St Austell Brewery Company Limited Retirement Benefits Plan

Statement of Investment Principles

November 2025

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1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the St Austell Brewery Company Limited Retirement Benefits Plan (the Plan).

The Plan is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC). The Plan is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustees' Statement of Funding Principles.

This Statement has been prepared in line with the following legislation and regulations:

- Section 35 of the Pensions Act 1995
- Section 244 of the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018
- The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019

A copy of this Statement will be made available to Plan members on request to the Trustees or online.

2 Investment Decision Making

The investment of the Plan's assets is the responsibility of the Trustees. The Trustees' investment powers are set out in Rules 82-86 of the Scheme's Trust Deed and Rules, dated 26 November 2010, as amended. The powers granted to the Trustees under this Clause are wide and this Statement is consistent with those powers.

The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited (Broadstone), their appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority. Broadstone has confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustees.

The Trustees have also consulted the Principal Employer, St Austell Brewery Company Limited, when setting their investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Plan's investment strategy rests solely with the Trustees. The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.

3 Investment Objectives

In determining their investment objectives and strategy, the Trustees have considered the strength of the covenant, i.e. the Principal Employer's willingness and ability to support the Plan. They have concluded that it is reasonable to take a long-term view.

The Trustees have also agreed that the funding position measured on a SFO or Technical Provisions funding basis is the assessment of scheme funding that is of most importance to the Trustees, the Principal Employer and members, as it is the best indicator of the Plan's funding requirements and members' long-term benefit security. The Trustees do also consider the Scheme's funding position under an estimated solvency funding basis.

The Trustees' investment objectives are as follows:

- To ensure that the assets are of a nature to enable the Trustees to meet the Plan's benefits as they fall due.
- To invest the Plan's assets in an appropriately diverse and liquid range of investments.
- To invest in a way that is consistent with the Plan's funding objectives, i.e. to invest so that the investment return assumptions used to determine the Trustees' funding plan have a reasonable chance of being achieved in practice.
- To constrain the development of the funding position by following a relatively low risk investment strategy relative to the estimated solvency liabilities. The Trustees would expect to implement such an approach via high hedging ratios against liability-related risks, and a relatively low exposure to absolute levels of return volatility compared to changes in the estimated solvency liabilities.

The Trustees will also have regard to the Principal Employer's views on the potential costs and risks associated with these investment objectives and their implementation through the practical strategy.

4 Setting the Investment Strategy

Details of the investment strategy are set out in the Appendix to this Statement.

The Trustees' policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	Investments may be selected from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property and alternative asset classes, such as hedge funds, private equity and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustees may also: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Plan's investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Plan, matching part or all of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Plan.
Target Asset Allocation	A Target Asset Allocation will be set from time to time, determined with the intention of meeting the Trustees' investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustees' view of the Principal Employer's covenant, the nature of the Plan's liabilities, or relevant regulations governing pension scheme investment. The Trustees have agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Plan's liabilities, and ensuring the range is sufficiently robust to allow easy adjustment between the funds as the Trustees' risk appetite changes and the Plan matures
Delegation to Investment Managers and AVC providers	The Trustees will delegate the day-to-day management of the Plan's assets to professional Investment Managers and AVC providers and will not be involved in the buying or selling of investments.
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustees have responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustees monitor the asset allocation on a regular basis with the assistance of their adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios. Maintaining the Target Hedge Ratios will take precedence over maintaining the Target Asset Allocation.
Employer Related Investments	The Pension Fund does not directly hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

The Trustees have decided to invest in pooled funds because:

- the Plan is not large enough to justify direct investment in equities or bonds on a cost-effective basis;
- pooled funds allow the Plan to invest in a wider range of assets, which serves to reduce risk; and
- pooled funds provide a more liquid form of investment than certain types of direct investment.

5 Realisation and Rebalancing of Assets

The assets are held in a combination of pooled funds and are fully and readily realisable.

The Trustees make disinvestments from the Investment Managers with the assistance of their administrators, Broadstone, as necessary, to meet the Plan's cashflow requirements.

New money will be invested (or disinvestments required for cash flow purposes) to maintain the Target Hedging Levels, as far as reasonably possible.

6 Expected Returns

The Trustees' objective is for the Plan's assets to produce a return sufficient to support the growth in the value of its liabilities calculated under the SFO. The Trustees expect the assets to produce a return in excess of the long-term growth in the value of the liabilities under the Technical Provisions and solvency funding bases.

