Blazefield Holdings Limited Pension Plan

Statement of Investment Principles

July 2025

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1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Blazefield Holdings Limited Pension Plan (the Scheme).

The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC). The Scheme is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustees' Statement of Funding Principles.

This Statement has been prepared in line with the following legislation and regulations:

- Section 35 of the Pensions Act 1995
- Section 244 of the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018
- The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019

A copy of this Statement will be made available to Scheme members on request to the Trustees or online.

2 Investment Decision Making

The investment of the Scheme's assets is the responsibility of the Trustees. The Trustees' investment powers are set out in the Scheme's Definitive Deed, as amended. The powers granted to the Trustees are wide and this Statement is consistent with those powers.

The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited (Broadstone), their appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority. Broadstone has confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustees.

The Trustees have also consulted the Principal Employer, Transdev Blazefield Limited, when setting their investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustees. The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.

3 Investment Objectives

In determining their investment objectives and strategy, the Trustees have considered the strength of the Principal Employer's willingness and ability to support the Scheme. They have determined that it is reasonable to take a long-term view in determining their investment objectives and strategy.

The Trustees have also agreed that the funding position measured on a SFO or Technical Provisions funding basis is the assessment of scheme funding that is of most importance to the Trustees, the

Principal Employer and members, as it determines the Scheme's funding requirements and members' long-term benefit security.

The Trustees' investment objectives are as follows:

- achieve a return which is sufficient, over the longer term, to meet the SFO
- adopt an approach that recognises the need to balance risk with the achievement of a satisfactory investment return.

Where future opportunities arise, the Trustees will consider steps to further reduce the volatility of the Scheme's funding position relative to its liabilities calculated under the Technical Provisions.

The Trustees will also have regard to the Principal Employer's views on the potential costs and risks associated with the investment objectives set and their implementation through the practical strategy.

4 Setting the Investment Strategy

Details of the investment strategy are set out in the Appendix to this Statement.

The Trustees' policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	The Trustees may select investments from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property and alternative asset classes, such as hedge funds, private equity and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustees may also: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Scheme's investments. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.
Target Asset Allocation	The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed considering any changes to the Trustees' view of the Principal Employer's covenant, the nature of the Scheme's liabilities or relevant regulations governing pension scheme investment. The Trustees have agreed the range of funds to be used in the investment strategy, considering the maturity of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustees' risk appetite changes and the Scheme matures.
Delegation to Investment Managers	The Trustees will delegate the day-to-day management of the Scheme's assets to professional Investment Managers and will not be involved in the buying or selling of investments.

Policy	
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustees have responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustees monitor the asset allocation on a regular basis with the assistance of their adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios. Maintaining the Target Hedge Ratios will take precedence over maintaining the Target Asset Allocation.
Employer Related Investments	The Trustee's policy is not to hold (in total) any employer-related investments above 5% of total Scheme assets as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

The Trustees have decided to invest in pooled funds because:

- the Scheme is not large enough to justify direct investment in equities or bonds on a cost-effective basis;
- pooled funds allow the Scheme to invest in a wider range of assets which serves to reduce risk; and
- pooled funds provide a more liquid form of investment than certain types of direct investment.

5 Realisation and Rebalancing of Assets

The assets are held in a combination of pooled funds and are fully and readily realisable. Most of the assets are invested in income distributing share classes which distribute cash to the Trustees' bank account to help meet benefit payments.

The Trustees will monitor the Scheme's actual asset allocation on a regular basis and will decide on a course of action which may involve redirecting cash flows, a switch of assets or taking no action, considering advice from their investment advisor, Broadstone.

Given the leveraged nature of the Liability Driven Investing (LDI) strategy the Trustees have established a default policy for managing this aspect of the portfolio:

- If the LDI portfolio requires additional capital to rebalance the individual LDI bucket funds towards each fund's target leverage level, Mobius Life will automatically and sequentially disinvest from secured finance (TwentyFour AM Monument Bond Fund) and then global equities (L&G Life CR Global Equity Fixed Weights (50:50) Index Fund).
- If the LDI portfolio will be making a cash release from one or more of the individual LDI bucket funds to rebalance towards the target leverage levels, Mobius Life will automatically invest this cash in secured finance (TwentyFour AM Monument Bond Fund).

