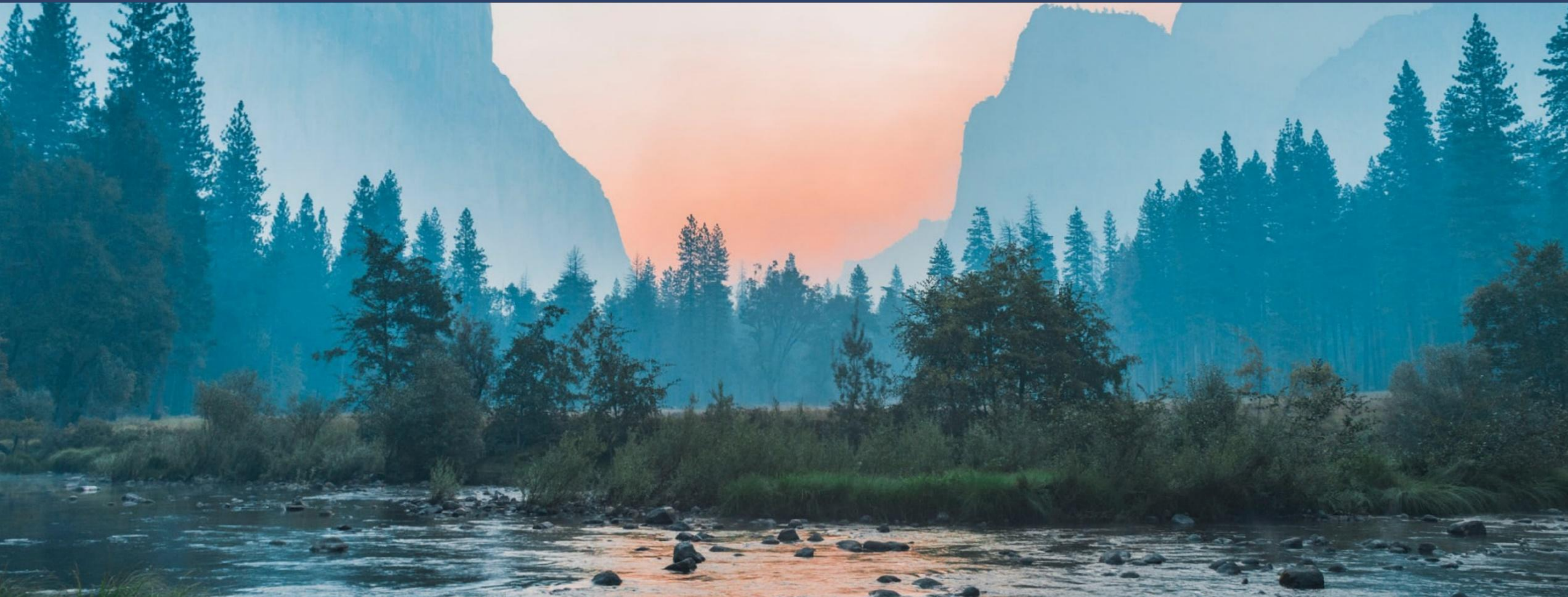
Statement of Investment Principles

For the Selfridges Pension Scheme

Effective from: 12 May 2026



1. Introduction

This Statement of Investment Principles (“SIP”) has been produced by the Trustee of the Selfridges Pension Scheme.

It sets out our policies on various matters governing investment decisions for the Selfridges Pension Scheme (“the Scheme”), which is a Defined Benefit (“DB”).

This SIP replaces the previous SIP dated November 2025.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator’s guidance on investments.

We have produced a separate SIP addendum document, which details further background and other matters relevant to the Scheme’s investments, but which are not required to be included in the SIP.

This Statement was approved by the Board following consultation with the sponsoring employer.

2. Investment objectives

The Trustee’s primary objective is to ensure that the Scheme should be able to meet benefit payments as they fall due.

To achieve this, we have entered into an insurance policy with Rothesay Ltd (“Rothesay”), a leading provider of bulk annuity contracts for defined benefit pension schemes. This insurance policy (referred to as a “buy-in policy”) covers the benefits payable to all the Scheme’s members. The policy remains an asset of the Scheme.

In addition to the buy-in policy with Rothesay which is the Scheme’s primary invested asset, there are some residual assets held in a pooled fund with Columbia Threadneedle (“CTI”).

Our investment objective for the AVCs is to make available a suitable range of investment options to meet members’ risk / return objectives.

