

Sisk UK Pension Scheme

Statement of Investment Principles

June 2025

Preface

Scheme background

This Statement of Investment Principles (the 'SIP') details the principles governing investment decisions for the Sisk UK Pension Scheme (the 'Scheme').

The Scheme operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries, and provides benefits calculated on a defined benefit (DB) basis for members. The Scheme is closed to new entrants and to future accrual.

In June 2025, the Trustees entered into a bulk annuity contract (the "buy-in policy") with Just Group Plc ("Just") that is expected to meet members' DB benefits in full.

Regulatory requirements and considerations

Under the Pensions Act 1995 (the 'Act') and subsequent legislation, principally the Occupational Pension Schemes (Investment) Regulations 2005 (as amended) (the 'Investment Regulations'), the Trustees must secure that a written statement of the principles governing investment decisions is prepared and maintained for the Scheme.

This SIP also reflects the requirements and recommendations within The Pensions Regulator's general code of practice, in respect of the DB assets.

The Trustees are responsible for all aspects of the operation of the Scheme, including this SIP.

In agreeing their investment strategy, the Trustees have had regard to:

- The requirements of the Act concerning suitability and diversification of investments and the Trustees will consider those requirements on any review of this SIP or any change in the investment policy.
- The requirement of the Investment Regulations: in particular that assets held to cover the Scheme's technical provisions must also be invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.

Responsibilities and appointments

Only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Scheme. The Trustees draw on the expertise of external persons and organisations including the investment consultant and the Scheme Actuary. Full details are set out in this SIP.

Consultation

In accordance with the Act, the Trustees have obtained and considered written advice from Gallagher (Administration & Investment) Limited (the investment consultant) prior to the preparation of this SIP and have consulted John Sisk & Son (Holdings) Limited ('the Sponsoring Employer'). However, it should be noted that neither the Trustees (nor any investment manager to whom they have delegated any discretion to make decisions about investments) shall require the consent of the Sponsoring Employer to exercise any investment power.

History and review

The Trustees will review this SIP at least every three years and without delay after each significant change in investment policy, taking note of any changes in the Scheme's liabilities. Once agreed, and after consultation with the Sponsoring Employer, a copy of this SIP will be given to the Scheme Actuary and will be made available to Scheme members on request and published on the following publicly available website:
www.johnsiskandson.com/publications

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Statement of Investment Principles

Investment governance structure

All investment decisions are taken by the Trustee Board as a whole. The Trustees believe that collective responsibility is the appropriate structure, given the size of the board, except for specific projects when an investment sub-committee may be set up. The Trustees will undertake training where appropriate to ensure they have the necessary expertise to take the decisions required and to evaluate critically the advice received.

All investment decisions relating to the Scheme are under the control of the Trustee Board without constraint by the Sponsoring Employer. The Trustees will consult with the Sponsoring Employer when changing this SIP.

The Scheme has now secured a bulk annuity buy-in policy that is expected to provide members' benefits in full. All day-to-day investment decisions are delegated to the buy-in policy provider.

The Trustees take proper written advice before investing in any manner.

Investment strategy and objectives

The Scheme's investment strategy has been agreed by the Trustees having taken advice from the investment consultant in relation to the suitability of investments and takes due account of the Scheme's liability profile.

The Trustees' primary objectives are:

- To provide appropriate security for all beneficiaries.
- To ensure that sufficient liquid assets are available to meet any top-up premium required by the buy-in policy provider.
- To ensure that sufficient liquid assets are available to pay benefit payments as they fall due.
- To achieve an appropriate balance between risk and return with regards to the cost of the Scheme and the security of the benefits.

In respect of the buy-in policy, the policy is expected to secure all pensioner and deferred member benefits. The Scheme is invested in a buy-in policy provided by a regulated insurer.

In accordance with the Financial Services & Markets Act 2000, the Trustees are responsible for setting the general investment policy, but the responsibility for all day-to-day investment management decisions has been delegated to Just as the buy-in policy provider.

The Trustees' policy in relation to the kinds of investments to be held

The Trustees have full regard to their investment powers as set out in the Trust Deed and Rules.