6 Expected Returns

The Trustees expect the return on assets to be consistent with the investment objective and investment strategy outlined above.

The Trustees expect the agreed strategy to generate a return over the long term above a portfolio of long-dated UK government bonds. This return is a 'best estimate' of future returns that was arrived at given the Scheme's longer term asset allocation and in the light of advice from the investment advisor at that time.

The Trustees recognise that, over the short-term, performance may deviate significantly from this long-term expectation. This 'best estimate' will also generally be higher than the estimate used for the actuarial valuation of the Scheme's liabilities. For this purpose, a more prudent estimate of returns will generally be used, agreed by the Trustees based on advice from the Scheme Actuary.

7 Risks

The Trustees have considered various risks the Scheme faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and consider that the Target Asset Allocation strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Principal Employer's covenant.

The Target Asset Allocation has been determined with due regard to the characteristics of the Scheme's Technical Provisions.

The calculation of the Scheme's Technical Provisions uses assumptions for future investment returns and price inflation expectations that are based upon market values of financial securities such as fixed interest and index-linked government bonds. This means that the Technical Provisions are sensitive to changes in the price of these assets as market conditions vary and can have a volatile value.

The Trustees accept that their investment strategy may result in volatility in the Scheme's funding position. Furthermore, the Trustees also accept that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Scheme's Technical Provisions.

To reduce the risk of concentration within the portfolio, the Trustees will monitor the overall mix of asset classes and stocks in the investment strategy with their investment adviser, Broadstone.

The Trustees invest in a range of asset classes through the funds and strategies they use and consider the Scheme's strategy to be well diversified.

The Trustees will monitor the investment, covenant and funding risks faced by the Scheme with the assistance of their investment advisers and the Scheme Actuary at least every three years. The Trustees will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustees will review wider operational risks as part of maintaining their risk register.

8 Security of Assets

The day-to-day activities that the Investment Managers carry out for the Trustees are subject to regular internal reviews and external audits by independent auditors to ensure that operating procedures and risk controls remain appropriate.

Safekeeping of the Scheme's assets held with the Investment Managers is performed by custodians appointed by them.

The Trustees have considered the security of the Scheme's holdings with the Investment Managers, allowing for their status as reputable regulated firms, and consider the associated protection offered to be reasonable and appropriate.

9 Responsible Investment & Stewardship

The Trustees believe that to protect and enhance the value of the investments, during the period over which the benefits are paid, they must act as a responsible asset owner.

The Scheme is also comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustees' policies in respect of responsible investment are set out below:

Policy	
Financially Material Considerations	The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the Investment Managers. The Trustees have an expectation that the Investment Managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustees do not currently impose any specific restrictions on the Investment Managers about ESG issues but will review this position from time to time. The Trustees receive information on request from the Investment Managers on their approach to selecting investments and engaging with issuers with reference to ESG issues. Regarding the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme's assets as a longer-term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their investment adviser.
Non-Financially Material Considerations	Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect the Investment Managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.
Engagement and Voting Rights	The Trustees' voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Managers on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from the Investment Manager.

Policy	
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Managers. The Trustees expect the extent to which the Investment Managers monitors capital structure to be appropriate to the nature of the mandate.

The voting policies of the Investment Managers, can be found at the following websites:

L&G

M&G

TwentyFour

Insight

The Trustees' views on how ESG issues are taken account of in each asset class used is set out below:

Asset Class	Management style	ESG Views
Global equities	Passive	The Trustees acknowledge that the Investment Manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustees do expect the Investment Manager to take into account ESG considerations by engaging with companies that form the index, and by exercising voting rights on these companies.
UK corporate bonds and secured finance	Active	The Trustees expect the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the Investment Managers to use their discretion to generate higher risk adjusted returns. The Trustees also expect their Investment Managers to engage with the underlying investee companies, where possible, although they appreciate that fixed income assets within the portfolio do not typically attract voting rights.
LDI	Buy and maintain	The underlying assets of the LDI solution consist of government bond funds and derivative contracts, with no underlying investee companies as such. Therefore, the Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

10 Conflicts of Interest

The Trustees maintain a separate conflicts of interest policy and a conflicts register.

