

Wood Pension Plan

Investment Policy Implementation Document

January 2026

1. Introduction

The Statement of Investment Principles ("SIP") of the Wood Pension Plan (the "Plan") sets out the guiding principles upon which the Plan's investments are based. The purpose of this Investment Policy Implementation Document ("IPID") is to provide details of the specific investments in place alongside other information relevant to the management of the investments.

Investment policy can be considered in two parts; strategic management, the setting of which is one of the fundamental responsibilities of the Trustee, and the day-to-day management of the assets, which is delegated to professional investment managers.

The Plan provides two types of benefit; one linked to final salary (Defined Benefit Section) and the other of a money purchase type (Defined Contribution Section).

2. Strategic Management - Defined Benefit Section

The benchmark allocation of the Plan's assets between the major asset classes is detailed in the table overleaf.

The benchmark allocation will be reviewed by the Trustee on an ongoing basis in line with any changes to the Plan's investment strategy.

Asset Class	Benchmark Allocation (%)	Benchmark
Return-Seeking Assets	0.0	
<i>Private Equity</i>	– <small>(Note 1)</small>	n/a
Mid-Risk / Cashflow Matching Assets	20.0	
<i>Property</i>	– <small>(Note 2)</small>	n/a
<i>Corporate Bonds – Global Buy & Maintain – PGIM</i> <small>(Note 3)</small>	10.0	iBoxx Sterling Non-Gilt All Maturities Index
<i>Corporate Bonds – Global Buy & Maintain – AXA</i> <small>(Note 3)</small>	10.0	iBoxx Sterling Non-Gilt All Maturities Index
Liability Matching Assets	80.0	
<i>Liability-Driven Investment</i>	80.0	n/a
Total	100.0	

¹ Committed capital of £30m to a secondaries private equity fund. This position is intended to be held to maturity and will therefore represent a varying portion of total Plan assets. As such, it is held outside the Plan's strategic benchmark allocation.

² The Plan has completed the sell down of these assets. Cash balances within the underlying portfolios are expected to be transferred to the Trustee bank account.

³All Buy & Maintain benchmarks are proxy benchmarks only, given the managers are not expected to build a portfolio with specific reference to a market index.

Benchmark control ranges are specified in the Plan's Statement of Investment Principles in order to provide flexibility to the investment strategy while the Trustee pursues a full buy-in of the Plan's liabilities with an insurer.

In order to meet future Plan cashflow requirements, the Trustee receives income from the Plan's asset portfolios

where possible. In the event these cashflows are insufficient to meet the Plan's outgoings, the Trustee makes disinvestments when required. In the normal course of events, such cashflows will be sourced from specific asset classes/managers in order to move the Plan's asset allocation towards the target allocation. The Trustee has full discretion to alter this policy if in doing so, it believes it is in the best interests of members.

3. Day-to-Day Management of the Assets

The Plan assets are split between those relating to the main Plan and those relating to Additional Voluntary Contributions ("AVCs"). Section 4 covers those assets held in respect of members' AVC arrangements and various immediate annuity contracts.

3.1 Investment Structure – Defined Benefit Section

Manager	Mandate	Benchmark % of Plan Assets
Return-Seeking Assets (Equities)		0.0
Equities		0.0
<i>Coller Capital Partners ("Coller")</i>	<i>Private Equity</i>	– ^(Note 1)
Mid-Risk / Cashflow Matching Assets		20.0
Property		0.0
<i>LaSalle Investment Management Limited ("LaSalle")</i>	<i>Property</i> ^(Note 2)	–
Corporate Bonds – Buy & Maintain Credit		20.0
<i>PGIM Fixed Income ("PGIM")</i>	<i>Global Buy & Maintain Credit</i> ^(Note 3)	10.0
<i>AXA Investment Managers ("AXA")</i>	<i>Global Buy & Maintain Credit</i> ^(Note 3)	10.0
Liability Matching Assets		80.0
Government Bonds, Derivatives & Cash		80.0
<i>BlackRock</i>	<i>Liability-Driven Investment</i>	80.0
Total		100.0

¹ Committed capital of £30m to a secondaries private equity fund. This position is intended to be held to maturity and will therefore represent a varying portion of total Plan assets. As such, it is held outside the Plan's strategic benchmark allocation.

² The Plan has completed the sell down of these assets. Cash balances within the underlying portfolios are expected to be transferred to the Trustee bank account.

³ PGIM and AXA hedge any overseas currency and rates exposures back to Sterling.

All the managers are regulated by the Financial Conduct Authority ("FCA") or the relevant authority in the domicile country. The individual investment manager benchmarks and investment objectives are set out below and the investment restrictions and other guidelines can be found in the individual Investment Management Agreements ("IMAs") or similar fund documentation.

