Sagar Pension Plan

Statement of Investment Principles

Purpose of this Statement

This statement has been prepared by the Trustees of the Sagar Pension Plan ("the Plan"). This statement sets out the principles governing the Trustees' decisions to invest the assets of the Plan.

The Plan'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.

Investment objectives

The Trustees invest the assets of the Plan with the aim of ensuring that all members' current and future benefits can be paid. The Plan'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 Plan's circumstances. The Plan's funding target is specified in the Statement of Funding Principles.

In April 2025, the Trustees purchased an insurance policy (a full buy-in) with Canada Life which will meet the payments of the vast majority of the Plan's liabilities. A small amount of residual assets has been held in the Trustee Bank Account to meet ongoing expenses.

Investment strategy

The full buy-in policy purchased has effectively removed the vast majority of the investment risk (and longevity risk) from the Plan and is expected to have enhanced the security of members' benefits. The policy is expected to meet the vast majority of the future liability cashflows from the Plan.

The Plan'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 Plan's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Plan, and also the strength of the sponsoring company's covenant.

The Plan's target investment strategy is invested according to the following asset allocation:

Asset Class	Allocation (%)	Expected Return[1] (relative to UK Gilts) (% p.a.)
Buy-in Policy	100	0.0
Total	100	0.0

Notes: [1] Expected returns are based on best estimate assumptions relative to 10 year UK fixed interest gilts.

The benefits of a buy-in policy have been deemed appropriate, having taken the Trustees' objectives into account.

Investment Management Arrangements

The Trustees have appointed Canada Life (the "provider") as an insurer to manage the buy-in policy as the remaining assets of the Plan, excluding cash held in the Trustee bank account. The provider is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the insurer via a written agreement. The 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 insurer is 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.

Investment Manager Monitoring and Engagement

It has been agreed with the Sponsoring Company ("Company") that any true-up premium in respect of the buy-in insurance policy will be paid for by the Company, after utilising any residual assets within the Trustee bank account. Additionally, the Company has agreed to fund any additional expenses once residual assets within the Trustee bank account have been exhausted. The Trustee periodically monitors that the Plan has sufficient assets to meet its remaining ongoing expenses. If this is not the case, the Trustees may need to intervene.

The Trustees acknowledge the importance of Environmental, Social and Governance factors (ESG) and climate change. As the vast majority of the Plan's assets are invested in the buy-in policy, there is limited scope for the Trustees to incorporate ESG into the Plan's investment strategy.

Employer-related investments

The policy of the Trustees is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Plan invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 5% of the Plan's total value. The Trustees will monitor this on an ongoing basis to ensure compliance.

Direct investments

Direct investments, as defined 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.

Governance

The Trustees of the Plan make all major strategic decisions including, but not limited to, the Plan'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, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience. The investment adviser's remuneration may be a fixed fee or based on time worked, as negotiated by the Trustees in the interest of obtaining best value for the Plan.

Members' views and non-financial factors

In setting and implementing the Plan's investment strategy, the Trustees do not explicitly take into account the views of the Plan's members and beneficiaries in relation to ethical considerations, social and environment impact, or present and future quality of life matters (defined as "non-financial factors").

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 company and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in the investment arrangements.

Signed: Mark Widders

Date: 27 May 2025

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, which the Trustees have considered and sought to manage, is shown below.

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

Risks	Definition	Policy
Investment	The risk that the Plan's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Plan's funding basis and the sponsoring company's covenant strength. • The buy-in effectively removes the vast majority of investment risk for the Plan.
Funding	The extent to which there are insufficient Plan assets available to cover ongoing and future liability cash flows.	• 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, in order to ensure an appropriate journey plan is agreed to manage funding risk over time. • The buy-in effectively removes the vast majority of funding risk for the Plan.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Plan.	• When developing the Plan's investment and funding objectives, the Trustees take into account the strength of the covenant, ensuring the level of risk the Plan is exposed to is at an appropriate level for the covenant to support. • The Plan now relies on the insurer covenant (although the sponsoring company's covenant is still relevant up until any buyout).

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

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Plan's assets and present value of liabilities from changes in interest rates and inflation expectations.	To broadly hedge 100% of these risks through a full buy-in policy. Management of this risk has effectively been delegated to Canada Life through the buy-in policy.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	The buy-in removes the vast majority of liquidity risk. Management of this risk has effectively been delegated to Canada Life through the buy-in policy.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable. Management of this risk has effectively been delegated to Canada Life through the buy-in policy.
Credit	Default on payments due as part of a financial security contract.	Where relevant, to diversify this risk by investing in a range of credit markets across different geographies and sectors where possible. Where relevant, to appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Plan for the risk of default. Management of this risk has effectively been delegated to Canada Life through the buy-in policy.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors,	To appoint managers who satisfy the following criteria, unless there is a

	including but not limited to climate change, which can impact the performance of the Plan's investments.	good reason why the manager does not satisfy each criterion: 1. Has a Responsible Investment ('RI') Policy/ Framework 2. Implemented via the investment process 3. A track record of using engagement and any voting rights to manage ESG factors 4. ESG specific reporting 5. UN PRI signatory Given the nature of the buy-in policy there is limited scope to monitor any ESG criteria.
Currency	The potential for adverse currency movements to have an impact on the Plan's investments.	Management of this risk has effectively been delegated to Canada Life through the buy-in policy.
Non-financial	Any factor that is not expected to have a financial impact on the Plan's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.

Appendix B

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

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees' policies.	• As the Plan is invested in the buy-in policy, there is not scope for the Trustees to tailor its strategy and the insurer's decisions in line with the Trustees' policies. However, the purchase of the buy-in policy is aligned to the strategic objective.
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.	• It is Canada Life's responsibility to review any underlying investment managers' performance relative to medium and long-term objectives as documented in the underlying investment management agreements. • The Trustees do not incentivise the investment managers to make decisions based on non-financial performance.
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.	• This is the responsibility of Canada Life, given the nature of the full buy-in exercise.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• This is the responsibility of Canada Life, given the nature of the full buy-in exercise.
The duration of the Plan's arrangements with the investment managers.	• The purchase of the buy-in policy is a permanent investment, but this was deemed to be appropriate for the Plan given the security it provides for members' benefits.
Voting Policy - How the Trustees expect investment managers to vote on their behalf.	• The Trustees have acknowledged responsibility for the voting policies that are implemented by the Plan's investment managers on their behalf.

	• Given the Plan's current investment arrangements, this is currently not applicable.
Engagement Policy - How the Trustees will engage with investment managers, direct assets and others about 'relevant matters'.	• The Trustees have acknowledged responsibility for the engagement policies that are implemented by the Plan's investment managers on their behalf.