

## Statement of Investment Principles

This is the Statement of Investment Principles (“the Statement”) made by Wm Morrison Pension Trustee Limited, as Trustee (the “Trustee”) of the Retirement Saver Plan Section of the Morrisons Retirement Saver Plan (the “Section”) in accordance with the Pensions Act 1995 (as amended). The Statement is subject to periodic review at least every three years and without delay after any significant change in investment policy.

In preparing this Statement, the Trustee has consulted with the sponsoring employer to the Section (Wm Morrisons Supermarkets Limited), and has taken, and considered, written advice from the Investment Practice of Hymans Robertson LLP.

The Section closed to future accrual on 30 September 2018.

### Section Objective

The primary objective of the Section is to make pensions savings for members of the Section on a cash balance basis.

### Funding Principles

The Trustee’s overriding funding principle for the Section is to ensure that the Section’s assets are sufficient (at their realisable value) to meet 100% of benefits as they fall due for payment to members. It is also important to ensure there are assets to meet the cost of ongoing Section management expenses.

### Investment management

To secure the benefits of Section members, the Trustee entered into a buy-in contract (“the Policy”) with Aviva Plc (“Aviva”) in February 2025. Under the contract, Aviva makes regular payments to the Section to cover members’ benefit payments.

The Trustee also holds some residual monies in a cash account with Legal & General Investment Management (LGIM”), which are used to meet ongoing expenses.

Given the nature of the Policy, management of the majority of the Section’s assets has been transferred to Aviva. The Trustee does not expect, at the present time, to change the cash account. The Trustee therefore no longer participate in the process of choosing investments. Similarly, portfolio turnover and realisation of assets are no longer considered material to the Section’s circumstances.

### Suitability

Aviva is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Trustee has carried out an extensive due diligence assessment on Aviva and has obtained written advice from their professional advisers prior to entering the contract, as required by law.

LGIM is authorised under the Financial Services and Markets Act 2000 to undertake investment business. The Trustee has taken advice from their Investment Consultants on the LGIM investment to ensure the investment is suitable.

### Risk

The Trustee recognises that the Section faces a number of risks in relation to the investment of its assets. The Trustee accepts that a certain level of risk is inevitable in the effective management of investments and monitors these risks on a regular basis.

The principal risks affecting the Section are:

- Concentration risk - The Trustee recognise that a decision to invest in a buy-in contract with a single provider represents a concentration of risk and has addressed this through scrutiny of Aviva.
- Liquidity risk - The Trustee ensures that a sufficient cash balance is available in the Section Trustee bank account to meet required outgoings, and is measured by the level of cash flow required by the Section over a specified period.
- Investment risk - The Trustee recognises that Aviva may default on its obligations under the buy-in contract and mitigates this risk by obtaining and carefully considering professional advice regarding the financial strength of Aviva and the applicable regulatory regime.

The remainder of the assets are held in a cash account with LGIM. This is not deemed a material financial risk.

### **Financially material factors**

The Trustee recognises that the consideration of financially material factors, including ESG factors and climate change, is relevant at different stages of the investment process.

The buy-in contract the Trustee has entered into aims to match the Section's benefit obligations and has not been structured with expected return in mind.

Given the nature of the contract, the Trustee has not made explicit allowance for ESG factors and climate change in framing the strategic asset allocation.

The Trustee considered ESG matters as part of the selection process for Aviva alongside financial strength and market experience, and has taken into account the guidance received from their professional advisers when making their decision.

### **Non-financially material factors**

The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on non-financially material factors.

### **Stewardship**

The Trustee regards stewardship as encompassing the exercise of voting rights and engagement with investee companies, engagement by and with investment managers, the monitoring of managers' compliance with agreed policies, and participation of the Section in ESG-related industry initiatives.

Given the Section is entirely invested in a buy-in contract and cash, monitoring opportunities for engagement and voting are extremely limited given the purchase of the Policy. The Trustee are mindful and accepting of this.

### **Monitoring**

The Trustee will monitor the insurer service periodically, considering such factors as market presence, solvency metrics, and activities in the ESG space.

### **Additional Voluntary Contributions (AVCs)**

The Trustee gives members the opportunity to pay AVCs. A range of funds is available for investment at members' discretion. As the Section is closed, no further contributions can be made.

Signed for and on Behalf of the Trustee of the Retirement Saver Plan Section of the Morrisons Retirement Saver Plan.

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Director

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Date