The Trustee expects to generate a return, over the long term, of c.0.2% per annum* (after expenses) above that which would have been achieved had no investment risk been taken within the portfolio i.e. had the asset portfolio been invested solely in a portfolio of long dated government bonds which broadly match the Plan liabilities, with no stock lending. The actual return is dependent upon the market benchmarks for each manager and how they perform relative to their benchmarks. At a total Plan level, the total benchmark is a composite of the underlying investment manager benchmarks. The benchmark is assumed to be rebalanced quarterly for performance measurement purposes.

* Expected return calculation is based on the strategic asset allocation and XPS asset class assumptions as at 30 September 2025 and subject to change.

3.1.1 Mandate Details

Manager Name	Asset Class / Mandate	Benchmark Index	Investment Objective	Permitted Maximum Cash Allocation	Inception Date
Coller (Coller CIPVI Fund)	Private Equity	N/A	To achieve long term capital appreciation primarily by investing directly or indirectly through other entities in privately negotiated investments in the private equity secondaries market worldwide.	N/A	14 November 2011
LaSalle	Property	N/A	N/A	N/A	30 November 1990
PGIM	Global Buy & Maintain Credit	N/A ^(a)	To invest in a diversified portfolio of fixed income securities in a way that harvests the credit spread premium in the most efficient way.	N/A	31 July 2017
AXA	Global Buy & Maintain Credit	N/A ^(b)	To invest in a diversified portfolio of fixed income securities in a way that seeks to capture the credit spread premium in an efficient way.	7.5%	7 December 2020
BlackRock	Liability-Driven Investment	N/A	To provide a defined level of interest rate and inflation exposure ^(c) .	N/A	8 August 2019

^(a) Given the nature of this fund, it has no stated benchmark. However, for performance measurement purposes it will be measured against the iBoxx Sterling Non-Gilt All Maturities Index (i.e. the full UK universe of listed investment grade credit issuances). PGIM are allowed to invest in non-Sterling denominated securities and are instructed to hedge all foreign currency and rates exposures back to Sterling.

^(b) Given the nature of this fund, it has no stated benchmark. However, for performance measurement purposes it will be measured against the iBoxx Sterling Non-Gilt All Maturities Index . (i.e. the full UK universe of listed investment grade credit issuances). AXA are allowed to invest in non-Sterling denominated securities and are instructed to hedge all foreign currency and rates exposures back to Sterling.

^(c) Target interest rate and inflation hedge ratio of 100% on the gilts +0.25% basis.

3.2 Investment Structure – Defined Contribution Section

Day-to-day management of the assets is delegated to a range of professional investment managers through pooled funds which are accessed through the Scottish Widows Limited ("Scottish Widows") Investment Platform, where the Trustee holds a long term insurance policy.

The investment platform is provided under agreement with Mercer Workplace Savings ("MWS") and Scottish Widows. MWS combines a corporate investment platform offered by Scottish Widows with Mercer consulting support and access to highly rated and blended funds. Funds comprise of single or a combination of external underlying investment managers which are highly rated by Mercer. All parties are regulated by the Financial Conduct Authority (the "FCA").

Based on advice from the Investment Consultant, the Trustee is responsible for the selection, monitoring and, where necessary, the termination of the funds made available to members. In the case of the blended funds, underlying managers can be changed at any time but the objectives of the funds will remain the same.

3.2.1 Investment Options

The investment options available to members via the Scottish Widows investment platform, incorporating a range of active and passively managed funds, are set out below.

Fund Type	Fund
Multi Asset	Multi-Asset - Growth Multi-Asset – Diversified Growth
Equity	Passive Equity – UK Equity Passive Equity – Global Equity Passive Equity – Overseas Equity Passive Equity - Emerging Market Equity Passive Equity – Ethical Global Equity Active Equity - UK Equity Active Equity - Global Equity Active Equity - Emerging Markets Equity Passive Equity – Shariah Passive Sustainable Global Equity Active Sustainable Global Equity
Bond	Passive Bonds - Fixed Interest Government Bonds Passive Bonds - Inflation-Linked Government Bonds Passive Bonds - UK Corporate Bonds Active Bonds – Short Dated Global Bond
Cash	Active Cash – Cash
Alternatives	Active Property – Property

In addition to these funds, a series of Target Dated funds are available, which provide automated de-risking aligned to three different types of retirement benefit. Further details are provided in the following sections.

All members are free to allocate their funds between any of the above options. If members do not actively choose one or more of these options, they will automatically be enrolled into the default arrangement.

3.2.2 Default Arrangement (the Target Drawdown Strategy)

Members who do not make their own investment decisions will be automatically enrolled into the Target Drawdown Strategy.

The Target Drawdown Strategy is a range of different target dated funds set in three year tranches, for example, the Target Drawdown - Retiring 2035-2037 Fund is designed for members who are retiring between 1 January 2035 and 31 December 2037.