Subject to reasonable levels of materiality, these documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Managers, while also setting out a process for their management.

11 Duration of Investment Arrangements

The Trustees are long-term investors and have not set an explicit target to review the duration of their arrangement with the Investment Managers. However, the arrangements will be reviewed in conjunction with any review of the investment strategy. The Trustees appointed Mobius Life Limited ("the Platform Provider") to hold Scheme assets except the Starbeck bus depot direct property holding. The Platform Provider is regulated under the Financial Conduct Authority and has been selected to effect cost and operational efficiencies in the administration of the assets. The Trustees entered a contract with Mobius Life Limited in October 2019.

12 Incentivisation of Investment Managers

The Investment Managers are primarily remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund.

The Trustees do not directly incentivise the Investment Managers to align the approach they adopt for a particular fund with the Trustees' policies and objectives. Instead, the Investment Managers are selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustees' objectives.

Neither do the Trustees directly incentivise the Investment Managers to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustees expect such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Scheme.

13 Portfolio Turnover Costs

The Trustees expect the Investment Managers to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions.

The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds.

The Investment Managers provide information on portfolio turnover and associated costs to the Trustees so that this can be monitored, as appropriate.

14 Monitoring

The Platform Provider provides the Trustees with monthly reports setting out a valuation of the funds and quarterly performance reports.

Where necessary, the Trustees may request the Investment Managers to attend Trustees' meetings to report on their activity and performance, to outline their views on future investment conditions and to answer any questions the Trustees may have.

The investment advisor provides periodic advice to the Trustees, commenting on the managers, performance, asset allocation and an estimate of the impact of changing financial conditions on the funding level of the Scheme.

The Investment Managers will supply the investment advisor, Broadstone, with sufficient information when requested to monitor financial and non-financial performance.

The appropriateness of the Investment Manager's remuneration will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategy, and the success or otherwise a manager has had in meeting its objectives, both financial and non-financial.

The Trustees will consider on a regular basis whether the Investment Managers and AVC provider remain appropriate to continue to manage the Scheme's investments and AVCs.

15 Review of Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy or legislative requirements. Any change will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in, and experience of, financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

For and on behalf of the Blazefield Holdings Limited Pension Plan

Date: 15.12.25

Appendix A Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The Target Asset Allocation for the Scheme's assets is as follows:

Asset Class	Target Asset Allocation
Corporate bonds	55%
Secured finance	25%
Liability driven investment (granular funds)	17%
Starbeck bus depot	3%
Total	**100%**

The allocation to the asset classes will vary over time. The target is indicative only and the underlying objective for these assets is to maintain the target hedging levels, which protect against changes nominal gilt yields and break-even inflation.

A.2 Platform Provider

The Trustees have appointed Mobius Life Limited ("the Platform Provider") to hold Scheme assets except the Starbeck bus depot direct property holding. The Platform Provider is regulated under the Financial Conduct Authority and has been selected to effect cost and operational efficiencies in the administration of the assets. The Trustees entered a contract with Mobius Life in October 2019.

A.3 Investment Managers

The Trustees have selected Legal & General – Asset Management Limited ("L&G"), M&G Investment Managers ("M&G"), Vontobel TwentyFour Asset Management ("TwentyFour") and Insight Investment Management ("Insight") as the appointed Investment Managers ("the Investment Managers") to manage the assets of the Scheme via a single policy with the Platform Provider. The Investment Managers are regulated under the Financial Conduct Authority. The Trustees hold assets with these managers through the Platform Provider. Except for the Starbeck bus depot direct property holding, the Trustees have decided to invest in pooled funds, other collective investment vehicles, and cash.

