Statement of Investment Principles – The BT Rolatruc Limited Staff Life Assurance and Pension Scheme (August 2026)

Introduction

1 This document is the Statement of Investment Principles (the 'SIP') made by the Trustees of the BT Rolatruc Limited Staff Life Assurance and Pension Scheme (the 'Scheme') in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it).

2 The Trustees will review this SIP at least every three years and without delay after any significant change in investment policy. Before finalising this SIP, the Trustees took advice from a suitably qualified firm and consulted Toyota Material Handling UK Limited (the 'Company'). The ultimate power and responsibility for deciding investment policy, however, lies solely with the Trustees.

Investment objectives

3 The Trustees have the following investment objectives:

- The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet (together with contributions from the Company) the cost of current and future benefits which the Scheme provides, and to ensure the security, quality and profitability of the portfolio as a whole.
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis.
- To minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the objective shown under the points above.

Investment strategy

4 The Trustees have received advice to determine an appropriate investment strategy for the Scheme. The Trustees have a desire to diversify risk exposures and to manage its investments effectively.

5 The investment strategy makes use of three key types of investments:

- a range of instruments that provide a broad match to changes in liability values;
- a portfolio of secure income assets; and
- a diversified portfolio of return-seeking assets.

6 The Trustees have appointed an investment manager to manage the Scheme's assets on a discretionary basis and to provide investment advisory services to the Trustees (the "Fiduciary Manager"). The balance within and between these investments will be determined from time-to-time at the discretion of the Fiduciary Manager, with the objective of maximising the probability of achieving the Scheme's investment objective set by the Trustees. The Fiduciary Manager's discretion is subject to guidelines set by the Trustees in the Fiduciary Management Agreement between the parties as amended from time to time (the "FMA"). In exercising investment discretion, the Fiduciary Manager is required to act in accordance with its obligations in the FMA, including the guidelines and any investment restrictions set out therein, and in so doing is expected to give effect so far as reasonably practicable to the principles contained in this SIP. This ensures appropriate incentivisation and alignment of decision-making with the Trustees' overall objectives, strategy and policies.

7 The Scheme will hold assets in cash and other money market instruments from time to time as may be deemed appropriate.

8 The Trustees will monitor the liability profile of the Scheme and will regularly review, in conjunction with the Fiduciary Manager and the Scheme actuary, the appropriateness of its investment strategy.

9 The expected return of all the Scheme's investments will be monitored regularly and will be directly related to the Scheme's investment objective.

10 The Trustees' policy is that there will be sufficient investments in liquid or readily realisable assets to meet cash flow requirements in foreseeable circumstances so that the realisation of assets will not disrupt the allocation of the Scheme's overall investments, where possible.

11 The Trustees may from time to time hold insurance policies or other assets which are earmarked for the benefit of certain members. These may include for example:

- Assets secured by Additional Voluntary Contributions (AVCs) or other arrangements made individually with the Trustees.

- Deferred or Immediate Annuity Policies purchased to match part or all of the fund's liabilities.

Investment managers

12 The Trustees have delegated investment manager selection, de-selection and the ongoing management of relationships with investment managers to the Fiduciary Manager within guidelines set by the Trustees in the FMA. Investments will be made by the Fiduciary Manager on behalf and in the name of the Trustees either directly in pooled vehicles or by the appointment of third-party investment managers to provide discretionary investment management services to the Trustee,

13 The Trustees consider the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustees expect the Fiduciary Manager to ensure that the Scheme's investment portfolio, in aggregate, is consistent with the policies set out in this SIP, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustees expect the Fiduciary Manager to check that the investment objectives and guidelines of any pooled vehicle are consistent with the Trustees' policies contained in the SIP.

14 WTW has been appointed as Fiduciary Manager since 2019. In accordance with the Financial Services and Markets Act 2000, the selection of specific investments will be delegated to the Fiduciary Manager who may sub-delegate this responsibility to third party investment managers. The Fiduciary Manager and such investment managers will provide the skill and expertise necessary to manage the investments of the Scheme competently. The duration of the arrangements with investment managers will be determined on an individual basis taking into account the nature of the relevant investment mandate. In most cases, managers are appointed with the expectation of a long-term relationship but with an ability to terminate where considered appropriate. However, there may be occasions when managers are put in place for a short period or a fixed period, depending on the nature of the investment strategy.