Over the long-term, the Trustees' expectations are to achieve the following rates of return from the asset classes they make use of:

Asset Class	Expected Returns
Corporate bonds	To achieve a long-term return in excess of the yield available on a portfolio of fixed interest gilts, to compensate for the additional risk associated with investing in a diversified portfolio of corporate bonds.
Government bonds	To achieve a long-term return in line with the yield available on a comparable portfolio of UK gilts or index-linked gilts.
Cash	Broadly in-line with the return on comparable money market funds and the prevailing rates of short-term interest rates.

7 Risks

The Trustees have considered various risks the Plan faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and consider that the Target Asset Allocation strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Principal Employer's covenant.

The Target Asset Allocation has been determined with due regard to the characteristics of the Plan's estimated solvency liabilities.

The calculation of the Plan's estimated solvency liabilities uses assumptions for future investment returns and price inflation expectations that are based upon market values of financial securities such as fixed interest and index-linked government bonds. This means that the estimated solvency liabilities are sensitive to changes in the price of these assets, as market conditions vary and can have a volatile value.

The Trustees accept that their investment strategy may result in volatility in the Plan's funding position. Furthermore, the Trustees also accept that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Plan's estimated solvency liabilities.

To reduce the risk of concentration within the portfolio, the Trustees will monitor the overall mix of asset classes and bonds in the investment strategy with their investment adviser, Broadstone.

The Trustees consider the Plan's strategy to be well diversified.

The Trustees will monitor the investment, covenant and funding risks faced by the Plan with the assistance of their investment advisers and the Scheme Actuary at least every three years. The Trustees will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustees will review wider operational risks as part of maintaining their risk register.

8 Security of Assets

The day-to-day activities that the Investment Managers carry out for the Trustees are subject to regular internal reviews and external audits by independent auditors to ensure that operating procedures and risk controls remain appropriate.

Safe-keeping of the Plan's assets held with the Investment Managers is performed by custodians appointed by them.

The Trustees have considered the security of the Plan's holdings with the Investment Managers, allowing for their statuses as reputable regulated firms, and consider the associated protection offered to be reasonable and appropriate.

9 Responsible Investment & Stewardship

The Trustees believe that in order to protect and enhance the value of the investments, during the period over which the benefits are paid, they must act as a responsible asset owner.

The Plan is comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustees' policies in respect of responsible investment are set out below:

Policy	
Financially Material Considerations	The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Plan invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the Investment Managers. The Trustees have an expectation that the Investment Managers will consider ESG issues in selecting investments, or will otherwise engage with the issuers of the Plan's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustees do not currently impose any specific restrictions on the Investment Managers with regard to ESG issues, but will review this position from time to time. The Trustees receive information on request from the Investment Managers on their approach to selecting investments and engaging with issuers with reference to ESG issues. Regarding the specific risk to the performance of the Plan's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Plan's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Plan's funding position than other risks. The Trustees will continue to monitor market developments in this area with their investment adviser.
Non-Financially Material Considerations	Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect the Investment Managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.
Engagement and Voting Rights	The Trustees' voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy, and aiming to improve how companies behave in the medium and long term, are in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Managers on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from that Investment Manager.

Policy	
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Managers. The Trustees expect the extent to which the Investment Managers monitors capital structure to be appropriate to the nature of the mandate.

The Trustees' views on how ESG issues are taken account of in each asset class used is set out below:

Asset Class	Active/Passive Managed	ESG Views
Corporate bonds	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the funds and the ability of the manager to use its discretion to generate higher risk-adjusted returns. The Trustees also expect the Investment Manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Government bonds	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Active	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

The Trustees will review whether their stewardship policies are aligned of any new investment managers appointed, as well as assessing the stewardship and engagement activity of the current Investment Managers on an ongoing basis.

10 Conflicts of Interest

The Trustees maintain a separate conflicts of interest policy and a conflicts register.

Subject to reasonable levels of materiality, these documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Managers, while also setting out a process for their management.

11 Duration of Investment Arrangements

The Trustees are long-term investors and have not set an explicit target to review the duration of their arrangement with the Investment Managers. However, the arrangements will be reviewed in conjunction with any review of the investment strategy.

12 Incentivisation of Investment Managers

The Investment Managers are primarily remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund.

The Trustees do not directly incentivise the Investment Managers to align the approach they adopt for a particular fund with the Trustees' policies and objectives. Instead, the Investment Managers are selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustees' objectives.