Each target dated fund is invested in the Mercer Long Term Growth Fund, at 16 years before the target date, the underlying assets will gradually move to the Mercer Growth Fund, until 8 years before their target retirement age when assets are then moved into a diversified portfolio of assets designed to meet the needs of a member intending to remain invested post-retirement (albeit outside of the Plan) and to draw down their funds over time, after taking tax free cash benefits.

When a member reaches the year of their retirement, all assets will be switched into the Target Drawdown Retirement Fund, from which a member can retire at any time.

A summary of the underlying asset allocation of the default strategy is shown in the following chart.



3.2.3 Alternative Lifestyle Strategies

In addition to the Target Drawdown Strategy, which is the default investment option, the Trustee has made available alternative options; that target annuity purchase at retirement (with an allowance for taking tax free cash) or target full withdrawal of benefits as cash at retirement.

The growth phase for all three profiles is the same, but the asset allocation changes 8 years before the target date to achieve risk reduction as members approach retirement.

Summaries of the underlying asset allocations of these alternative target strategies are shown in the following charts.

Target Annuity Strategy



Target Cash Strategy



4. Additional Voluntary Contributions ("AVCs")

In addition to the main assets of the Plan referred to earlier in this IPID, the Plan holds assets in respect of members' historic AVC arrangements as set out below.

The current providers of AVC funds to the Plan for the "previous" DB schemes are Prudential, Standard Life and Aviva. These arrangements are in respect of with profits funds only.

No new AVC payments are being made to these arrangements as active members can adjust their contributions as desired under the DC section options.

5. Other Assets of the Plan

5.1 Pensions in Payment

In addition, the Plan holds various immediate annuity contracts with a number of insurance companies in respect of pensions in payment to certain former members of predecessor schemes. In order to simplify the application of pension increases, the insurance companies concerned pay the relevant amounts to the Plan, which, in turn, pays the pensions to the individual pensioners.

5.2 De-Mutualisation Holdings

From time to time, there may be short-term direct holdings of shares arising from the de-mutualisation of insurance companies or building societies, pending realisation and distribution of the proceeds to the appropriate beneficiaries.

6. Advisors and Plan Governance

6.1 Custodian

The role of a custodian is to ensure the safe keeping of the assets and facilitate all transactions entered into by the appointed investment managers.

The Trustee is not responsible for the appointment of the custodian of the assets contained within the various pooled fund investments.

In relation to the segregated investments, the Trustee has appointed State Street Bank & Trust Company as custodian. However, the Trustee has noted the need to conduct periodic reviews of the custodian to ensure their continuing suitability.

6.2 Actuary

The Actuary performs a valuation of the Plan at least every three years, in accordance with regulatory requirements. The main purpose of the actuarial valuation is to assess the extent to which the assets cover the accrued liabilities and agree the employer's contribution rate. Mr M Kelly of Mercer Limited ("Mercer") is the appointed Plan Actuary.

6.3 Investment Consultant

Whilst the day-to-day management of the Plan's assets is delegated to investment managers, all other investment decisions including strategic asset allocation and selection and monitoring of investment managers are based on advice received from the Investment Consultant.

6.4 Mercer Workplace Savings (MWS)

As part of their ongoing operational governance, Mercer will conduct quarterly governance meetings with Scottish Widows to discuss the provider's overall performance, review and measure its provision of services, consider the adequacy of its people resourcing, review service levels provided to the Plan, monitor and resolve key risks, review management information reports and monitor Scottish Widows' market leading status.

A range of services will be provided as part of the ongoing investment governance MWS offers, including:

- Quarterly investment reports
- Review of investments and platform at annual meeting
- Updates on the defined contribution market. This will include a summary of legislative and regulatory developments and commentary on wider defined contribution issues that will impact the Plan
- Input to the SIP
- Reporting on stewardship and voting activity for delegated investment managers.

7. Fee Structures

The investment managers levy fees that are principally based on a percentage of the value of the assets under management. In addition, some levy performance-based fees. In relation to LDI fees are based on a combination of the value of assets held and exposures (which may be higher). The custodian has a fee basis that is a mixture of fixed fees and a percentage of the value of the assets under their custody in line with standard industry practice.

The Plan Actuary and the Investment Consultant typically work on the basis of time cost; however, in certain circumstances a fixed fee will be agreed.

Finally, MWS governance services are charged on the basis of an agreed fixed fee.

An Appendix to this document sets out the fee scales negotiated with each of the Plan's investment managers and the platform provider (in respect of the Defined Contribution arrangements). However, we note that the fee scales are regarded as commercially sensitive and as such the distribution of this Appendix is limited to the Trustee, Investment Consultant and Plan Auditor.