

Statement of investment principles for the Hammerson Group Management Limited Pension and Life Assurance Scheme

December 2022

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustees of the Hammerson Group Management Limited Pension and Life Assurance Scheme ("the Trustees") on various matters governing decisions about the investments of the Hammerson Group Management Limited Pension and Life Assurance Scheme ("the Scheme"), a Defined Benefit ("DB") Scheme. This SIP replaces the previous SIP dated September 2022.

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act") the Occupational Pension Schemes (Investment) Regulations 2005 (as amended) and the Pensions Regulator's guidance for defined benefit pension schemes (2019).

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Scheme's investment adviser, whom the Trustees believe to be suitably qualified and experienced to provide such advice. The advice considers the suitability of investments including the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP. The Trustees have consulted with the relevant employer in producing this SIP.

The Trustees will review this SIP from time to time and, with the help of their advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, or in the demographic profile of the relevant members, and at least once every three years.

Appendix 1 sets out details of the respective key responsibilities of the Trustees, investment advisers and buy-in provider.

2. Investment objectives

The Trustees' objective is to secure member benefits via a financially secure insurance company which is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA"). The Trustees have decided to do this by purchasing a full buy-in policy with Just Retirement Ltd ("Just"). It

holds no other assets other than cash held in the Trustee bank account. The Trustees' AVC provider is Prudential.

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3. Investment strategy

In December 2022, the Trustees' purchased a buy-in policy with Just to cover members' benefits. The buy-in policy remains an asset of the Scheme.

A cash balance is also held within the Trustees' bank account.

4. Implementation of the investment arrangements

Before investing in any manner, the Trustees obtain and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

The Trustees' have limited influence over its buy-in policy provider's investment practices because all the Plan's assets are held in insurance policies, but it encourages its provider to improve their practices where appropriate.

5. Financially material considerations and non-financial matters

The Trustees expect their buy-in policy provider to take account of financially material considerations. With the assistance of LCP, the Trustees sought to appoint a buy-in provider that has appropriate skills and processes to do this.

The Trustees do not take into account any non-financial matters in the selection, retention and realisation of investments. For this purpose, non-financial matters means the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the Scheme.

6. Voting and engagement

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has effectively delegated to its buy-in policy provider the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

Responsibilities, decision-making and fees

Appendix 1

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The Trustees have decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustees' understanding of the various legal requirements placed upon them, and their view that this division allows for efficient operation of the Scheme overall, with access to an appropriate level of expert advice and service. The Trustees' investment powers are set out within the Scheme's governing documentation.

1. Trustees

In broad terms, the Trustees are responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the relevant employer;
- reviewing the investment policy as part of any review of the investment strategy;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- formulating a policy on taking account of non-financial matters in the selection, retention and realisation of investments;
- setting the policy for rebalancing between asset classes;
- appointing, monitoring, reviewing and dismissing investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers that they have delegated to the buy-in provider and monitoring compliance with Section 36 of the Act;
- communicating with members as appropriate on investment matters;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the relevant employer when reviewing the SIP.

2. Buy-in provider

The buy-in provider's responsibility is to meet the benefits secured under the buy-in contract accurately and on a timely basis.

3. Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustees, for:

- advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy; and

- participating with the Trustees in reviews of this SIP.

Appendix 1 (cont)

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4. Fee structures

The Trustees recognise that the provision of investment advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustees have agreed Terms of Business with the Scheme's investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The fee structure used has been selected with regard to existing custom and practice, and the Trustees' view as to the most appropriate arrangements for the Scheme. However, the Trustees will consider revising any given structure if and when it is considered appropriate to do so.

5. Performance assessment

The Trustees are satisfied, taking into account the external expertise available, that there are sufficient resources to support their investment responsibilities. The Trustees believe that they have sufficient expertise and appropriate training to carry out their role effectively.

It is the Trustees' policy to assess the performance of the Scheme's investments, providers and professional advisers from time to time.