

The Marston's PLC Pension and Life Assurance Scheme

Statement of Investment Principles ("SIP") – October 2025

1. Introduction

This SIP is drawn up by The Trustee of the Marston's PLC Pension and Life Assurance Scheme ("the Scheme") to comply with the requirements of the Pensions Act 1995 ("the Act") and the Occupational Pension Scheme Regulations 2005 ("the 2005 Regulations").

The purpose of the SIP is to state the basis on which the Scheme's investments are made and managed. Additionally, the Investment Policy Implementation Document ("IPID") documents the detailed processes governing investment management. This is available on request.

2. Consultation and Compliance

In preparing this SIP the Trustee has consulted the sponsoring company, Marston's PLC ("the Employer"), in order to take into account any material issues which might influence investment arrangements.

Furthermore, written advice has been obtained from Mercer Ltd, such advice being consistent with Section 36 of the Act (as amended), the Scheme's Trust Deed ("the Deed") and the principles within this SIP.

In addition the Trustee, under the terms of the Deed, is responsible for the investment of Additional Voluntary Contributions ("AVC's") paid by members.

3. Process

Three disciplines prevail:

- To identify the appropriate investment objectives.
- To agree a level of risk consistent with the objectives.
- Construct a portfolio of investments that is expected to maximise the return (net of all costs) given the level of risk agreed.

An Investment Committee ("IC") has been constituted to manage these processes. The IC carries out its function subject to terms of reference approved by the Trustee. A copy of the terms of reference is available on request.

The Scheme holds annuity contracts on a buy-in basis but retains ultimate responsibility for payment of pensions, and the annuities are assets of the Scheme.

4. Objectives

The Trustee's principal medium term objective is for the Scheme to maintain a fully funded status on the Technical Provisions basis while controlling funding volatility. The Trustee will look to incrementally improve the funding position over time by

taking a modest level of investment risk such that the expected return on the assets is higher than that of the liabilities.

In seeking to achieve this principal objective, the Trustee seeks to invest funds in order to meet the current and future benefits which the Scheme provides; these include investment of Employer contributions.

The Trustee will target a high level of cashflow matching in order to manage market timing risk. The Trustee will also look to gradually improve liquidity of the Scheme's investments over time as the Scheme matures.

Benchmarks and targets are established for each asset class, as set out in the IPID.

5. Risk Management and Investment Strategy

There are various risks to which any pension scheme is exposed, which the Trustee believes may be financially material to the Scheme. The Trustee has considered the following risks over the Scheme's anticipated lifetime:

- 1) The risk of deterioration in the Scheme's funding level, including due to changes in interest rate and inflation expectations which is managed by the Scheme investing in a Liability Driven Investment mandate and hedging a proportion of the interest rate and inflation sensitivity of the Scheme's liabilities.
- 2) The risk of a deterioration in the strength of the Company Covenant
- 3) There is a risk that there is a shortfall of assets relative to the value of liabilities of the Scheme in the event of its winding-up.
- 4) The Trustee is mindful that the appointed investment managers may not achieve the expected returns.
- 5) The Trustee considered the potential long-term benefits of higher returns based on higher risk; but also recognises the short-term risks inherent in such policy.
- 6) The Trustee seeks to limit risk and volatility by diversifying investments.
- 7) Investment strategy and disciplines are governed by written guidelines to ensure that only suitable investments are made and held.
- 8) Having appointed third party investment managers, the Trustee, with the assistance of its IC, regularly reviews, at least quarterly, the performance of each manager, taking into account the approach to risk taken by such managers.

- 9) The performance of the investment managers is measured against appropriate benchmarks, and reports are received to monitor progress and risk.
- 10) Each manager's investment is governed by a specific mandate. Specifically prohibited is any direct investment in the financial instruments of Marston's PLC. The Scheme may hold units in pooled funds which from time to time hold Marston's PLC securities.
- 11) The safe custody of the Scheme's assets is delegated to professional custodians.
- 12) The Trustee seeks an appropriate level of liquidity in its investments, so that ready realisations can be achieved.
- 13) The risk that members live longer than expected. The Trustee has taken steps towards managing this risk by having secured some of the Scheme's benefits with insurance companies.
- 14) The ongoing solvency of the Scheme's insurance providers Aviva Annuity UK Limited ("Aviva"), Legal and General Assurance Society ("LGAS") and Just Retirement Limited ("Just"). The principal risk facing the Trustee and Scheme members is that an insurance provider may default on their obligations under the bulk annuity policies. Before entering into these contracts, the Trustee obtained and carefully considered professional advice regarding the financial strength of each insurer, and concluded that this risk was acceptably low.
- 15) The collateral and counterparty risks inherent in the LDI mandate with BlackRock.
- 16) Environmental, social and governance risk as outlined in Section 9.

6. Investment Strategy

The Trustee's investment strategy is to invest in a diversified range of fixed income investments that will deliver the expected return required to meet the objectives and to support the Technical Provisions discount rate whilst being expected to improve the funding level over time.

