and Responsibilities	6
	Summary of Responsibilities.....	7
5	Implementation.....	8
6	Risk	12
7	Responsible Investing	17
	Stewardship Policy.....	17
8	Monitoring of Investment Adviser and Manager	19
9	General Code	20
10	Compliance.....	21
	Appendix 1: Investment Manager	22
	Appendix 2: Responsibilities of Parties	25
	Appendix 3: Cashflow and Rebalancing Policy	27

1 Introduction

Trustees are required to prepare and review regularly a Statement of Investment Principles (“SIP”), dealing with certain specific matters, to comply with the requirements of the Pension Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 (the “Regulations”) as amended.

This statement sets out the principles governing decisions about the investment of the assets of the Kelly Services (UK) Limited Benefits Plan (the Plan).

In preparing the Statement, the Trustee has:

- obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer Limited, whom it believes to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- consulted with the Sponsoring Employer, although it affirms that no aspect of the strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer, to ascertain whether there are any material issues which the Trustee should be aware of in agreeing the Plan’s investment arrangements.

The Plan’s assets are held in Trust for the Plan by the Trustee, whose powers of investment are set out in the Trust Deed and Rules.

The Trustee will review the Statement formally at least every three years. Furthermore, the Trustee will review the Statement without delay after any significant change in investment policy or member demographics. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

Plan details

The Plan is a hybrid scheme (both Defined Benefit and Defined Contribution) and operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries. The Plan was established as a Defined Benefit (DB) plan and subsequently changed to a Defined Contribution (DC) plan with effect from 1 April 1993. Members of the Plan were contracted out of the State Earnings Related Pension Scheme (later known as the State Second Pension) on a Guaranteed Minimum Pension (GMP) for the period ending 5 April 1997 and on a money purchase protected rights basis for the period 6 April 1997 to 31 March 2004. The Plan closed to new members and future contributions from 31 March 2004.

The benefits provided by the Plan are categorised as follows:

- Defined Benefits (final salary benefits) in respect of service prior to 1 April 1993. For the purpose of this Statement these benefits have been defined as DB Benefits.
- Defined Contribution Benefits (money purchase benefits) subject to a GMP underpin in respect of service between 1 April 1993 and 5 April 1997. For the purpose of this Statement these benefits have been defined as DC GMP Underpin Benefits.
- Defined Contribution Benefits (money purchase benefits) in respect of service accrued after 6 April 1997. For the purpose of the Statement, these benefits have been defined as DC Benefits.

Exempt approval has been granted by HM Revenue & Customs (HMRC) under Chapter 1 of part XIV of the Income and Corporation Taxes Act 1988 and from 6 April 2006 the Plan has acquired registered scheme status.

Administration of the Plan is managed by the Trustee (via Aptia Limited), and the Trustee is also responsible for the investment of the Plan's assets (taking advice from Mercer Limited as appropriate).

2 Decision Making

The Trustee distinguishes between two types of investment decision:

1. Strategic investment decisions

These decisions are long-term in nature and are driven by an understanding of the objectives, needs and liabilities of the Plan.

The Trustee takes all such decisions itself. Where appropriate, this is after receiving written advice from its investment adviser and consulting with the employer. Examples of such decisions include:

- Setting investment objectives;
- Setting the strategic asset allocation;
- Setting benchmarks;
- Drafting the Statement of Investment Principles; and
- Appointing and removing investment managers.

2. Tactical investment decisions

These decisions are short-term and based on views of future market movements.

The Trustee delegates such decisions to appropriate investment managers and do not interfere with decisions. Examples of such decisions include:

- Selecting individual stocks;
- Temporarily deviating from the strategic asset allocation to take advantage of better market opportunities; and
- Timing of entry or exit from a market.

3 Investment Objectives

Defined Benefit Section

The Trustee's overall investment policy is guided by the following objectives:

- Achieve and maintain a funding level of 100% on an on-going basis without taking unacceptable risk.
- To achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.
- To maximise the return on the assets at an acceptable level of risk (taking the circumstances of the Plan's funding position and the Sponsoring Employers' covenant into consideration).
- To ensure the assets are liquid enough to meet the liabilities when required.

Defined Contribution Section

The Trustee is mindful of its responsibility to provide members with an appropriate range of investment funds and a suitable default strategy. The long-term objective of the Trustee is to provide members with the opportunity to invest towards an income in retirement that is both adequate and sustainable for their circumstances.

