Statement of Investment Principles for the

Taylor & Francis Group Pension & Life Assurance Scheme

Effective from: 1 March 2026

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustees of the Taylor & Francis Group Pension & Life Assurance Scheme ("the Trustees") on various matters governing decisions about the investments of the Taylor & Francis Group Pension & Life Assurance Scheme ("the Scheme"), a Defined Benefit ("DB") Scheme. This SIP replaces the previous SIP dated 30 September 2025.

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

This SIP has been prepared after obtaining and considering written professional advice from Lane Clark & Peacock LLP ("LCP"), the Scheme's investment adviser, whom the Trustees believe to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP. The Trustees have consulted with the relevant employer in producing this SIP.

The Trustees will review this SIP from time to time and, with the help of their advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy and at least once every three years.

- **Appendix 1** sets out details of the Scheme's investment governance structure, including key responsibilities of the Trustees, investment advisers and investment managers. It also contains a description of the basis of remuneration of the investment adviser and the investment managers.
- **Appendix 2** sets out the Trustees' policy towards risk appetite, capacity, measurement and management.

2. Investment objectives

The Trustees primary objective is that the Scheme should be able to meet benefit payments as they fall due.

Having purchased a bulk annuity policy in December 2025 to insure the Scheme's known DB liabilities, the Trustees secondary objective is to invest the non-insured assets to help meet expenses and any residual liabilities (eg changes from the result of data cleaning) not covered by the Scheme's bulk annuity policy.

3. Investment strategy

The Trustees, with the help of their advisers and in consultation with the employer, review the Scheme's investment strategy from time to time, taking into account the objectives described in Section 2 above.

The Trustees have purchased a bulk annuity policy with the Prudential Assurance Company Limited, a subsidiary of M&G plc ("M&G") in December 2025 to cover the Scheme's known liabilities. The bulk annuity policy reduces the Scheme's exposure to investment, inflation and mortality risks and protects the long-term financial security of members' benefits.

The Scheme's non-insured assets are:

- held as Trustees' bank account;
- invested in the L&G Sterling Liquidity Fund; and
- a small residual holding in the Partners Group Private Markets Credit Strategies Fund, which is expected to return capital over the coming years as it matures.

4. Considerations made in setting the investment arrangements

When deciding how to invest the Scheme's non-insured assets, the Trustees consider a number of risks, including, but not limited to, those set out in Appendix 2. Some of these risks are more quantifiable than others, but the Trustees have tried to allow for the relative importance and magnitude of each risk.

The Trustees considered a wide range of asset classes for investment, and the expected returns and risks associated with those asset classes.

In setting the strategy the Trustees considered:

- the Scheme's investment objectives, following the purchase of the bulk annuity policy (which has greatly reduced the investment risk that the Scheme is exposed to);
- the best interests of members and beneficiaries;
- the circumstances of the Scheme, including the profile of the potential un-insured benefit cash flows, the funding level, and the strength of the employer covenant;
- the risks, rewards and suitability of relevant asset classes and investment strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification where relevant between and within different asset classes to ensure that both the Scheme's overall level of investment risk and the balance of individual asset risks are appropriate; and
- the Trustees' investment beliefs about how investment markets work, and which factors are most likely to impact investment outcomes.

5. Implementation of the investment arrangements

Before investing in any manner, the Trustees obtain and consider proper written advice from their investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

The Trustees have entered into a bulk annuity policy with M&G to cover the Scheme's known liabilities. The bulk annuity policy with M&G represents the bulk of the Scheme's assets.

Details of M&G and the investment managers, their objectives, investment guidelines, and custody arrangements are set out in the separate Investment Policy Implementation Document ("IPID").

The Trustees have signed agreements with the investment managers and platform provider setting out in detail the terms on which the portfolios are managed. The investment managers' primary role is the day-to-day investment management of the Scheme's investments.

The Trustees and investment managers, to whom discretion has been delegated to, exercise their powers to give effect to the principles in this Statement of Investment Principles, so far as is reasonably practicable.

The Trustees have limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds or an annuity policy, but it encourages their managers to improve their practices where appropriate.

The Trustees' view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustees' responsibility to ensure that the managers' investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustees expect investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers.

