

John Cotton (Mirfield) Limited Retirement Benefits Scheme

Statement of Investment Principles ("SIP")

Purpose of this Statement

This SIP has been prepared by the Trustees of the John Cotton (Mirfield) Limited Retirement Benefits 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.

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 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 Scheme with the aim of ensuring that all members' current and future benefits can be paid. 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.

Investment strategy

In June 2025, the Trustees purchased a buy-in policy with Just Retirement Limited to insure all of the Scheme's liabilities. This has effectively removed all the investment risk (and longevity risk) from the Scheme and has enhanced the security of members' benefits. A small amount of residual assets are being held separately to the buy-in policy.

The Trustees take a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The Scheme's investment strategy was derived following careful consideration of the factors set out in the risk section of this document. 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 employer contributions required to fund the Scheme, and also the strength of the John Cotton Group Limited ("the Company") covenant. The Trustees considered the merits of a range of asset classes.

The assets of the Scheme include investments which are traded on regulated markets.

Investment Arrangements

The Trustees have appointed an insurer and investment manager(s) ('the providers') to manage the assets of the Scheme and have access to a bank account. The providers are 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 providers 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 Trustees take the providers' policies into account when selecting and monitoring them. The providers are expected to exercise powers of investment delegated to them, with a view to following the principles contained within this statement, so far as is reasonably practicable.

Risks

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. Whilst the buy-in effectively removes all risks from the Scheme, it is important to note that it is not a totally risk-free asset and that small residual risks do remain. These were discussed as part of the buy-in selection exercise.

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.• The buy-in effectively removes all investment risk from the Scheme
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

		<p>plan is agreed to manage funding risk over time.</p> <ul style="list-style-type: none"> • The buy-in effectively removes all funding risk from the Scheme.
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 can now rely on the insurer covenant (although the sponsoring company's covenant is still relevant up until any buy-out).

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.	<ul style="list-style-type: none"> • The buy-in removes interest rate and inflation risk from the Scheme.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	<ul style="list-style-type: none"> • The buy-in removes liquidity risk from the Scheme.
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. Given the heavily regulated nature of the bulk annuity market, market risk is effectively removed from the Scheme.
Credit	Default on payments due as part of a financial security contract.	<ul style="list-style-type: none"> • Given the heavily regulated nature of the bulk annuity market, credit risk is effectively removed from the Scheme.

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"> Given the nature of the buy-in policy, the extent to which the Trustees can actively monitor any ESG criteria in the Scheme is limited.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	<ul style="list-style-type: none"> The buy-in removes currency risk from the Scheme.

Investment Provider Monitoring and Engagement

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

How the investment providers are incentivised to align their investment strategy and decisions with the Trustees' policies.	<ul style="list-style-type: none"> The purchase of the buy-in policy is aligned to the overarching strategic objective of the Scheme to meet liabilities as and when they fall due.
How the investment providers 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.	<ul style="list-style-type: none"> The Trustees review the investment arrangements relative to medium and long-term objectives as documented in the investment management agreements.
How the method (and time horizon) of the evaluation of investment providers' performance and the remuneration for their services are in line with the Trustees' policies.	<ul style="list-style-type: none"> The Trustees review the performance of the Scheme's providers on a net of cost basis to ensure a true measurement of performance versus investment objectives.
The method for monitoring portfolio turnover costs incurred by investment providers and how they define and monitor targeted portfolio turnover or turnover range.	<ul style="list-style-type: none"> The purchase of the buy-in policy means expected turnover is now low and not a point the Trustees will monitor on an ongoing basis.
The duration of the Scheme's arrangements with the investment managers	<ul style="list-style-type: none"> The purchase of the buy-in policy is a permanent investment, and this was deemed to be appropriate for the Scheme

	given the security it provides for members' benefits.
Voting Policy - How the Trustees expect investment managers to vote on their behalf	<ul style="list-style-type: none"> The Trustees have acknowledged that voting policies are implemented by the Scheme's investment managers on their behalf.
Engagement Policy - How the Trustees will engage with investment managers, direct assets and others about 'relevant matters'	<ul style="list-style-type: none"> The Trustees have acknowledged that engagement policies that are implemented by the Scheme's investment managers on their behalf.

Given the nature of the buy-in policy any ongoing monitoring and engagement is limited.

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 Scheme 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 Scheme's total asset 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.

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: 

Signed: 

Date: 10/2/2026