Details of the approach the Trustee has taken to meet these investment objectives are set out in Section 5.

The Trustee has determined its investment policy in such a way as to address the risks set out in Section 6 of this Statement

The items set out in Section 2, 3, 5, 6 and 7 of this Statement are in relation to what the Trustee deems as 'financially material considerations' both for the DC Section of the Plan and the default lifestyle strategies. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the members' age and when they expect to retire. It is for this reason that the default is a lifestyle strategy.

4 Investment Responsibilities

Trustee's Duties and Responsibilities

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives. The Trustee is comprised of a Sole Professional Trustee.

The duties and responsibilities of the Trustee includes, but are not limited to, the following tasks and activities:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with both the Investment Adviser and the Sponsoring Employer.
- Reviewing the DB Section's investment strategy following the results of each actuarial review, in consultation with the investment adviser and Scheme Actuary.
- Reviewing the DC Section's fund range and default investment strategies on at least a triennial basis.
- The appointment and review of the investment managers and investment adviser.
- The assessment and review of the performance of each investment manager.
- The review of the investment parameters within which the investment managers can operate.
- The assessment of the risks assumed by the Plan at a total Plan level as well as on a manager by manager basis.
- The approval and review of the asset allocation benchmark for the DB Section of the Plan.
- The compliance of the investment arrangements with the principles set out in the Statement.

Investment Adviser's Duties and Responsibilities

The Trustee has appointed Mercer as the investment adviser to the Plan. Mercer provides advice as and when the Trustee requires it, as well as raising any investment-related issues, of which they believe the Trustee should be aware. Matters on which Mercer expects to provide advice to the Trustee includes the following:

- Participating with the Trustee in reviews of this Statement.
- Setting of investment objectives.
- Determining investment strategy and asset allocation.
- Determining an appropriate investment structure.
- Monitoring the investment managers to assess their suitability and to ensure they continue to operate within their given mandates.
- Monitoring the platform provider to ensure its continuing appropriateness for the Plan.
- Production of performance monitoring reports.
- Advising on cashflow management policies (see Appendix 3) – DB Section.

The Trustee may seek advice from Mercer with regard to both strategic and tactical investment decisions; however, it recognises that it retains responsibility for all such decisions, including those that concern investments and disinvestments relating to cash flows (see Appendix 3), regarding the DB Section. Mercer

may be proactive in advising the Trustee regarding tactical investment decisions; however, there is no responsibility placed on Mercer to be proactive in all circumstances.

The Trustee monitors the performance of the Plan's underlying investment managers against their benchmarks. Mercer will provide performance monitoring reports to assist the Trustee in this process.

Mercer makes a fund-based charge for the services it provides as set out in its investment agreement with the Trustee. Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

In particular, Mercer does not receive commission or any other payments in respect of the Plan that might affect the impartiality of their advice, and as noted below, any discounts negotiated by Mercer and Mobius Life Limited ("Mobius") with the underlying managers are passed on in full to the Plan.

The Trustee is satisfied that this is the most appropriate adviser remuneration structure for the Plan.

Mercer is authorised and regulated by the Financial Conduct Authority ("FCA").

Investment Manager Arrangements and Responsibilities

The Trustee is a long term investor and does not look to change the investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The DC Section's fund range and default investment strategies are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default investment strategies or general fund range.

The Trustee, after considering appropriate investment advice, have invested the Plan's assets through a Trustee Investment Policy ("TIP") from Mobius, whose appointment foregoes the need for a Custodian.

The Mobius TIP facilitates investment into a range of underlying funds managed by third party investment managers and the value of the Mobius TIP is directly linked to the change in value in the underlying funds. All of the underlying investment managers used by the Plan are authorised and regulated by the FCA. Mobius Life Limited is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

The underlying investment managers used by the Trustee through the Mobius platform are chosen based on advice from the Investment Adviser. This is based on the Investment Adviser's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. If a manager is significantly downgraded by Mercer's Manager Research Team (MMRT), Mercer will inform the Trustee so that a decision may be taken to seek a replacement if necessary.

The Trustee will only invest in pooled investment vehicles through the Mobius platform. The Trustee therefore accepts that it cannot specify the risk profile and return targets of the managers, but the pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

The underlying investment managers the funds are invested in are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

Both Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan. Where possible, discounts have been negotiated by Mercer and Mobius with the underlying managers on their standard charges and the Plan benefits directly from these discounts.

