

DB Statement of Investment Principles

This is the Statement of Investment Principles (the “Statement”) made by the Trustees of the Manpower Pension Plan (“the Plan”) in accordance with the Pensions Act 1995 (as amended). This Statement, which was approved by the Trustee Board on 8 April 2025, 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 Trustees have consulted with the employer to the Plan (ManpowerGroup UK Limited) and have taken and considered written advice from the Investment Practice of Hymans Robertson LLP. The Plan is a defined benefit scheme which is closed to new members, but still open to accrual.

The Trustees are aware of the Myners Code of Conduct for Investment Decision Making and have reviewed their responsibilities and activities in the context of the Code.

The Trustees are supportive of the UK Stewardship Code which seeks to improve the quality of engagement between institutional investors and investee companies. Where appropriate, the Trustees expect investment managers to comply with the code and to produce a statement of their commitment to the code.

Plan objective

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis. The Trustees’ over-riding funding principle for the Plan is to set the employer contribution at a level which is sufficient:

- to recover any shortfall in assets relative to the value placed on accrued liabilities over the longer term; and
- to ensure that there are always sufficient assets of the Plan (at their realisable value) to meet 100% of benefits as they fall due for payment to members.

For employee members, benefits are based on service completed but take account of future salary increases.

The value of liabilities is calculated on the basis agreed by the Trustees and the Scheme Actuary. The funding position is monitored regularly by the Trustees and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

As part of the risk management strategy, the Trustees have purchased annuities in respect of a proportion of the pensioner members under “buy-in” bulk purchase annuity contracts with JRP Group plc. The transactions for these were completed in September 2013 and December 2015

Overall objective

The Trustees have translated the objectives into a suitable strategic (asset allocation) benchmark for the Plan (excluding the annuity contracts). The strategic benchmark is consistent with the Trustees’ view on the appropriate balance between seeking an enhanced long-term return on investments and accepting greater short-term volatility and risk.

The strategic benchmark is reflected in the choice and mix of funds in which the Plan invests.

The investment strategy takes due account of the maturity profile of the Plan (in terms of the relative proportions of liabilities in respect of pensioners, deferred and active members), together with the level of disclosed surplus or deficit (relative to the funding bases used) and the Trustees' view of the covenant of the Principal Employer.

The Trustees monitor the strategy relative to its agreed asset allocation benchmark. It is intended that investment strategy will be reviewed at least every three years following actuarial valuations of the Plan, and will normally be reviewed annually. Written advice is received as required from professional advisers.

The Trustees monitor the performance of the Plan's investments relative to agreed criteria on a regular basis.

The Trustees have delegated all day-to-day investment decisions to authorised investment managers.

Choosing investments

Given the size and nature of the Plan, the Trustees have decided to invest on a pooled fund basis; any such investment is effected through a direct agreement with an investment manager and/or through an insurance contract.

The investment managers appointed by the Trustees are authorised under the Financial Services and Markets Act 2000 to undertake investment business.

The Trustees, after taking appropriate advice, have given the investment managers specific objectives and management parameters including, but not limited to, asset allocation and geographic spread, on how investment mandates are to be managed. The investment managers are allowed some flexibility of choice subject to their benchmarks and other guidelines and are expected to maintain diversified portfolios.

Where appropriate, and where commercial considerations permit, the terms of the mandate and the basis on which the manager is engaged will be defined specifically for the Plan. Where such tailoring is not directly achievable, the Trustees will invest in pooled funds where the objectives of the fund and the policies of the investment manager will be evaluated by the Trustees to ensure that they are appropriate for the needs of the Plan.

Remuneration for each mandate is determined at the inception of each mandate based on commercial considerations and typically set on ad valorem basis. The Trustees periodically review the fees paid to all of its managers against industry standards.

Some of the pooled funds in which investment is made are managed on an active basis, whilst others are managed on a passive (or index tracking) basis:

- The manager of an active fund seeks to exceed the performance of the stated benchmark or target of the fund.
- The manager of a passive fund seeks to match, rather than exceed, the performance of a benchmark index by investing in stocks in such a way as to replicate, as closely as possible, the composition of the benchmark index.