The Trustees evaluate investment manager performance by considering performance over both shorter and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustees would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustees' policy is to evaluate each of their investment managers by reference to the manager's individual performance as well as the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustees expect their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in their advice on the Scheme's investment mandates.

6. Realisation of investments

For the non-insured assets, the investment managers have discretion over the timing of realisation of investments of the Scheme within the portfolios that they manage and in considerations relating to the liquidity of investments.

When appropriate, the Trustees, on the administrators' recommendation, decide on the amount of cash required for Scheme outgoings and inform the investment managers of any liquidity requirements. Note that benefit payments are expected to be closely matched by the receipts from the Scheme's bulk annuity policy. The Trustees preference is for investments that are readily realisable should additional cash be required.

7. Financially material considerations and non-financial matters

The Trustees have considered how environmental, social and governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments given the time horizon of the Scheme and its members.

The Trustees expect their investment managers (where appropriate) to take account of financially material considerations (including climate change and other ESG considerations) when making investment decisions. The Trustees seek to appoint managers that have appropriate skills and processes to do this, and may consider investing in funds (where appropriate) that demonstrate the incorporation of ESG factors, including climate-related factors, into the investment process. The Trustees will, from time to time, review how their managers are taking account of these issues in practice.

The Trustees have limited influence over managers' investment practices where assets are held in pooled funds, but it encourages their managers to improve their practices where appropriate.

The Trustee has considered whether to take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries and the principal employer, rather than considerations of financial risk and return) in the selection, retention and realisation of investments, and has decided not to take such matters into account.

8. Voting and engagement

The Trustees recognise their 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. The Trustees have delegated to their investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the beneficiaries.

The Trustees monitor managers' activities in relation to ESG factors, voting and engagement on a regular basis and discuss this subject with managers at regular Trustees' meetings. The Trustees seek to understand how the managers are implementing their stewardship policies in practice to confirm that their stewardship is effective and aligned with the Trustees' expectations.

The Trustees have selected Climate Change and Diversity, Equity and Inclusion as their key ESG priorities to provide a focus for their monitoring of investment managers' voting and engagement activities. The Trustees review their ESG priorities regularly and update them if appropriate. They communicate these stewardship priorities to their managers and also confirm their more general expectations in relation to ESG factors, voting and engagement.

If the Trustees' monitoring identifies areas of concern, they will engage with the relevant manager to encourage improvements.

The Trustees seek to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustees review how these are implemented in practice.

Responsibilities, decision-making and fees

The Trustees have decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustees' understanding of the various legal requirements placed upon it, and their view that this division allows for efficient operation of the Scheme overall, with access to an appropriate level of expert advice and service. The Trustees' investment powers are set out within the Scheme's governing documentation.

1. Trustees

In broad terms, the Trustees are responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the employer and after receiving advice from their advisers;
- developing a mutual understanding of investment and risk issues with the employer;
- reviewing the investment policy following the results of each valuation, and / or after any review of investment strategy (eg any asset liability modelling exercise);
- appointing, monitoring, reviewing and dismissing investment managers, custodians, investment advisers, actuary and other advisers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- communicating with members as appropriate on investment matters, such as the Trustees' assessment of their effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form, including setting the policy for rebalancing between asset classes;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employer when reviewing the SIP.

2. Platform provider

The investment platform provider will be responsible for:

- providing access to a range of funds managed by various investment managers; and
- providing the Trustees with regular information concerning the management and performance of the assets.

3. Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios of assets;
- exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;
- providing the Trustees with regular information concerning the management and performance of their respective portfolios; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

4. Bulk annuity policy provider

The Trustees have purchased a bulk annuity policy with M&G in December 2025 to cover the Scheme's known liabilities. In line with this policy, M&G are responsible making payments to the Scheme to match closely members' benefits as they fall due.

5. Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustees, for:

- advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- advising on the selection, and review, of the investment managers, incorporating their assessment of the nature and effectiveness of the managers' approaches to financially material considerations (including climate change and other ESG considerations); and
- participating with the Trustees in reviews of this SIP;

6. Fee structures

The Trustees recognise that the provision of investment management and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustees have agreed Terms of Business with the Scheme's investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers and platform provider receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustees to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustees' view as to the most appropriate arrangements for the Scheme. However, the Trustees will consider revising any given structure if and when it is considered appropriate to do so.