Neither do the Trustees directly incentivise the Investment Managers to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustees expect such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Plan.

13 Portfolio Turnover Costs

The Trustees expect the Investment Managers to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions. The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds.

The Investment Managers provide information on portfolio turnover and associated costs to the Trustees so that this can be monitored, as appropriate.

14 Monitoring

The Trustees employ Broadstone to assist them in monitoring the performance of the Plan's investment strategy and Investment Managers. The Trustees also receive quarterly reports from the Investment Managers and will meet with its representatives periodically to review their investment performance and processes as necessary.

The Trustees and Broadstone will monitor the Investment Managers' performance against their performance objectives.

The appropriateness of an Investment Manager's remuneration will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategy, and the success or otherwise the Investment Manager has had in meeting its objectives, both financial and non-financial.

The Trustees will consider on a regular basis whether or not the Investment Managers and AVC providers remain appropriate to continue to manage the Plan's investments.

15 Review of Statement

The Trustees will review this Statement if there is a significant change in the Plan's investment strategy or a significant change in the regulations that govern pension scheme investment.

Peter Harvey

For and on behalf of St Austell Brewery Company Limited Retirement Benefits Plan

Date: 19 November 2025

Appendix A Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The Target Asset Allocation for the Plan's assets is as follows:

Asset Class	Target Asset Allocation
Corporate bonds	35%
Government bonds	65%
Cash	
Total	**100%**

The assets hold a range of nominal gilt funds, index-linked gilt funds, an active corporate bond fund, and a cash fund, where the balance between these funds will vary with market conditions and will be maintained to target the agreed hedging levels against changes in long-term interest rates and inflation expectations and the cashflow requirements of the Plan.

A.2 Investment Manager

The Trustees entered a contract with Legal & General – Asset Management (L&G) in August 2005, and Schroder Pensions Management Limited in May 2009. The Investment Managers undertake day-to-day investment management of the Plan's assets.

The Investment Managers are authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000.

A.3 Strategies and Funds

The Trustees use the following funds operated by the Investment Managers:

Asset Class	Funds
Corporate bonds	Schroder All Maturities Active Corporate Bond Fund
Government bonds	L&G Gilt and Index-Linked Gilts Index Funds
Cash	L&G Cash Fund

The allocation to the corporate bond fund, government bond funds, and the cash fund used to implement the hedging solution may be reviewed and amended by the Trustees from time to time to maintain the target hedging levels.

A.4 Target Hedging Ratios

The target hedging ratios against the interest rate risk and inflation risk associated with the Plan's total estimated solvency liabilities are summarised below:

	Target Hedging Ratio
Interest rates risk	100%
Inflation risk	100%

A.5 Fund Performance Benchmarks and Objectives

The corporate bond fund is actively managed, with an objective to outperform a specified market benchmark. The government bond funds are passively managed index-tracking funds, meaning that their objective is to track the total return on a specified market index within an agreed margin over a specified timescale. The cash fund is actively managed and aims to broadly match its benchmark.

The benchmark and tracking criterion for each fund is specified below:

Fund	Benchmark	Performance Objective
Schroders All Maturities Corporate Bond Fund	Bank of America Merrill Lynch Non-Gilts (Gross Total Return) Index	To provide capital growth and income in excess of the benchmark (after fees have been deducted) over a three to five year period
L&G Over 15 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts Over 15 Years Index	To track the benchmark to within ±0.25% p.a. for every two years out of three
L&G All Stocks Index-Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts All Stocks Index	To track the benchmark to within ±0.25% p.a. for every two years out of three
L&G Over 5 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	To track the benchmark to within ±0.25% p.a. for every two years out of three
L&G 5-15 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Index Linked Gilts 5-15 Years Index	To track the benchmark to within ±0.25% p.a. for every two years out of three
L&G Cash Fund	SONIA (Sterling Overnight Index Average)	To perform in line with the benchmark, without incurring excessive risk

A.6 Investment Management Charges

The annual management charges for each of the funds used, based on the assets under management at the date of this Statement, are given below:

Fund	Annual Management Charge
Schroders All Maturities Corporate Bond Fund	0.250% p.a.
L&G Gilt and Index-Linked Gilt Funds	0.100% p.a. on the first £5 million under management 0.075% p.a. on the next £5 million under management 0.050% p.a. on the next £20 million under management
L&G Cash Fund	0.125% p.a. for the first £5 million under management 0.100% p.a. for the next £5 million under management