15 The Trustees and Fiduciary Manager are not involved in the investment managers' day-to-day method of operation and do not directly seek to influence attainment of their performance targets. However, the Fiduciary Manager may provide investment recommendations to third party investment managers appointed by the Trustees where it considers it appropriate. The Fiduciary Manager will maintain processes to ensure that performance and risk are assessed on a regular basis against measurable objectives for each investment manager, consistent with the achievement of the Scheme's long term objectives.

16 The Trustees expect the Fiduciary Manager to select investment managers with an expectation of a long-term partnership with the Trustees, which encourages active ownership of the Scheme's assets. When assessing an investment manager's performance, the Trustees expect the Fiduciary Manager to focus on longer-term outcomes, commensurate with the Trustees' position as a long term investor. Consistent with this view, the Trustees do not expect that the Fiduciary Manager would terminate an investment based purely on short-term performance but recognises that an investment may be terminated within a short timeframe due to other factors such as a significant change in the relevant manager's business structure or investment team. The Trustees adopt the same long term focus as part of its ongoing oversight of the Fiduciary Manager.

17 For most of the Scheme's investments, the Trustees expect the Fiduciary Manager to select investment managers with a medium to long time horizon, consistent with that of the Scheme. In particular areas such as equity and credit, the Trustees expect the Fiduciary Manager to work with investment managers who will use their engagement activity to drive improved performance over medium to long term periods within the wider context of long-term sustainable investment. The Trustees note that the Fiduciary Manager may invest in certain strategies where such engagement is not deemed appropriate or possible, due to the nature of the strategy and/or the investment time horizon underlying decision making. The Trustees expect that the appropriateness of the Scheme's allocation to such mandates is determined in the context of the Scheme's overall objectives.

18 The Trustees have delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager and in turn to the Scheme's investment managers. However, the Trustees and Fiduciary Manager recognise that an investment's long-term financial success is influenced by a range of financially material factors including Environmental, Social and Governance (ESG) issues. The time horizon over which financially material factors are being considered is the long-term (taking into consideration the Scheme's journey plan).

19 Consequently, the Trustees (through the selection of the Fiduciary Manager and its associated approach to environmental, social and governance issues, as set out below) seek to be an active long-term investor. The Trustees' focus is explicitly on financially material factors. The

Trustees' policy at this time is not to take into account non-financial matters in the selection, retention and realisation of investments.

20 When considering its policy in relation to stewardship including engagement and voting, the Trustees expect investment managers to address broad ESG considerations taking into account the nature of the assets held under the relevant investment mandate, but have identified climate change, biodiversity, diversity, equity and inclusion and human and labour rights as key areas of focus for the Trustees. The Trustees assess that ESG risks, and in particular climate change, pose a financial risk to the Scheme and that focussing on these issues is ultimately consistent with the Trustees' fiduciary duties and the financial security of its members. Whilst the Trustees' policy is to delegate number of stewardship activities to the Fiduciary Manager and its investment managers, the Trustees recognise that the responsibility for these activities remains with the Trustees. The Trustees incorporate an assessment of how well the Fiduciary Manager and investment managers exercise these responsibilities as part of its overall assessment of their performance.

21 The Fiduciary Manager has a dedicated Sustainable Investment resource and a network of subject matter experts. The consideration of ESG issues is fully embedded in the investment manager selection and portfolio management process, with oversight undertaken on a periodic basis. The Trustees expect the Fiduciary Manager to assess the alignment of each investment manager's approach to sustainable investment (including engagement) with its own before making an investment on the Scheme's behalf. The Trustees expect the Fiduciary Manager to engage with the Scheme's investment managers where the Fiduciary Manager considers this appropriate regarding their approach to stewardship with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings. In addition, the Trustees expect the Fiduciary Manager to review the investment managers' approach to sustainable investment (including engagement) on a periodic basis and engage with the investment managers to encourage further alignment as appropriate.