The Trustees are satisfied that the pooled funds selected are consistent with the overall broader investment objectives of the Plan, particularly in relation to diversification, risk, expected return and liquidity.

The Trustees review the nature of the Plan's investments on a regular basis, with particular reference to suitability and diversification. The Trustees seek and consider written advice from a suitably qualified person in undertaking such a review. If, at any time, investment in a security or product not previously known to the Trustees is proposed, appropriate advice is sought and considered to ensure its suitability and diversification. The Trustees recognise the long-term nature of the Plan's liability profile and appoints managers to invest in such a way that

generates long-term sustainable returns. The Trustees will carry out necessary due diligence on the underlying investment decision making process, to ensure the managers make investment decisions over an appropriate time horizon aligned with the Plan's objectives.

The duration of each mandate is determined by the Trustees at the inception of each mandate. For open-ended investments, the Trustees generally engage managers on an ongoing basis with no pre-determined term of appointment. For such mandates, the Trustees expect the minimum duration of the appointment will be three years, this being the period over which performance of the mandate can be appropriately evaluated, though all mandates are subject to ongoing review against various financial and non-financial metrics, in addition to their continued appropriateness within the investment strategy.

The Trustees undertake a periodic service provider review in which the ongoing appropriateness of the Plan's manager arrangements are considered.

The Trustees monitor managers' performance against their respective benchmarks or targets on a quarterly basis and over a longer-term time horizon of 3 years. Managers are expected to provide explanations for any significant deviations away from benchmark or target returns.

Types of investment held

The Plan may invest in quoted and unquoted securities of UK and overseas markets including equities and fixed interest and index linked bonds, cash, property, commodities and derivative instruments such as synthetic credit, either directly or through pooled funds. The Plan may also invest in annuity contracts.

The Plan's investment in equities is split evenly between currency hedged and non-currency hedged equities. A 50% currency hedging level is intended to smooth the effects of currency movements in the short term for a risk that is not expected to be beneficial over the long term.

The Plan may also make use of contracts for differences and other derivatives (or in pooled funds investing in these products) for the purpose of efficient portfolio management or to hedge specific risks such as inflation or interest rates. The Trustees consider all of these classes of investment to be suitable in the circumstances of the Plan.

Annuity policies

The Plan currently holds two separate "buy-in" contracts which cover a proportion of the pensioner liabilities, as part of the Plan's ongoing investment strategy.

In return for the payment of a premium, the Trustees hold these annuity policies with JRP Group plc. All pensioners continue to be members of the Plan and the Trustees continue to have ultimate responsibility for the payment to their members. Under the policies, JRP Group plc make monthly payments to the Plan and carry the risk of longevity for a subset of the pensioners, as well as the investment risks for this proportion of the Plan's assets.

The Trustees will continue to monitor the financial covenant of JRP Group plc.

Balance between different types of investments

The Plan's active investment managers will hold a mix of investments which reflects their views relative to their respective benchmarks or return targets. Within each major market, each manager will maintain a diversified portfolio of stocks.

The manager of the passive funds in which the Plan invests holds investments within each pooled fund that reflects their respective benchmark indices.

Diversification

Given the size and nature of the Plan, the Trustees invest on a pooled fund basis undertaken through investment managers. The investment managers are expected to maintain diversified portfolios, unless where this is inconsistent with the benchmark index. Subject to the funds' benchmarks and guidelines, the investment managers are given full discretion over the choice of securities and, for multi-asset funds, of asset classes.

The Trustees are satisfied that the range of funds used by the Plan provide adequate diversification within and across asset classes.

Risks

The Plan is exposed to a number of risks which pose a threat to the Plan meeting its objectives. The Trustees invest in a range of pooled funds each of which has a defined objective, performance benchmark and manager process, which taken in aggregate constrain risk within the Trustees' expected parameters.