None of the underlying managers in which the Plan's assets are invested have performance-based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee accepts that it cannot influence the charging structure of the pooled funds in which the Plan is invested but are satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics.

The Trustee is therefore satisfied that this is the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in this SIP.

Summary of Responsibilities

A summary of the responsibilities of all relevant parties, including the Plan Actuary and administrators, in so far as they relate to the Plan's investments, is set out at Appendix 2.

5 Implementation

The Trustee, after considering appropriate investment advice, have selected professional, authorised investment managers to manage the assets of the Plan through the Mobius Platform. The Trustee believes this advice to be in line with the requirements set out in Section 36 of the Pensions Act 1995.

Investment Strategy of the Defined Benefit Section

Types of Investments to be Held

The Plan's assets are invested wholly via pooled vehicles.

The Trustee is permitted to invest across a wide range of asset classes, including the following:

- UK and overseas equities
- UK and overseas government bonds, fixed and inflation-linked
- UK and overseas corporate bonds
- Convertible bonds
- Property
- Commodities
- Hedge funds
- Private equity
- High yield bonds
- Emerging market debt
- Diversified growth
- Liability driven investment products
- Cash

The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

Investment Structure of the Defined Contribution Section

The Trustee's strategy is to provide members with sufficient investment options to allow the acquisition of secure assets of appropriate liquidity, which will generate income and capital growth, which, will provide a fund at retirement with which members can purchase a pension annuity.

The Trustee wishes to give members a reasonable degree of freedom over the investment policy of their accounts. Members can invest their DC Benefits in a self-select option or in the Default Investment Strategy. DC GMP Underpin benefits are invested in an alternative lifestyle strategy ("DC GMP Underpin Lifestyle"), and members are not able to make investment selections for these benefits. Note that members may have both DC Benefits and DC GMP Underpin Benefits.

Asset classes include equities, bonds and money market instruments. All of the funds in which the Plan invests are pooled and unitised; the use of derivatives is permitted by the guidelines that apply to the pooled funds. The following funds have been made available for members to choose their own customised asset mix:

- BlackRock Life AQC (50:50) Global Equity Fund
- BlackRock Life AQC Over 15 Years Gilt Index Fund
- BlackRock Life AQC Corporate Bond Over 15 Years Fund
- BlackRock Life AQC Over 5 Years Index-Linked Gilt Fund
- BlackRock Life AQC (40:60) Global Equity Fund
- BlackRock Life AQC UK Equity Fund
- BlackRock Life AQC World (ex-UK) Equity Fund
- L&G Life TA Sterling Liquidity Fund

After assessing the potentially enhanced return from active management in relation to the additional risks assumed and the costs involved in employing an active investment manager; the Trustee decided to utilise passively managed funds.

When self-selecting, the balance between funds and asset classes is the member's decision. This balance will determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerance. Members can switch between funds by changing their investment instructions.

Default Investment Strategy

The default strategy operates as a default for DC Benefits if a member does not wish to make their own investment selection. The default is designed to be appropriate for a typical member of the Plan. This Strategy is not available for DC GMP Underpin Benefits.

In determining the investment strategy for the default, the Trustee received formal written investment advice from their investment adviser. The Trustee explicitly considered the trade-off between risk and expected returns when establishing the balance between different kinds of investments. The expected amount of risk is considered appropriate for the typical member and will differ by member depending on their age and their expected retirement age. Further information is set out below.

The default option follows a "lifestyle" strategy that automatically varies the mix of assets a member is invested in over their working life and is designed to be appropriate for a member to take their benefits by purchasing an annuity at retirement. This aims to provide growth in excess of inflation during the growth phase of the lifestyle and to provide a strategy to reduce investment risk as members approach retirement age.

In the lifestyle strategy assets are invested in the BlackRock (50:50) Global Equity Index Fund and are subject to a 'Lifestyle' investment strategy. The BlackRock (50:50) Global Equity Fund broadly maintains an equity split of 50% UK equities and 50% overseas equities. The Lifestyle strategy mechanistically moves assets from the (50:50) Global Equity Index Fund to the BlackRock Over 15-year Gilt Index Fund and L&G Sterling Liquidity Fund as retirement approaches.