The Trustee will hold a diversified portfolio of growth fixed income investments, totalling c. 30% of uninsured assets, in order to deliver the required expected returns in a risk controlled way. The Trustee will also invest in annuity contracts (buy-in policies) to reduce liability risks including longevity risk.

The Scheme's Liability Driven Investment mandate forms a core part of the Trustee's investment strategy and is a key way the Trustee manages overall interest rate and inflation risk.

The Scheme's current target investment strategy is set out in the table below:

	Strategic Asset Allocation (%)*
CQS Multi-Asset Credit	5.0
Insight Secured Finance	12.5
M&G Secured Finance	12.5
BlackRock Buy and Maintain Credit	25.0
Liability Driven Investment	45.0
Total	100.0

*The Trustee will keep the overall allocations under review and may allow the individual allocations within the growth fixed income portfolio to deviate from the targets above providing the overall allocation to growth fixed income remains around 30% of uninsured assets.

The expected return of the above strategy at the time of writing is circa gilts + 1.2% p.a..

The Trustee may allow the asset allocation to drift away from target and will review the Scheme's actual position at regular meetings.

7. Appointment, Management and Measurement of Investment Managers

The Trustee delegates day-to-day management of investments to third party professional investment managers and insurers whose performance is monitored regularly, and at least quarterly, both against the mandate targets and the benchmarks. Allocations between the investment managers and asset classes are also reviewed.

Details of the appointed managers can be found in the IPID, which is available to members upon request.

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class the Trustee has appointed them for.

For active mandates, the Trustee looks to its investment consultant for their forward looking degree of confidence of a manager's ability to meet its expected performance objectives over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment in which the Scheme invests. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee. These ratings are used in decisions around selection, retention and realisation of manager appointments.

If the investment objective for a particular manager changes, the Trustee will review the manager's appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Some appointments are actively managed and the managers are incentivised through remuneration and performance targets (an appointment will be reviewed following periods of sustained underperformance or significant outperformance). The

Trustee will review the appropriateness of using actively managed funds (on an asset class basis) each year.

As the Trustee invests in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but believes that appropriate mandates can be selected to align with the overall investment strategy.

Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the manager.

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year and 3 years. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the manager's stated target performance (over the relevant time period) on a gross of fees basis over a full market cycle. The Trustee's focus is on long term performance but may put a manager 'on watch' if there are short term performance concerns.

If a manager is not meeting performance objectives, or their investment objectives for the mandate have changed, the Trustee may ask the manager to review their fees.

The Trustee asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustee. The Trustee will engage with a manager if portfolio turnover is higher than expected. This is assessed by comparing portfolio turnover relative to the manager's specified portfolio turnover range in the investment guidelines or prospectus.

The Trustee is a long term investor and is not looking to change the investment arrangements on a frequent basis.

There is no set duration for the manager appointments. The Trustee will retain an investment manager unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class;
- The manager appointment is reviewed and the Trustee decides to terminate for a more suitable appointment.

8. Additional Assets

Under the terms of the Deed the Trustee is responsible for the investment of Additional Voluntary Contributions ("AVCs") paid by members. The Trustee reviews the investment performance of the chosen providers on a regular basis and takes advice as to the providers' continued suitability.

9. Responsible Investment and Corporate Governance

The Trustee believes that good stewardship and environmental, social and governance (“ESG”) issues 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 has given the Investment Managers full discretion when evaluating ESG issues, including climate change considerations, and in exercising rights and stewardship obligations attached to the Scheme’s investments.

The Trustee expects that ESG considerations are embedded into each investment manager’s investment decision-making process and the extent of integration as well as a review of each manager’s policies is considered regularly. The investment consultant reports on the extent to which financially material ESG considerations are integrated, where relevant, into each investment manager’s decision-making processes as part of its regular quarterly reporting to the Trustee.

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in the future.

Member views are not taken into account in the selection, retention and realisation of investments, but members have a variety of methods by which they can make views known to the Trustee.

The Trustee takes into consideration non-financial matters when assessing the overall investment strategy and managers, although members’ views on ‘non-financial matters’ (where ‘non-financial matters’ include members’ ethical views separate from financial considerations such as financially material ESG issues), are not explicitly taken into account in the selection, retention and realisation of investments.

The Trustee will consider the investment consultant’s assessment of how each investment manager embeds ESG into its investment process and how the manager’s responsible investment philosophy aligns with the Trustee’s responsible investment policy. This includes the investment manager’s policy on voting and engagement. The Trustee will use this assessment in decisions around selection, retention and realisation of manager appointments. They can also challenge decisions made including voting history and engagement activity, and can challenge such decisions to try to ensure the best performance over the medium to long term.

10. Realisation of Investments

In general, the investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments.

The Trustee monitors the allocation between the appointed managers and between asset classes and will rebalance the portfolio as and when necessary.

11. Compliance with this SIP and Review of this SIP

The Trustee will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustee reasonably believes to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

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Trustee

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Trustee

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Date

For and on behalf of The Marston's PLC Pension and Life Assurance Scheme

October 2025