The Investment Managers appoint individual custodians to hold the securities indirectly owned by the Scheme.

The Trustees may, from time to time, decide to change the funds used within the overall investment strategy and the investment allocation between the funds as alternatives emerge, funds change, and the Plan develops.

A.4 Strategies and Funds

The Trustees use the following funds operated by the Investment Managers:

Asset Class	Funds
Corporate bonds	L&G Active Corporate Bond – Over 10 Year Fund M&G All Stocks Corporate Bond

Secured finance	TwentyFour AM Monument Bond Fund
Liability driven investment (granular funds)	Insight LDI Solutions Plus Partially Funded Gilts 2031 - 2040 Insight LDI Solutions Plus Partially Funded Gilts 2041 - 2050 Insight LDI Solutions Plus Partially Funded Gilts 2051 – 2060 Insight LDI Solutions Plus Partially Funded Gilts 2061 – 2070 Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2021 – 2030 Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2031 – 2040 Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2041 – 2050 Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2051 – 2060 Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2061 - 2070

A.5 Target Hedging Ratios

The target hedging ratios against the interest rate risk and inflation risk associated with the Scheme's funded Technical Provisions (or asset value where the Scheme is in surplus) are summarised below:

	Target Hedging Ratio
Nominal gilt yields	100%
Break-even inflation	100%

A.6 Fund Performance Benchmarks and Objectives

The UK corporate bond and secured finance funds used by the Trustees are actively managed, with an objective to outperform a specified market benchmark, as summarised below:

Fund	Benchmark	Performance Target
TwentyFour AM Monument Bond Fund	SONIA	No specific performance target
L&G Active Corporate Bond – Over 10 Year Fund	iBoxx Sterling Non-Gilts Over 10 Years Index	To outperform the benchmark by 0.75% p.a. (gross of fees) on a rolling three-year basis
M&G All Stocks Corporate Bond Fund	iBoxx Sterling Non-Gilts Index	To outperform the benchmark by 0.8% p.a. (gross of fees) on a rolling three-year basis

The Insight LDI Solutions Partially Funded Gilt and Index-Linked Gilt funds invest in a range of bonds issued by the UK government, including derivatives. The funds are expected to provide a gross of fees return in line with the total return on these specific securities (assuming the securities are held to redemption), after allowing for the cost of the leverage.

A.7 Investment Management Charges

The ongoing charges for each of the funds used, based on the assets under management at the date of this Statement, are given below. The charges include the Mobius Life platform fees, which are 0.075% p.a.

Fund	Ongoing Charges (p.a.)
TwentyFour AM Monument Bond Fund	0.47%
L&G Active Corporate Bond – Over 10 Year Fund	0.28%
M&G All Stocks Corporate Bond	0.39%
Insight LDI Solutions Plus Partially Funded Gilts 2031 - 2040	0.30%*
Insight LDI Solutions Plus Partially Funded Gilts 2041 - 2050	0.24%*
Insight LDI Solutions Plus Partially Funded Gilts 2051 - 2060	0.23%*
Insight LDI Solutions Plus Partially Funded Gilts 2061 - 2070	0.21%*
Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2021 – 2030	0.69%*
Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2031 - 2040	0.28%*
Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2041 - 2050	0.20%*
Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2051 - 2060	0.17%*
Insight LDI Solutions Plus Partially Funded Index-linked Gilts 2061 - 2070	0.16%*

Note: * annual management fee based on underlying gilt exposure within the fund, which will change over time.

In addition, Mobius Life also charge a Policy Administration Fee of £3,060 per annum.

A.8 Additional Voluntary Contributions (AVCs)

The Trustees hold assets invested separately from the Plan assets in the form of individual insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. These AVCs are held with Clerical Medical Investment Group Limited and Utmost Life and Pensions (formerly The Equitable Life Assurance Society).

The AVC arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable and that the investment profile of the funds remains consistent with the objectives of the Trustees and needs of the members.