From six years to retirement, assets invested in the Global Equity Fund move to Gilts on a quarterly basis. Two years from retirement, some assets are moved to cash. This is illustrated in the following table.

Years from retirement	BlackRock (50:50) Global Equity Index Fund %	BlackRock Over 15-year Gilt Index Fund %	L&G Sterling Liquidity Fund %
End of Year 6	100	0	0
End of Year 5	80	20	0
End of Year 4	60	40	0
End of Year 3	40	60	0
End of Year 2	25	75	0
End of Year 1	15	75	10
End of Year 0	0	75	25

The default retirement age for the lifestyle strategy is age 62. However, members can choose a target retirement age (between age 55 and age 75) which will dictate the beginning of the Lifestyle phasing. Retirement before age 62, however, requires Company and Trustee consent.

Additional Default Arrangement

In accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, as amended, the Trustee has identified that the DC GMP Underpin Lifestyle is also a default arrangement (as defined by these regulations).

This DC GMP Underpin Lifestyle was introduced in December 2025, at which point, all GMP Underpin Benefits were transferred to this strategy. The Trustee received formal written advice from its investment adviser in relation to this, and consideration was given to the trade-off between the risk and expected returns whilst also taking into account the GMP underpin on these assets. Members are unable to select alternative investment arrangements for their DC GMP Underpin Benefits. Likewise, it is not possible for members to invest their DC Benefits into the DC GMP Underpin Lifestyle.

The DC GMP Underpin strategy is also a “lifestyle” strategy that automatically varies the mix of assets a member is invested in over their working life and is designed to more closely align with the factors affecting the GMP.

There are two funds used within DC GMP Underpin Lifestyle Strategy:

- Growth Fund – aims to provide long-term capital growth. The Fund is currently comprised of underlying equity funds. The asset allocation of the fund will be reviewed by the Trustee on a triennial basis (or sooner as required) and is subject to change.
- Retirement Fund - designed to align the asset allocation to how members expected to receive their benefits via a Guaranteed Minimum Pension. This Fund currently includes allocations to Government bonds, corporate Bonds and cash assets. The asset allocation of the fund will be reviewed by the Trustee on a triennial basis (or sooner as required) and is subject to change.

Further from retirement, assets are fully invested in the Growth Fund. Over the 6 years to retirement, assets are automatically switched into the Retirement Fund on a quarterly basis, resulting in a 100% allocation by the member's selected retirement age. This is illustrated in the following table.

Years from retirement	Growth Fund	Retirement Fund
End of Year 6	100	0
End of Year 5	80	20
End of Year 4	60	40
End of Year 3	40	60
End of Year 2	25	75
End of Year 1	15	85
End of Year 0	0	100

The default retirement age for the lifestyle strategy is age 62. However, members can choose a target retirement age (between age 55 and age 75) which will dictate the beginning of the Lifestyle phasing. Retirement before age 62, however, requires Company and Trustee consent.

Further details of the funds used in the two lifestyle strategies and self-select range are set out in Appendix 1.

Policy in relation to Illiquid Assets

The Trustee considers illiquid assets as assets of a type which cannot easily or quickly be sold or exchanged for cash; including where such assets are invested as a component of a daily-dealing multi-asset fund. The Plan's default arrangements include no direct allocation to illiquid investments or to investments via a collective investment scheme.

The Trustee understands the potential for higher returns and benefits of diversification relative to more traditional asset classes (such as bonds or equities) that illiquid assets can offer. While these potential benefits are recognised by the Trustee, it is also aware of the risks of illiquid assets to members. Given the potential for valuations of illiquid assets to not reflect their true value at a given time, as well as concerns over liquidity management and platform compatibility; the Trustee considers direct investment into an illiquid asset fund as not currently suitable for members of the Plan. The Trustee remains comfortable with the funds used in the default arrangements, and annually assess whether the funds used provide value for members.

In selecting investments for the default arrangements the Trustee uses both qualitative and quantitative analysis to consider the expected impact of different strategic allocation mixes. For any future investment, the Trustee carefully considers whether the investment provides value for members, taking account of the return potential and associated risks. It is the Trustee's policy to review the allocation of the default investment strategies on at least a triennial basis. Such reviews will include whether the incorporation of illiquid asset investments is appropriate.