22 The Fiduciary Manager considers a range of sustainable investment factors, such as, but not limited to, those arising from ESG considerations, including climate change, biodiversity, diversity, equity and inclusion and human and labour rights, in the context of a broader risk management framework. The degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which the Fiduciary Manager takes into account in the assessment.

23 The Fiduciary Manager encourages and expects the Scheme's investment managers to sign up to local or other applicable stewardship codes, in-keeping with good practice, subject to the extent of materiality for certain asset classes. The Fiduciary Manager itself is a signatory to the Principles for Responsible Investment (PRI) and the UK Stewardship Code and is actively involved in external collaborations and initiatives.

24 The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Scheme's investments to its investment managers. The Fiduciary Manager assesses the voting policies of the investment managers that it appoints on the Trustee's behalf, for consistency with the Trustees' policies and objectives, as appropriate. The Fiduciary Manager has also appointed EOS at Federated Hermes to undertake public policy engagement and company-level engagement on its behalf. EOS at Federated Hermes also assists the Trustees' equity managers with voting recommendations.

25 The Trustees expect the Fiduciary Manager to consider the fee structures of investment managers and the alignment of interests created by these fee structures as part of its investment decision making process, both at the initial selection of an investment manager and on an ongoing basis. Investment managers are generally paid an ad valorem fee, in line with

normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustees expect the Fiduciary Manager to review the costs incurred in managing the Scheme's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustees expect the Fiduciary Manager to have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

Other matters

26 The Scheme is a Registered Pension Scheme for the purposes of the Finance Act 2004.

27 The Trustees recognise a number of risks involved in the investment of the Scheme's assets, and, where applicable, monitors these risks in conjunction with the Fiduciary Manager.

Deficit risk

- is measured through a qualitative and quantitative assessment of the expected development of the liabilities relative to the current and alternative investment policies
- is managed through assessing the progress of the actual growth of the liabilities relative to the selected investment policy.

Solvency risk and mismatch risk:

- are measured through a qualitative and quantitative assessment of the expected development of the Scheme's funding level.
- are managed through the development of a portfolio consistent with delivering the Scheme's investment objective.

Investment Manager risk:

- is measured by the expected deviation of the return relative to the benchmark set.
- is managed by considering when to employ active versus passive management given prospective net of fees returns, consideration of the appropriate amount of the Scheme's assets to allocate to any active portfolios and by monitoring the actual deviation of returns relative to the benchmark and factors supporting the investment managers' investment process.

Liquidity risk:

- is measured by the level of cash flow required by the Scheme over a specified period.
- is managed by the Scheme 's administrators assessing the level of cash held in order to limit the impact of the cash flow requirements on the investment policy and through holding assets of appropriate liquidity.

Currency risk:

- is measured by the level of exposure to non-Sterling denominated assets.

- is managed by the implementation of a currency hedging programme (carried out within some of the pooled investment vehicles) which reduces the impact of exchange rate movements on the Scheme's asset value.

Custodial risk:

- is addressed through investment in pooled vehicles, with the pooled fund managers being responsible for selection of suitable custodians. In addition, the Scheme's Fiduciary Manager, is responsible for sweeping un-invested cash balances into pooled cash funds, which will be managed by a pooled fund manager who, in line with the Scheme's other pooled fund managers for the Scheme is responsible for selecting the custodian for the cash funds.

Interest rate and inflation risk:

- are measured by comparing the likely movement in the Scheme's liabilities and assets due to movements in inflation and interest rates.

- are managed by holding a portfolio of matching assets (physical bonds and/or derivatives via pooled vehicles) that enable the Scheme's assets to broadly match movements in the value of the liabilities due to inflation and interest rates. The construction, ongoing monitoring and consideration of the risks associated with using derivatives within the liability hedging portfolio is undertaken by the Fiduciary Manager, with oversight by the Trustees.

Political risk:

- is measured by the level of concentration of any one market leading to the risk of an adverse influence on investment values arising from political intervention.

- is managed by regular reviews of the actual investments relative to policy and through the level of country diversification within the policy.

Sponsor risk:

- is measured by receiving regular financial updates from the Company and periodic independent covenant assessments.

- is managed through an agreed contribution and funding schedule.

Adopted by the Trustees of the BT Rolatruc Limited Staff Life Assurance and Pension Scheme in August 2026.