

E.H. Booth & Co. Limited Pension & Assurance Scheme **Statement of Investment Principles (“SIP”)**

Purpose of this Statement

This SIP has been prepared by the Trustees of the E.H. Booth & Co. Limited Pension & Assurance Scheme (the “Scheme”). This statement sets out the principles governing the Trustees’ decisions to invest the assets of the Scheme.

The Scheme’s investment strategy is derived from the Trustees’ investment objectives. The objectives have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

The Trustees also hold a closed policy with Legal & General in respect of the Additional Voluntary Contributions (AVCs) of members. AVCs, therefore, fall outside the detail within this SIP. The Trustees will review this arrangement periodically.

Governance

The Trustees of the Scheme make all major strategic decisions including, but not limited to, the Scheme’s asset allocation and the appointment and termination of investment managers.

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees believe that their investment advisers, Isio Services Limited, are qualified by their ability in, and practical experience, of financial matters, and have the appropriate knowledge and experience. The investment advisers’ remuneration may be a fixed fee or based on time worked, as negotiated by the Trustees in the interests of obtaining best value for the Scheme.

Investment Objectives

The Trustees invest the assets of the E.H. Booth & Co. Limited Pension & Assurance Scheme (“Scheme”) with the aim of ensuring that all members’ accrued benefits can be paid.

The Scheme’s funding target is specified in the Statement of Funding Principles, and the Scheme’s funding position will be reviewed on an ongoing basis to assess the position relative to the funding target and whether the investment arrangements remain appropriate to the Scheme’s circumstances. At the time of writing, the Trustees expect that the Scheme will reach full funding on a self-sufficiency basis in approximately 2028.

Investment Strategy

The Scheme's present strategy is to invest according to the following broad asset allocation (excluding the partial buy-in and Central Asset Reserve):

Asset Class	Proportion %	Expected Return ⁽¹⁾ (relative to fixed interest gilts) %
Liability Driven Investment ⁽²⁾	30.0	0.0
Asset-Backed Securities	40.0	1.0
Multi-Asset (Diversified Alternatives) ⁽³⁾	10.0	6.0
Semi-Liquid Credit ⁽⁴⁾	10.0	3.5
Diversified Private Credit ⁽⁵⁾	10.0	4.2
TOTAL	100.0	1.8

- 1) 10 year assumptions as at 30 September 2025 net of investment manager fees.
- 2) The objective of the LDI is to broadly match movements in the liabilities whilst maintain appropriate leverage. The asset allocation may therefore diverge from the benchmark as a result of market movements, capital calls and distributions.
- 3) The Diversified Alternatives allocation is expected to be divested over time, to increase liquidity within the portfolio, assets will be reinvested as appropriate within the broad asset allocation, subject to prevailing market conditions at that time.
- 4) The Semi-Liquid Credit allocation is expected to increase over time to c.20% of invested assets as the remaining Diversified Private Credit allocation returns, subject to prevailing market conditions at that time.
- 5) As the Direct Private Credit mandate is now in its realisation period it is acknowledged that assets distributed over time may be invested in cash or other Scheme assets such as Semi-Liquid Credit. Given the uncertainty regarding distributions from the funds, the Trustees are aware that cashflow management will need to be carefully monitored.

The Scheme's investment strategy was derived following careful consideration of the factors set out in Appendix A. The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of contributions required to fund the Scheme, and also the strength of the sponsoring company's covenant. The Trustees considered the merits of a range of asset classes which provide the highest likelihood of meeting the stated objective.

The Trustees expect that the asset allocation will drift from the above table for reasons including but not limited to cashflow requirements and market movements. Where possible, the Trustees will look to rebalance towards the strategic allocation at their discretion, noting that the Trustees have provisionally agreed to fully disinvest the Diversified Alternatives mandate over time, and the Diversified Private Credit is expected to pay back gradually over time.

The Trustees recognise that the investment strategy is subject to risks, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. The risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as practical and appropriate) volatility relative to the liabilities.

The Trustees accept that the investment strategy will not provide a perfect hedge against the Scheme's liabilities as there are many factors such as life expectancy that cannot be controlled by investment strategy.

Investments may be made in securities that are not traded on regulated markets. Recognising the risk (in particular liquidity and counterparty exposure) the Trustees will ensure that the assets of the Scheme are predominantly traded on regulated markets.