6 Risk

Risks of the Defined Benefit Section

The Trustee pays close regard to the risks that may arise through a mismatch between the Plan's assets and its liabilities, and to the risks that may arise from the lack of diversification of investments. It believes that the investment policies to be followed by the investment managers do have adequate regard to the need to diversify within each asset class as well as in terms of stock selection.

Under the Pensions Act 2004 the Trustee must now state its policy on the ways in which risks are to be measured and managed. These are set out below in relation to the DB Section of the Plan.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the value of the assets held relative to the liabilities.
- These are managed by setting a Plan-specific strategic asset allocation with an appropriate level of risk for the level of expected return.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.

Liquidity Risk

- This is monitored according to the level of cashflows required by the Plan over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Plan's assets are invested in pooled funds which are readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a high degree of diversification.

Corporate Governance Risk

- This is assessed by reviewing the Plan's investment managers' policies regarding corporate governance.

- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are provided to the Trustee from time to time and take into account the financial interests of the shareholders, which should ultimately be to the Plan's advantage.

Sponsor Risk

- This is assessed as the level of ability and degree of willingness of the Sponsor to support the continuation of the Plan and to make good any current or future deficit.
- It is managed by assessing the interaction between the Plan and the Sponsor's business, as measured by a number of factors, including the creditworthiness of the Sponsor and the size of the pension liability relative to a number of metrics reflecting the financial strength of the Sponsor.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustee. The Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Plan invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environment in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing funds with sound risk management procedures.
- The Trustee has invested the assets via the Mobius Platform. Mobius carries out due diligence checks before making a new pooled fund available, and on an ongoing basis, monitors changes to the regulatory and operating environments of the underlying pooled investment managers.

Market Risk

- This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk.

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension plan, the Plan may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than sterling. There is a risk that the price of that overseas currency will move in

such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.

- The Trustee acknowledges that currency risk related to overseas investments is delegated to, and hedged where deemed appropriate, by the underlying investment managers.

Interest Rate Risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustee recognises that the Plan's liabilities are exposed to a significant level of interest rate risk movement and for this reason it is desirable for the assets to be exposed to an appropriate level of interest rate risk.
- The Trustee has therefore invested in fixed interest gilt funds in order to provide hedging against the interest rate risk inherent within the Plan's liabilities.

Other Price Risk

- This is the risk that principally arises in relation to the return seeking portfolio i.e. equities.
- The Trustee acknowledges that a Plan can manage its exposure to price risk by investing in a diverse portfolio across various markets.

Environmental, Social and Governance Risk

- This is the risk that Environmental, Social or Corporate Governance ("ESG") concerns, including climate change, have a financially material impact on the return of the Plan's assets.
- The Trustee believes that ESG factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are appropriately included in the investment decision making process. Part of the rating process of the Investment Adviser in relation to the underlying investment managers is based on their financial stewardship and how well they integrate governance and sustainability into their investment process.

Risks of the Defined Contribution Section

The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. The main types of investment risk are and how they are monitored and managed are noted below:

Type of Risk	Risk	Description	How is the risk monitored and managed?
Market Risk	Inflation Risk	The risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).	The Trustee makes available a range of funds across various asset classes, with the majority expected to keep pace with inflation.
	Currency Risk	This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension plan, the plan may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.	Members are able to set their own investment allocations, in line with their risk tolerances for their DC Benefits The default strategies are designed with the intention of diversifying these risks to reach a level of risk deemed appropriate given the objectives. This is set with the advice from the investment adviser.
	Credit Risk	This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	The Trustee acknowledges that the assessment of credit risk on individual debt instruments is the responsibility of the investment manager. The Trustee will however ensure that it is comfortable with the amount of risk that the Plan's investment managers take.
	Other Price Risk	This is the risk that principally arises in relation to the return seeking assets such as equities.	The Trustee acknowledges that the Plan can manage its exposure to price risk by investing in a diverse portfolio across various markets.
Environmental and social and governance ("ESG") risks		This is the risk that ESG factors, including climate change, have a financially material impact on the return of the Plan's assets. These risk factors can have a significant effect on the long-term performance of the assets the Plan holds.	Where applicable these factors will be considered in the investment process but is considered the responsibility of the investment manager. Please see Section 7 for the Trustee's responsible investment statement.

