

Scapa Group Limited Pension Scheme

Statement of Investment Principles – March 2026

1. Introduction

Scapa Pension Trustees Limited, the Trustee of the Scapa Group Limited Pension Scheme (the “Scheme”) has drawn up this Statement of Investment Principles (the “Statement”) to comply with the requirements of the Pensions Act 1995 (the “Act”) and subsequent legislation. The Statement is intended to affirm the investment principles that govern decisions about the Scheme’s investments. The Trustee’s investment responsibilities are governed by the Scheme’s Trust Deed and Rules, of which this Statement takes full regard.

In preparing this Statement, the Trustee has consulted a suitably qualified person by obtaining written advice from Mercer Limited (“Mercer”). In addition, consultation has been undertaken with the Company (the “Sponsor”) to ascertain whether there are any material issues of which the Trustee should be aware in agreeing the Scheme’s investment arrangements and, in particular on the Trustee’s objectives.

2. Process For Choosing Investments

When considering appropriate investments for the Scheme, the Trustee obtain and consider the written advice of Mercer, whom the Trustee believes to be suitably qualified to provide such advice. Any advice received will be considered by the Trustee in the light of the requirements of Section 36 of the Pensions Act 1995 (as amended).

3. Investment Objectives

The Trustee’s primary objective is to act in the best interest of its members and ensure that the obligations to the beneficiaries of the Scheme can be met.

4. Risk Management and Measurement

The Trustee’s policy on risk management is as follows:

- The primary risk upon which the Trustee focuses is that arising through a mismatch between the Scheme’s assets and its liabilities and the Sponsor’s ability to support this mismatch risk.
- The Trustee recognises that whilst, the taking of investment risk may increase potential returns on the Scheme’s assets, it also increases volatility in the Scheme’s funding position and the risk of a funding deficit. To control this risk the Trustee holds an insurance policy with Rothesay, a specialist insurer of UK defined benefit pension scheme liabilities, under which Rothesay commits to meet the Scheme’s pension liabilities as they fall due. The liabilities to be met are agreed between the Trustee and Rothesay and are set out in the policy documentation.

5. Investment Strategy and Expected Return

Other than an investment in pooled cash fund for liquidity management purposes, the Scheme holds no invested assets – the assets of the Scheme being the insurance policy held with Rothesay and cash held in the Scheme’s bank account to meet expenses and balancing liability payments. The pooled cash fund arrangement is covered in Section 9

(Other Assets) of this Statement. Other than Section 9, this pooled fund investment is not covered by the remainder of this Statement.

For accounting purposes, the value of the insurance policy is based on the discounted value of the projected liabilities using a gilt-based discount rate. As such, the return on the policy is expected to reflect that achieved by a portfolio of liability-matching gilts.

6. Day-to-Day Management of the Assets

Under the current strategy there are no invested assets that require management by the Trustee, or the delegation of management by the Trustee, on a day-to-day basis.

7. Realisation of Investments, Cashflow Management and Rebalancing

Under the current strategy, there are no policies required regarding the realisation of investments or their rebalancing. The Scheme's liability cashflows are expected to be met by the payments due under the insurance policy. Scheme expenses and any balancing liabilities are expected to be paid from the Scheme bank account.

8. ESG, Stewardship and Climate Change – Trustee's Beliefs and Policies

In principle, the Trustee believes that good stewardship and the incorporation of environmental, social, and corporate governance (ESG) factors into its investment decision-making processes can have a material impact on the financial and non-financial performance of the Scheme's invested assets over the medium and longer term. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that, where appropriate, require the Trustee's explicit consideration.

In practice, the Scheme currently holds no invested assets. However, when entering into the insurance policy with Rothesay, Rothesay's approach to sustainability and stewardship issues were considered by the Trustee.

Should the Scheme hold invested assets in the future, the Trustee will consider including specific sustainability themed investment opportunities within its investment strategy. However, the Trustees would not seek to take into account Scheme member views regarding the selection, retention or realisation of the invested assets.

How the Trustee incentivises its asset managers to, 1) make portfolio selection decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt/equity and, 2) engage with issuers to improve their performance in the medium to long term

The Scheme currently holds no invested assets.

How the Trustee's approach to evaluating its asset managers' performances, and how it remunerates its asset managers, is aligned with the Trustee Directors' policies

The Scheme currently holds no invested assets.

How the Trustee monitors portfolio turnover costs and how it defines and monitors portfolio turnover/turnover targets

The Scheme currently holds no invested assets.

The duration of the Trustee's arrangements with its asset managers

The Scheme currently holds no invested assets.

9. Other Assets

Surplus assets held in the Scheme bank account are, on risk and return grounds, invested in the MGI UK Cash Fund, a pooled fund managed by Mercer. The assets of the Fund are invested in a diversified portfolio of short-dated high-quality GBP-denominated money market instruments that are expected to generate a competitive rate of interest. Given the nature of the assets that the fund invests in, the Trustee does not believe that sustainability factors pose a risk of an actual or a potential material negative impact on the value of the assets and so the Trustee's sustainability policy is not applied to the management of these assets. Investment manager fees are charged to the assets of the MGI UK Cash Fund.

10. Fee Structures

Fixed fee arrangements are in place for investment consulting advisory services required by the Trustee.

11. Review of this Statement

The Trustee will review this Statement at least once every three years and without delay after any significant change in its objectives or the management of its assets. 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 assets.

For & on behalf of The Trustee of the Scapa Group Limited Pension Scheme