3. Considerations in setting the investment arrangements

When deciding how to invest the Scheme’s assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes. The primary ways that we manage investment risk is via diversification, ensuring we receive professional written advice prior to making any material investment decision, and our ongoing monitoring and oversight of the investments. Further details of specific risks (for example credit risk and currency risk) and how we measure and manage those risks is set out in Part 2 of the SIP addendum.

In setting the strategy it is our policy to consider:

- our investment objectives, including the target return required to meet these;
- the circumstances of the Scheme, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, the strength of the employer covenant and the liquidity of the assets; and
- the need for appropriate diversification between different asset classes to manage investment risk, and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate.

In determining the investment arrangements **for the AVCs** it is our policy to consider:

- the overall best interests of members and beneficiaries;
- the profile of the membership and what this is likely to mean for the choices members might make upon reaching retirement; and
- the need for appropriate diversification between and, where appropriate, within the investment options offered to members.

We also consider any other factors which we believe to be financially material over the applicable time horizons to the funding of the benefits, including environmental, social and governance ("ESG") factors.

Our key investment beliefs, which influenced the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- risks that do not have an expected reward should generally be avoided, hedged, or diversified;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find, and therefore passive management is usually better value;
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this;
- long-term environmental, social and economic sustainability is one factor that should be considered when making investment decisions;
- responsible investment in well governed companies and engaging as long-term investors can reduce risk over time and may positively impact Scheme returns; and
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important.

4. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have signed agreements with the investment managers setting out the terms on which the portfolios are to be managed.

Details of the investments are set out in the separate SIP addendum.

We have limited influence over the investment practices followed by the managers of our assets because all the Scheme's assets are held insurance policies or pooled funds, but we encourage our insurer and investment manager to improve their practices within the parameters of the funds it is managing.

In practice the insurer and investment manager cannot fully align their strategies and decisions to the (potentially conflicting) policies of all its investors in relation to strategies, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

It is our responsibility to ensure that the insurer's and investment manager's investment approaches are consistent with our policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies. We expect our insurers and investment manager to make decisions based on assessments of the longer term performance of debt issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). We assess this when selecting and monitoring insurers and investment managers.

We evaluate investment manager performance over both shorter and longer term periods as available. If a manager is not meeting its performance objectives, we will consider alternative arrangements.

Our policy is to evaluate our investment manager by considering performance, the role it plays in helping to meet our overall long-term objectives, taking account of risk, the need for diversification and liquidity. The manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

We recognise that portfolio turnover and associated transaction costs are a necessary part of investment management. We expect our investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

5. Realisation of investments

The buy-in policy covers all the benefits payable to members and as such the Scheme does not have any ongoing need to realise its investments. The residual assets held outside of the buy-in policy are invested in a daily dealt pooled investment fund which is available to meet any additional benefit payments and other outgoings not covered by the buy-in policy. Our preference is for these residual investments to be readily realisable.

6. Financially material considerations and non-financial matters

We consider how environmental, social, governance ("ESG") considerations (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Scheme and its members.

We influence the Scheme's approach to ESG and other financially material factors through our investment strategy and manager/insurer selection decisions. We expect our insurer and investment manager to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. We seek to appoint insurers and managers that have the skills and processes to do this, and periodically review how our insurer and investment manager are taking account of these issues in practice. All the Scheme's assets (excluding the buy-in policy) are invested in pooled funds. We have limited influence over our managers' investment practices where assets are held in pooled funds, but we encourage our managers to improve their ESG practices within the parameters of their funds.

We do not consider any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

7. Voting and engagement

We recognise our responsibilities as owners of capital, and believe 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 and is in the best interests of our members.

We have delegated to the insurer and investment manager the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. The Trustee expects their insurer and investment manager to undertake engagement in line with their stewardship priorities, considering the long-term financial interests of investors.

We do not monitor or engage directly with issuers or other holders of debt or equity, but we do engage with our current investment manager on matters including ESG and stewardship. We expect the investment manager to exercise ownership rights and undertake monitoring and engagement in line with their policies on stewardship, considering the long-term financial interests of the beneficiaries. We expect the manager to communicate their policies on stewardship to us from time to time, and provide us with reporting on the results of their engagement and voting activities regularly and at least once a year.

We do not wish to interfere with the day-to-day investment decisions of our insurer and investment manager. However, we encourage the insurer and investment manager to comply with the principles outlined in the UN's Principles for Responsible Investing and the UK Stewardship Code where this is appropriate for their mandate.