Pension Conversion Risk	This is the risk that member is invested in a strategy that does not reflect the way in which they intend to take their benefits at retirement.	The Trustee makes available a wide range of funds which enable members to manage this risk. The default for DC Benefits is a lifestyle strategy which automatically and gradually switches member assets into investments whose value is expected to be less volatile relative to annuity prices. The allocation at retirement is considered suitable for members purchasing an annuity and taking a 25% tax free cash lump sum. An alternative lifestyle is in place for DC GMP Underpin benefits that aligns with the factors that affect the GMP. The Trustee will review the default strategies at least triennially to assess whether the targeted destination remains appropriate.
Manager risk	This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.	It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process, and by appointing Mercer to monitor and advise on replacement any managers where concerns exist over their continued ability to deliver the investment mandate.
Liquidity risk	The risk that the Plan's assets cannot be realised at short notice in line with member or Trustee demand.	As far as is practicable and necessary, the Trustee invests in liquid assets that can be quickly realised as required. It is managed by investing only in readily realisable pooled funds that can be bought and sold on a daily basis.

Realisation of Investments

The funds are daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore should be realisable at short notice, based on either Trustee or member demand. The selection, retention and realisation of investments within the pooled arrangements are the responsibility of the relevant investment manager.

7 Responsible Investing

The Trustee believes that Environmental, Social and Corporate Governance (“ESG”) issues may have a material impact on investment risk and return outcomes, thereby affecting the performance of investment portfolios and should therefore be considered as part of the Plan’s investment process.

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the investment managers. The Trustee’s policy is that the extent to which ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, are taken into account in these decisions is left to the discretion of the investment managers. However, the investment managers who are registered with the FCA are expected to act in accordance with their own corporate governance policies and current best practice, as well as comply with the UK Corporate Governance Code and UK Stewardship Code, including public disclosure of compliance via an external website.

The Trustee will continue to review the available products and approaches in this space and strive for the Plan to continue to deliver strong risk-adjusted returns, incorporating responsible investments principles into the process, where possible.

Member views on non-financial matters are not taken into account in the selection, retention and realisation of investments. Nevertheless, the Trustee believes that they have a good understanding of membership demographics, behaviours and preferences and strive to provide a fund range that meets both financial and non-financially relevant member needs.

Stewardship Policy

The Trustee believes that good stewardship can create and preserve value for companies and markets as a whole and can therefore enhance long-term portfolio performance, and is therefore in the best interests of the Plan’s beneficiaries and aligned with fiduciary duty.

The Trustee has identified the following stewardship priorities:

- **Environmental:** Climate change: low-carbon transition and physical damages resilience; pollution & natural resource degradation;
- **Social:** Human rights: modern slavery, pay & safety in workforce and supply chains, abuses in conflict zones;
- **Governance:** Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making

The Trustee is supportive of the UK Stewardship Code published by the Financial Reporting Council and encourage the Plan’s underlying managers who are regulated by the Financial Conduct Authority to comply with the UK Stewardship Code. Such managers are expected to report on their adherence to the Code on an annual basis. For managers that choose not to comply with any of the principles in the UK Stewardship Code, or not to follow the guidance at all, the Trustee will request a clear rationale from the managers on their alternative approach to stewardship.

As the Plan invests in pooled funds via an investment platform, the Trustee’s scope to vote on the Plan’s shares directly is currently limited. The Trustee has therefore concluded that the decision on how to exercise voting rights should be left with the underlying investment managers who will exercise these rights in accordance with their respective published corporate governance policies. These policies take into account the financial interests of shareholders, and should be for the members’ benefit.

The Trustee requests annual reports on the voting undertaken by the Plan's underlying investment managers during the Plan year and review the voting to ensure it remains broadly consistent with the Trustee's view of good stewardship standards.

8 Monitoring of Investment Adviser and Manager

Investment Adviser

The Trustee continually assesses and reviews the performance of its adviser in a qualitative way.

Investment Managers

The Trustee receives quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance over 3 months, 1 year, 3 years and since inception. The reports show the absolute performance and performance against benchmark over the relevant time period on a net of fees basis. Given the passive nature of the Plan's investments an assessment is also made on whether manager performance is within a suitable tolerance range relative to the benchmark. The report also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.

In conjunction with advice and information from their Investment Adviser, the Trustee has the role of replacing the underlying investment managers where appropriate. The Trustee takes a long-term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes could be driven by a significant downgrade of the investment manager by Mercer's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes would be made to the underlying managers however, if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

In addition, as part of the annual value for members' assessment, the Trustee reviews the investment manager fees and performance over 1 and 3 year periods. The assessment shows the absolute performance as well as the performance against the managers' stated target (over the relevant time period) on a net of fees basis.