Leverage and collateral management

The Trustees will adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Scheme's liability hedging (LDI) portfolio.

The Trustees have a stated collateral management policy and framework. The Trustees have agreed a process for meeting collateral calls should these be made by the Scheme's LDI investment manager. The Trustees will review and stress test this policy and framework on a regular basis.

Further details on this can be found in Appendix C.

Investment Management Arrangements

The Trustees have appointed several investment managers to manage the assets of the Scheme. The assets of the Scheme consist predominantly of investments admitted to trading on regulated markets.

All decisions about the day-to-day management of the assets are delegated to the investment managers via a written agreement. This delegation includes decisions about:

- Selection, retention and realisation of investments including taking into account all financially material considerations in making these decisions;
- The exercise of rights (including voting rights) attaching to the investments;
- Undertaking engagement activities with investee companies and other stakeholders, where appropriate.

The Trustees take investment managers' policies in the above respects into account when selecting and monitoring managers. The Trustees also take into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise their powers of investment delegated to them, with a view to giving effect to the principles contained within this statement, so far as reasonably practicable.

As the majority of the Scheme's assets are invested in pooled vehicles, the custody of the holdings is arranged by the investment manager. The custodian provides safekeeping for the assets and performs all associated administrative duties such as the collection of dividends. The Scheme also holds equity shares in the sponsoring employer company which are not in a pooled vehicle. The Trustee provides safekeeping for these assets and performs all associated administrative duties.

Investment Manager Monitoring and Engagement

The Trustees monitor and engage with the Scheme’s investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustees seek to engage on these matters with investment managers.

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Performance, Strategy and Risk	<ul style="list-style-type: none"> • The Trustees receive bi-annual performance reports which detail information on the underlying investments’ performance, strategy and overall risks, which are considered at the relevant Trustee meeting. • The Scheme’s investment managers are occasionally invited, in person, to present to the Trustees on their performance, strategy and risk exposures. 	<ul style="list-style-type: none"> • There are significant changes made to the investment strategy. • The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustees’ expectations. • Underperformance vs the performance objective over the period that this objective applies.
Environmental, Social, Corporate Governance factors and the exercising of rights	<ul style="list-style-type: none"> • The Trustees’ investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues. • The Trustees receive information from their investment advisers on the investment managers’ approaches to engagement. • The Trustees will engage, via their investment adviser, with investment managers and/or other relevant persons about relevant matters at least annually. 	<ul style="list-style-type: none"> • The manager has not acted in accordance with their policies and frameworks.

Through the engagement described above, the Trustees will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustees will review the relevant investment manager’s appointment and will consider terminating the arrangement.

Employer-Related Investments

The Trustees' policy is to monitor the Scheme's exposure to employer-related investments in accordance with the restrictions outlined in the Pensions Act 1995, the Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent legislative amendments. The total exposure to employer-related investments will not exceed 5% of the Scheme's total asset value. The Trustee will monitor this on an ongoing basis to ensure compliance and if the level of employer related investment exceeds 5% of the Scheme's total asset value then the Trustees will actively look to address the exposure.

Direct Investments

Direct investments, as distinguished by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, the Trustees will obtain appropriate written advice from their investment advisers.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustees consulted the sponsoring employer and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change the in investment arrangements.

Adopted by the Trustees in March 2026.

Appendix A: Risks, Financially Material Considerations (including ESG and climate change) and Non-Financial matters

A non-exhaustive list of risks and financially material considerations that the Trustees have considered and sought to manage is shown below.

The Trustees adopt an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

Risks	Definition	Policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	<ul style="list-style-type: none"> Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength. Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	<ul style="list-style-type: none"> Funding risk is considered as part of the investment strategy review and the actuarial valuation. The Trustees will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	<ul style="list-style-type: none"> When developing the Scheme's investment and funding objectives, the Trustees take account of the strength of the covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.