The principal risks affecting the Plan are:

Funding risks

- **Financial mismatch** – The risk that Plan's assets fail to grow in line with the developing cost of meeting the liabilities.
- **Changing demographics** – The risk that longevity improves and other demographic factors change, increasing the cost of the Plan's benefits. The Trustees keep mortality and other demographic assumptions, which could influence the cost of benefits, under review. These assumptions are considered formally at triennial valuations.
- **Systemic risk** – The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Plan's liabilities. The Trustees seek to mitigate systemic risk through a diversified portfolio, but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

The Trustees measure and manage financial mismatch in two ways. As indicated above, the Trustees have set a strategic asset allocation benchmark for the Plan's assets. The Trustees assess the risk by monitoring the Plan's asset allocation and investment returns relative to the benchmark. The Trustees assess risk relative to the liabilities by monitoring the benchmark returns relative to the Plan's liabilities.

The Trustees keep mortality and other demographic assumptions, which could influence the cost of benefits, under review. These assumptions are considered formally at triennial valuations and the Trustees may enter into insurance contracts (bulk annuities or longevity swaps) to reduce these demographic risks.

The Trustees seek to mitigate systemic risks through a diversified portfolio, but it is not possible to make specific provision for all possible eventualities that may arise under this heading.

Asset risks

- **Concentration** – The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- **Illiquidity** – The risk that the Plan cannot meet its immediate liabilities due to insufficient liquid assets.
- **Currency risk** – The risk that the currency of the Plan's assets underperforms relative to Sterling (i.e. the currency of the liabilities). Underlying funds in the Plan's global equities mandate have part of their overseas exposure hedged back to sterling.

- **Active management risk** – The risk that an investment manager will not deliver investment returns in line with investment markets generally or other investment managers. The Trustees recognise that an actively managed fund may not deliver performance in line with the fund's objectives or agreed benchmarks. The Trustees regularly monitor fund performance in order to monitor this risk.
- **Manager underperformance** – The failure by the investment managers to achieve the rate of investment return assumed in setting their mandates. The risk of manager underperformance is mitigated to some extent by the inclusion of passive investment mandates within the investment portfolio.
- **Environmental, Social and Governance (ESG) risks** – the extent to which ESG issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- **Climate risk** - The extent to which climate change causes a material deterioration in asset values as a consequence of factors including but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.

The Trustees manage asset risks as follows. The Trustees provide a practical constraint on Plan investments deviating greatly from the intended approach by investing in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, constrain risk within their expected parameters.

By investing across a range of assets, including bonds and bulk annuity policies, the Trustees recognise the need to access funds in the short term to pay benefits. The risk of manager underperformance is mitigated by the inclusion of passive investment mandates within the investment portfolio.

In appointing several investment managers, the Trustees have considered the risk of underperformance by any single investment manager.

The Trustees do not expect managers to take excess short-term risk and will regularly monitor the managers' performance against the benchmarks and objectives set on a short, medium and long-term basis.

The Trustees' approach to the consideration of ESG risks and climate risk is set out in further detail below.

Other provider risk

- **Transition risk** – The risk of incurring unexpected costs in relation to the transition of assets among managers. When carrying out significant transitions, the Trustees seek professional advice.
- **Custody risk** – The risk of loss of Plan assets or losing economic rights to Plan assets, when held in custody or when being traded.
- **Credit default** – The possibility of default of a counterparty in meeting its obligations.

The Trustees monitor and manage risks in these areas through a process of regular scrutiny of its providers, and audit of the operations it conducts for the Plan, or has delegated such monitoring and management of risk to the appointed investment managers as appropriate (e.g. custody risk in relation to pooled funds). When carrying out significant transitions, the Trustees seek professional advice.

Expected returns on investments

The investment strategy aims to achieve a return on Plan assets, which taken in conjunction with contributions, is sufficient over time to match the growth in the Plan's pension liabilities as calculated by the Scheme Actuary.

Realisation of investments

The majority of the Plan's investments may be realised quickly if required.