Portfolio Turnover Costs

The Trustee considers portfolio turnover costs as part of the annual value for members' assessment. The Trustee is also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan. The Trustee is satisfied that it is not appropriate to have an overall portfolio turnover target for the Plan.

The Trustee is working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Plan is invested and will include further information about this when available.

9 General Code

The Trustee notes that in March 2017, the Pensions Regulator released 'Investment Guidance for Defined Benefit Pension Schemes'. The Trustee meets with their investment adviser annually, monitoring developments both in relation to the Plan's circumstances and in relation to evolving guidance, and will revise the Plan's investment approach if considered appropriate.

On 27 March 2024, the Pensions Regulator's General Code of Practice came into force for the governance and administration of occupational trust-based Schemes and can be found here:

<https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>

When formulating their investment policy, the Trustee has acted in line with the General Code of Practice.

10 Compliance

The Plan's Statement of Investment Principles and annual report and accounts are available to members.

A copy of the Plan's current Statement plus Appendices is also supplied to the Sponsoring Employer, auditors and Actuary.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on 29 May 2026.

Appendix 1: Investment Managers

Defined Benefit Section

The assets for the underlying managers are hosted on an investment platform provided by Mobius Life Limited.

Mercer will monitor the investment managers. If one of the managers is downgraded by Mercer's Manager Research Team, the Trustee will be informed and alternative managers will then be considered as a replacement.

Investment manager/ fund	Fund benchmark	Objective	Dealing frequency
BlackRock Life AQC (50:50) Global Equity Fund	Aquila Life (50:50) Global Equity Benchmark	To provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.	Daily
BlackRock Life AQC Over 15 Years Gilt Index Fund	FTSE Actuaries UK Conventional Gilts over 15 Years Index	To achieve a return consistent with the FTSE Actuaries UK Conventional Gilts over 15 Years Index.	Daily
BlackRock Life AQC Corporate Bond Over 15 Years Fund	iBoxx Sterling Non-Gilts 15+ Years Index	To achieve a return consistent with the iBoxx £ Non-Gilts Over 15 Years Index.	Daily
BlackRock Life AQC Over 5 Years Index-Linked Gilt Fund	FTSE Actuaries UK Index- Linked Gilts over 5 Years Index	To achieve a return consistent with the FTSE Actuaries UK Index-Linked Gilts over 5 Years Index.	Daily
L&G Life TA Sterling Liquidity Fund	Sterling Overnight Index Average (SONIA)	To provide capital stability, liquidity and diversification while providing a competitive level of return in relation to SONIA.	Daily

Defined Contribution Section

Funds used in Default Investment Strategy:

Investment manager/ fund	Fund benchmark	Objective	Dealing frequency
BlackRock Life AQC (50:50) Global Equity Fund	Aquila Life (50:50) Global Equity Benchmark	To provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.	Daily
BlackRock Life AQC Over 15 Years Gilt	FTSE Actuaries UK Conventional Gilts over	To achieve a return consistent with the FTSE Actuaries UK Conventional	Daily

Index Fund	15 Years Index	Gilts over 15 Years Index.	
L&G Life TA Sterling Liquidity Fund	Sterling Overnight Index Average (SONIA)	To provide capital stability, liquidity and diversification while providing a competitive level of return in relation to SONIA.	Daily

Funds used in the alternative lifestyle (DC GMP Underpin Lifestyle) strategy:

Investment manager/ fund	Underlying Funds	Fund benchmark	Objective	Dealing frequency
Growth Fund	45% LGIM World Equity Index Fund 45% LGIM World Equity Index Fund (GBP Hedged) 10% BlackRock Connect Emerging Markets Equity	Composite of underlying fund benchmarks (45% FTSE World Index; 45% FTSE World Index – GBP Hedged; 10% MSCI Emerging Markets Index)	To provide long-term capital growth.	Daily
Retirement Fund	43% BlackRock Life AQC Over 5 Years Index-Linked Gilt Fund 42% BlackRock Life AQC Over 15 Years Gilt Index Fund 8% LGIM TA Sterling Liquidity Fund 7% BlackRock Life AQC Corporate Bond Over 15 Years Fund	Composite of underlying fund benchmarks (43% FTSE UK Gilts Index-Linked Over 5 Years Index; 42% FTSE UK Gilts Conventional Over 15 Years Index; 8% Sterling Overnight Index Average; 7% iBoxx £ Non-Gilts Over 15 Years Index)	To align asset allocation to how members expect to receive their benefits via a Guaranteed Minimum Pension.	Daily