The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To maintain an appropriate hedge through investing in liability matching assets with the aim of mitigating interest rate and inflation volatility, whilst ensuring compliance with all regulatory guidance in relation to leverage and collateral management.
Liquidity	Difficulties in raising sufficient cash when required	<ul style="list-style-type: none"> To maintain a sufficient allocation to liquid assets so that there is a

	without adversely impacting the fair market value of the investment.	<p>prudent buffer to pay members benefits as they fall due (including transfer values), and to meet regulatory guidance around providing collateral to the LDI manager.</p> <ul style="list-style-type: none"> In the longer term, the Trustees are also mindful that the Central Asset Reserve will “switch off” and the Scheme’s assets at that point will need to have sufficient liquidity to ensure cashflow needs are met.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	<ul style="list-style-type: none"> To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
Credit	Default on payments due as part of a financial security contract.	<ul style="list-style-type: none"> To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme’s investments.	<ul style="list-style-type: none"> To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: <ol style="list-style-type: none"> Responsible Investment (‘RI’) Policy / Framework Implemented via Investment Process A track record of using engagement and any voting rights to manage ESG factors ESG specific reporting UN PRI Signatory The Trustees monitor the managers on an ongoing basis.
Currency	The potential for adverse currency movements to have an impact on the Scheme’s investments.	<ul style="list-style-type: none"> Hedge all currency risk on all assets that deliver a return through contractual income.
Non-financial	Any factor that is not expected to have a financial	<ul style="list-style-type: none"> Non-financial matters are not taken into account in the

	impact on the Scheme's investments.	selection, retention or realisation of investments.
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Appendix B: Investment Management Policies

The Trustees have the following policies in relation to the investment management arrangements for the Scheme:

<p>How the investment managers are incentivised to align their investment strategy and decisions with the Trustees' policies.</p>	<p>As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees' policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.</p> <p>The Scheme's mandates with Partners Group (Private Markets) are subject to a performance related fee.</p>
<p>How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.</p>	<p>The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.</p> <p>The Trustees monitor the investment managers' engagement and voting activity on an annual basis as part of their ESG monitoring process.</p> <p>The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.</p>
<p>How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustees' policies.</p>	<p>The Trustees review the performance of all of the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.</p> <p>The Trustees evaluate performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years.</p>
<p>The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.</p>	<p>The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.</p>
<p>The duration of the Scheme's arrangements with the investment managers.</p>	<p>The duration of the arrangements is considered in the context of the type of fund the Scheme invests in:</p> <ul style="list-style-type: none"> • For closed ended funds or funds with a lock-in period the Trustees ensure the timeframe of the investment or lock-in is in line with the Trustees objectives and Scheme's liquidity requirements. • For open ended funds, the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

<p>Voting Policy - How the Trustees expect investment managers to vote on their behalf.</p>	<ul style="list-style-type: none"> • The Trustees have acknowledged responsibility for the voting policies that are implemented by the Scheme’s investment managers on their behalf.
<p>Engagement Policy - How the Trustees will engage with investment managers, direct assets and others about ‘relevant matters’.</p>	<ul style="list-style-type: none"> • The Trustees have acknowledged responsibility for the engagement policies that are implemented by the Scheme’s investment managers on their behalf. • The Trustees, via their investment advisers, will engage with managers about ‘relevant matters’ at least annually.

Appendix C

Collateral management policy

At the time of writing, the Trustees are targeting a level of collateral over and above that within the Scheme's LDI funds that is sufficient to withstand (at least) one collateral call from the Scheme's LDI funds.

The Trustees will review their collateral management policy no less frequently than annually, or as soon as possible in the event of significant market movements.

The Trustees also have a framework for topping up the collateral.

Trigger	Action	Responsibility
Pooled LDI fund issues capital call	Assets sold from below collateral waterfall to meet capital call	LDI manager / Trustees

The latest collateral waterfall is set out below. Assets held with the same manager as the LDI mandate reflect a lower governance burden on the Trustees.

Manager	Asset Class	Dealing frequency	Notice period	Settlement period
Insight	Cash	Daily frequency	T - 1	T
Insight	ABS	Daily frequency	T - 2	T + 3
Partners Group	Diversified Alternatives	Monthly frequency	T- 90	T + 24BD
Apollo	Semi-Liquid Credit	Quarterly frequency	T - 60	T + 30

The Trustees recognise that the dealing cycle of the Diversified Alternatives assets preclude their use in meeting a collateral call at short notice. The Trustees will aim to disinvest from the less liquid funds in advance of expected collateral requirements.