Property, which represents approximately 4% of total Plan assets at the date of writing, may be difficult to realise quickly in certain circumstances. Although the bulk purchase annuity contracts held by the Plan are illiquid, they are matched to the payment of specific pensioner benefit payments.

Portfolio turnover

The Trustees have expectations of the level of turnover within each mandate which is determined at the inception of the mandate, based on the Trustees' knowledge of the manager, investment process and the nature of the portfolio. Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the underlying assets held within the portfolio and details of any transactions over the period. The Trustees will challenge their managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

The Trustees will request turnover costs incurred by the asset managers over the Plan reporting year. Where possible the Trustees will compare the costs to the theoretical portfolio turnover and cost for an appropriate index.

Consideration of financially material factors in investment arrangements

The Trustees recognise that the consideration of financially material factors, including ESG factors, is relevant at different stages of the investment process.

Strategic considerations

The strategic benchmark has been determined using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.

Given the inherent uncertainty, the Trustees have not made explicit allowance for the risks of climate change in setting their strategic benchmark. The Trustees periodically discuss climate change with their investment adviser and investment managers to consider the potential implications for the Plan's investments.

Structural considerations

Given the discretion afforded to the active Investment Managers, the Trustees expect that their Investment Managers will take account of all financially material factors including the potential impact of ESG factors in the implementation of their mandate.

Selecting investment managers

Within active mandates, the Trustees have delegated responsibility for the consideration of stock specific issues to their individual Investment Managers. The Trustees are satisfied that the Investment Managers are following an approach which takes account of all financially material factors.

In passive mandates, the Trustees recognise that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line

with the benchmark and believe this approach is in line with the basis on which their current strategy has been set. However, the Trustees will keep under review the possibility of introducing an ESG specific fund in the future.

Consideration of non-financially material factors in investment arrangements

Given the objectives of the Plan, the Trustees have not considered any non-financially material factors in the development and implementation of their investment strategy.

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

Stewardship

The Trustees recognise that stewardship encompasses the exercise of voting rights, engagement by and with investment managers and the monitoring of compliance with agreed policies.

Voting and engagement

The Trustees have adopted a policy of delegating voting decisions on stocks to their Investment Managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The Investment Managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

Where relevant, the Trustees review the voting policies of their Investment Managers to determine that these policies are appropriate. On a periodic basis, the Trustees will request their Investment Managers provide details of any change in their house policy.

Where appropriate, the Trustees will engage with and may seek further information from their Investment Managers on how portfolios may be affected by a particular issue.

The Trustees do not engage directly but believes it is sometimes appropriate for its investment managers to engage with key stakeholders which may include corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. The Trustees will review engagement activity undertaken by their investment managers as part of its broader monitoring activity.

Responsibility for investment decisions has been delegated to the investment managers which includes consideration of the capital structure of investments and the appropriateness of any investment made. Where managers are responsible for investing in new issuances, the Trustees expect the manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors.

The Trustees separately consider any conflicts of interest arising in the management of the Plan and its investments and has ensures that each manager has an appropriate conflicts of interest policy in place. Managers are required to disclose any potential or actual conflict of interest in writing to the Trustees.

Monitoring

Investment Managers report on voting activity to the Trustees on a periodic basis. The Trustees will monitor Investment Managers voting activity and may periodically review managers voting patterns. The Trustees may also monitor Investment Managers' voting on particular companies or issues affecting more than one company.

The Trustees review manager voting activity on an annual basis in conjunction with their investment adviser and use this information as a basis for discussion with their Investment Managers. Where the Trustees deem it appropriate, any issues of concern will be raised with their manager for further explanation.

Managers are challenged both directly by the Trustees and by their investment advisers on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

Additional Voluntary Contributions (AVCs)

The Trustees give members the opportunity to pay AVCs to Prudential and Santander, where a range of funds are available for investment at the members' discretion.

Signed on behalf of the Trustees of the Plan:

Name	Signature	Date