Self-Select Funds

Investment manager/ fund	Fund benchmark	Objective	Dealing frequency
BlackRock Life AQC (50:50) Global Equity Fund	Aquila Life (50:50) Global Equity Benchmark	To provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.	Daily
BlackRock Life AQC Over 15 Years Gilt Index Fund	FTSE Actuaries UK Conventional Gilts over 15 Years Index	To achieve a return consistent with the FTSE Actuaries UK Conventional Gilts over 15 Years Index.	Daily
BlackRock Life AQC	iBoxx Sterling Non-Gilts	To achieve a return consistent with	Daily

Corporate Bond Over 15 Years Fund	15+ Years Index	the iBoxx £ Non-Gilts Over 15 Years Index.	
BlackRock Life AQC Over 5 Years Index-Linked Gilt Fund	FTSE Actuaries UK Index- Linked Gilts over 5 Years Index	To achieve a return consistent with the FTSE Actuaries UK Index-Linked Gilts over 5 Years Index.	Daily
BlackRock Life AQC (40:60) Global Equity Fund	Aquila Life (40:60) Global Equity Benchmark	To provide returns consistent with the markets in which it invests	Daily
BlackRock Life AQC UK Equity Fund	FTSE All-Share TR Index	To achieve a return that is consistent with the return of the FTSE All-Share Index.	Daily
BlackRock Life AQC World (ex-UK) Equity Fund	FTSE Developed ex-UK Custom ESG Screened Index	To achieve a return in line with the FTSE Developed ex-UK Custom ESG Screened Index	Daily
L&G Life TA Sterling Liquidity Fund	Sterling Overnight Index Average (SONIA)	To provide capital stability, liquidity and diversification while providing a competitive level of return in relation to SONIA.	Daily

Appendix 2: Responsibilities of Parties

Trustee

The Trustee's responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate.
- Reviewing the DB Section's investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Plan Actuary.
- Reviewing the DC Section's fund range and default investment strategies on at least a triennial basis.
- Appointing the Investment Managers and custodian (if required).
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser.
- Consulting with the Sponsoring Employer regarding any proposed amendments to this Statement.
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis.

Investment Adviser

The Investment Adviser's responsibilities include the following:

- Participating with the Trustee in reviews of this Statement of Investment Principles.
- Advising the Trustee, at their request, on the following matters:
 - » Through consultation with the Plan Actuary, how any changes within the Plan's benefits, membership and funding position may affect the manner in which the assets should be invested;
 - » How any changes in the Investment Managers organisation could affect the interests of the Plan; and
 - » Whether any of the existing funds will not be able to meet their long-term objectives
 - » How any changes in the investment environment could present either opportunities or problems for the Plan.
- Undertaking project work, as requested, including:
 - » Reviews of the default strategy and asset allocation policy; and
 - » Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians.

Investment Managers

The Investment Managers' responsibilities include the following:

- Providing the Trustee on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios.
- Informing the Trustee of any changes in the internal performance objectives and guidelines of any pooled fund used by the Plan as and when they occur.
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments.

Plan Actuary

The Plan Actuary's responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Plan's investment strategy given the financial characteristics of the Plan.
- Assessing the funding position of the Plan and advising on the appropriate response to any shortfall.
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels.

Administrator

The Administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due.
- Paying benefits and making transfer payments.

Investing contributions not required to meet benefit payments with the Investment Managers according to the Trustee's instructions.

Appendix 3: Cashflow and Rebalancing Policy

– DB Section

Cashflow Policy

Investments of any value and disinvestments of up to a value of £150,000 can be made by Aptia Limited on behalf of the Trustee of the Plan.

All cashflow requests are to be referred to the Mercer Investment Consultant, who will advise on a suitable investment arrangement.

Rebalancing Policy

There will be no automatic rebalancing of the portfolio. The position of the DB section assets will be reviewed on an ongoing basis and amended if deemed necessary.