The Trustees have invested the majority of their assets in the buy-in policy to insure all economic and longevity risk associated with the liabilities of all members is covered by the policy with an insurance company that is financially strong.

All of the Scheme's residual assets are held in the Trustees' Bank Account.

The Trustees' policy in relation to the balance between different kinds of investments

The Trustees are comfortable that the buy-in policy with Just provides adequate security for members. The Trustees have no control or visibility of the underlying investments used by the provider to support this policy.

The size of the buy-in policy was determined by the price required to secure the liabilities.

The Trustees' policy in relation to the expected return on investments

The Trustees do not consider the expected return of the buy-in policy, instead holding this purely to meet the liabilities as they fall due. In effect, the Trustees' policy is to pass the risk of poor returns to the buy-in policy provider. Return expectations are a secondary factor for the remaining residual assets.

The Trustees' policy in relation to the realisation of investments

The buy-in policy is an illiquid investment and cannot be surrendered, sold or "cashed-in" in the future. It is an asset that will be held in perpetuity until the last payment is made. The Scheme's residual assets are held in the Trustees' Bank Account and are of sufficient liquidity.

The Trustees' policy in relation to financially material considerations

The Trustees believe that the potential impact of any financially material considerations that may affect the Scheme's investments should be assessed over the period during which benefits are expected to be paid from the Scheme and/or the period over which particular investments are expected to be held.

The Trustees' priority has been to secure a suitable buy-in policy rather than taking account of wider financially material considerations. The Trustees expect their buy-in policy provider, where appropriate, to have taken account of financially material considerations, including environmental, social and governance ('ESG') factors as part of their investment analysis and decision-making process.

The Trustees will take into account the approach to financially material considerations in deciding whether to retain or appoint future investment managers.

The Trustees' policy in relation to the extent to which non-financial matters are taken into account

The Trustees' objective is that the financial interests of the Scheme members is their first priority when choosing investments. The Trustees have decided not to take members' preferences into account when considering these objectives.

Risk capacity and risk appetite

The Trustees, after seeking appropriate investment advice, have purchased a buy-in policy in respect of the Scheme's liabilities.

The Trustees are satisfied that the investments selected are consistent with their investment objectives.

The Trustees' policy in relation to risks

The Trustees consider the main risk to be that of the assets being insufficient to meet the Scheme's liabilities as they fall due.

Although the buy-in policy removes much of this risk, the Trustees recognise some risks remain, namely the risk:

- Of the buy-in policy provider failing to provide the desired benefit payments.
- The potential for an additional premium to be paid to the buy-in policy provider in the event material changes are required to the data or benefits insured within 12 months of the policy inception date. The Trustees will review this and take appropriate action when necessary.
- Of a failure of the Sponsoring Employer to meet its obligations.

The Trustees assessed the likelihoods of these occurrences as part of selecting the buy-in policy to purchase and the provider to use.

Stewardship in relation to the Scheme's assets

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. In general, trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through any appointed investment manager. However, it is recognised that the scope for doing so is limited for the Scheme due to the use of the buy-in policy.

The Trustees' policy in relation to engagement and monitoring (including peer-to-peer engagement)

The Trustees considered the buy-in policy provider's policies in relation to engagement and monitoring as part of the selection process. The Trustees do not anticipate any further involvement with engagement (including peer-to-peer engagement) on this part of the portfolio and the comments below relate solely to the residual assets.

As any residual assets are held in the Trustees' Bank Account, the Trustees do not envisage being directly involved with peer-to-peer engagement in investee companies.

The Trustees' policy in relation to voting rights

The Trustees considered the insurer's policy towards exercising rights (including voting rights) as part of the buy-in selection process. However, the Trustees do not anticipate any further involvement with matters concerning voting rights in respect of the buy-in policy or residual assets.

Investment management monitoring

The Trustees made their decision on buy-in policy provider based on their ability to meet the Trustees' objectives, at a competitive price.

