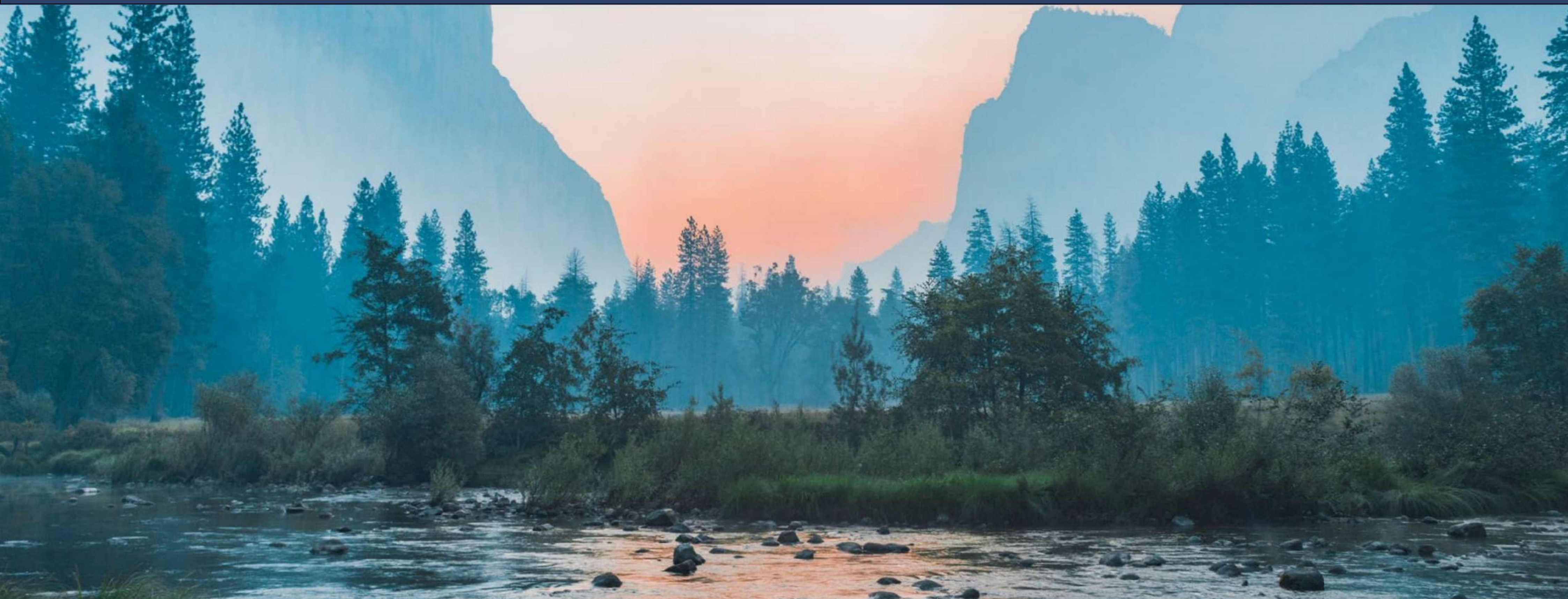
Statement of Investment Principles

For the Hartwells Pension Plan (1971)

Effective from: [April 2026]



1. Introduction

This Statement of Investment Principles ("SIP") has been produced by the Trustees of the Hartwells Pension Plan (1971).

It sets out our policies on various matters governing investment decisions for the Hartwells Pension Plan (1971) ("the Plan"), which is a Defined Benefit ("DB") Plan.

This SIP replaces the previous SIP dated April 2024.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Plan and the principles contained in this SIP.

We have consulted with the relevant employers in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator's guidance on investments.

The Plan can be considered to be a wholly insured scheme as it has no investments other than a bulk annuity policy (ie a specified qualifying insurance policy).

2. Investment objectives and strategy

The primary objective for the Plan is to ensure that the benefit payments are met as they fall due.

To achieve this, we have entered into a bulk annuity contract which matches (as closely as possible) the benefits payable to the Plan's members. The annuity contract is a buy-in and therefore remains an asset of the Plan. There is also cash held in the Plan bank account, used to meet expenses.

Before entering into the bulk annuity policy, we obtained and considered proper written advice as to whether the investment was satisfactory.

Our investment objective for the Additional Voluntary Contributions ("AVCs") is to make available a suitable range of investment options for members.

3. Considerations in setting the investment arrangements

When deciding how to invest the Plan's assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.

The primary ways that we manage investment risk are by matching the Plan's liabilities with a buy-in policy, ensuring that we receive professional written advice prior to making any material investment decision, and our ongoing monitoring and oversight of the investments.

In setting the strategy it is our policy to consider:

- our investment objectives; and
- the circumstances of the Plan, including the profile of the benefit cash flows, the funding level, and the strength of the employers' covenant.

We also consider other factors that we believe to be financially material over time horizons relevant to the funding of the Plan's benefits, including environmental, social and governance ("ESG") factors and the risks and opportunities relating to climate change.

Our key investment beliefs, which influence the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;

- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- risks that do not have an expected reward should generally be avoided, hedged, or diversified;
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this;
- climate change is a financially material systemic issue that presents risks and opportunities for the Plan over the short, medium and long term; and
- voting and engagement are important and can create long term value which is in the best interest of the Plan's members and therefore we encourage managers to improve their voting and engagement practices.

In practice, the Plan has no other investments outside of the buy-in policy, and therefore our ability to reflect these beliefs via investment funds is limited.

4. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have a signed agreement with the bulk annuity provider setting out the terms on which they will meet member benefits as they fall due.

5. Realisation of investments

The bulk annuity policy is structured to meet the Plan's pension payments as they fall due. The provider pays the pension payroll into the Plan bank account, with the Plan's administrator processing the payments to members.

6. Financially material considerations and non-financial matters

We consider how ESG (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Plan and its members.

Whilst the parameters of the bulk annuity policy limit the scope for incorporation of ESG factors, we expect the Plan's bulk annuity provider to take account of financially material factors (including climate change and other ESG factors) within the parameters of the agreed policy terms. We encourage the provider to improve its ESG practices where appropriate, although we acknowledge that we have limited influence over their underlying investment practices.

7. Voting and engagement

Whilst the buy-in does not carry voting rights, we recognise our responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, protect and enhance the long-term value of investments. We have selected some priority ESG themes to provide a focus for monitoring engagement activities and we review the themes and will update them if appropriate.

We have limited influence over the bulk annuity provider's exercise of rights attaching to their underlying investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. We expect the provider to undertake voting and engagement for its underlying investments in line with their stewardship policies, considering the long-term financial interests of the Plan's members.

As all investments are held through a bulk annuity contract, we don't monitor or engage directly with issuers or other holders of debt or equity.