There is no expectation for the buy-in policy provider to align their investment decisions with the Trustees' policies, nor to take into account financial or non-financial matters over the medium to long-term, beyond the requirements placed on the providers by regulation.

The Trustees do not monitor the buy-in policy provider on an ongoing basis, nor do they provide any ongoing remuneration. Portfolio turnover costs for the provider is also not monitored.

In respect of any residual assets, all investment decisions are monitored by the Trustees with the assistance of the investment consultant.

Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of investment managers.

Employer-related investments

The Trustees will not make direct investments in the Sponsoring Employer's own securities. The amount of the Sponsoring Employer's securities, owned by pooled investment vehicles invested in, are monitored. The Trustees have delegated the responsibility for the exercising of any voting rights attached to any Sponsoring Employer investment held to the buy-in policy provider.

Appointments and responsibilities

This section sets out the key appointments and responsibilities with respect to the investment aspects of the Scheme.

A full list of the Scheme's advisers is provided at the front of the Scheme's Annual Report and Financial Statements. However, at the time of writing this SIP:

- The investment consultant is Gallagher (Administration & Investment) Limited.
- The buy-in policy provider is Just Group Plc.
- For pooled funds, custodial duties are undertaken by the relevant investment manager and, therefore, are not detailed in this SIP.
- The Scheme Actuary is Chris Mason of Quantum Advisory.

Trustees

The Trustees' primary responsibilities include:

- The preparation of this SIP, reviewing its contents and modifying it if deemed appropriate, in consultation with the Sponsoring Employer and the investment consultant, at least every three years. The SIP will also be reviewed following a significant change to investment strategy and/or the investment managers.
- Appointing investment consultants and investment managers as necessary for the good stewardship of the Scheme's assets.
- Reviewing the investment strategy as part of each triennial actuarial valuation, and/or asset liability modelling exercise, and/or significant changes to the Scheme's liabilities, taking advice from the investment consultant.
- Reviewing the stewardship/voting policies of any appointed investment managers and undertaking the ongoing monitoring and engagement with their investment managers as appropriate.
- Assessing the processes and the performance of any appointed investment managers by means of regular, but not less than annual, reviews of information obtained (including investment performance).
- Monitoring compliance of the investment arrangements with this SIP and with the relevant sections of the Act, the Investment Regulations and any regulatory guidance on a regular basis.
- Setting objectives for the appointed investment consultant (and reviewing these at least every three years, and following any significant change to investment strategy), and reviewing the investment consultant's performance against these objectives at least annually.

Investment consultant

The main responsibilities of the investment consultant include:

- Obtaining a copy of the Trustees' investment consultant objectives prior to undertaking work to ensure they understand the Trustees' requirements.
- Assisting the Trustees in the preparation and periodic review of this SIP in consultation with the Sponsoring Employer.
- Undertaking project work including the development and review of investment strategy, investment performance and manager structure as required by the Trustees.

- Advising the Trustees on the selection and review of the investment managers.
- Providing training or education on any investment related matter as and when the Trustees see fit.
- Monitoring and advising upon where contributions should be invested or disinvested on a periodic basis.

Buy-in policy provider

The main responsibilities of the buy-in policy provider include:

- Updating Scheme data and benefits as agreed with the Trustees under the terms of the policy.
- Providing monthly payments to the Trustees of specified benefits in respect of insured beneficiaries and dependants covered under the terms of the policy.

Scheme Actuary

The Scheme Actuary's main responsibilities in respect of investment policy include:

- Commenting on the suitability of the Scheme's DB Section investment strategy given the financial characteristics of the Scheme.
- Performing the triennial (or more frequently as required) actuarial valuation and advising on the Scheme's funding level and therefore the appropriate level of contributions in order to aid the Trustees in balancing short-term and long-term investment objectives.

Compliance

The Scheme's SIP is available to members on request and is also made publicly available free of charge on the following website: www.johnsiskandson.com/publications

A copy of the Scheme's current SIP is also supplied to the Sponsoring Employer, the Scheme's auditors and the Scheme Actuary.

This SIP supersedes all others and was approved by the Trustees.

Full name
Signature
Position
For and on behalf of
Date