7. Performance assessment

The Trustees are satisfied, taking into account the external expertise available, that there are sufficient resources to support their investment responsibilities. The Trustees believe that it has sufficient expertise and appropriate training to carry out their roles effectively.

It is the Trustees' policy to assess the performance of the Scheme's investments, investment providers and professional advisers from time to time. The Trustees will also carry out periodically an assessment of their own effectiveness as a decision-making body and will decide how this may then be reported to members.

8. Working with the Scheme's employer

When reviewing matters regarding the Scheme's investment arrangements, such as the SIP, the Trustees seek to give due consideration to the employer's perspective. While the requirement to consult does not mean that the Trustees need to reach agreement with the employer, the Trustees believe that better outcomes will generally be achieved if the Trustees and employer work together collaboratively.

Policy towards risk

1. Risk appetite and risk capacity

Risk appetite is a measure of how much risk the Trustees are willing to bear within the Scheme in order to meet its investment objectives. Risk capacity is a measure of the extent to which the Trustees can tolerate deviation from its long-term objectives before attainment of those objectives is seriously impaired. The Trustees aim to strike the right balance between risk appetite and risk capacity.

The purchase of a bulk annuity policy has greatly reduced the investment risk that the Scheme is exposed to.

When assessing the risk appetite and risk capacity, the Trustees considered a range of qualitative and quantitative factors, including:

- the Trustees' objectives for the Scheme;
- the Scheme's cash flow and target return requirements; and
- the Trustees' objective for its non-insured assets.

2. Approach to managing and monitoring investment risks

The Trustees consider that there are a number of different types of investment risk that are important for the Scheme. These include, but are not limited to:

2.1. Risk of inadequate returns

A key objective of the Trustees is that, over the long-term, the Scheme's assets should generate a return so that it has adequate assets to meet its liabilities as they fall due.

This risk has been taken into account in setting the investment strategy and is monitored by the Trustees on a regular basis.

The Trustees have purchased bulk annuity policy with M&G which cover the Scheme's known liabilities. In practice, the bulk annuity policy held with M&G will make payments to closely match member benefits as they fall due, therefore providing sufficient investment returns to meet the Scheme's requirements.

2.2. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Scheme's assets. The Trustees believe that the Scheme's non-insured assets are adequately diversified. .

The bulk annuity policy reduces the Scheme's exposure to investment risk.

2.3. Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, the Trustees receive written advice from their advisers. The Trustees monitor the investment managers on a regular basis.

2.4. Liquidity/marketability risk

This is the risk that the Scheme is unable to realise assets to meet ongoing cash flow requirements.. The Trustees are aware of the Scheme's cash flow requirements and believes that this risk is managed by maintaining an appropriate degree of liquidity across the Scheme's investments.

The bulk annuity policy held with M&G will make payments to the Scheme designed to match closely benefits as they fall due, therefore ensuring sufficient liquidity.

2.5. Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Scheme is subject to credit risk because it invests in bonds via pooled funds. The Trustees manage exposure to credit risk by investing in pooled funds that have a diversified exposure to different credit issuers and credit types.

The Scheme is also subject to credit risk in relation to the bulk annuity policy held with M&G. Before purchasing the bulk annuity policy with M&G in December 2025, the Trustees considered and were comfortable with its financial position.

2.6. Interest rate and inflation risk

The bulk annuity policy is designed to match closely the Scheme's known liabilities, and therefore broadly fully hedges the Scheme's interest rate and inflation exposure .

2.7. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments, some of which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustees seek to appoint investment managers who will manage these risks appropriately on their behalf and from time to time reviews how these risks are being managed in practice.

Management of ESG risk was a factor considered in selecting M&G as the bulk annuity provider.

2.8. Other non-investment risks

The Trustees recognise that there are other, non-investment, risks faced by the Scheme, and takes these into consideration as far as practical in setting the Scheme's investment arrangements.

Examples include:

- longevity risk (the risk that members live, on average, longer than expected); and
- sponsor covenant risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated).

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Scheme's funding position falls below what is considered an appropriate level.

By understanding and considering the key risks that contribute to funding risk, the Trustees believe that it has appropriately addressed and is positioned to manage this general risk.

The bulk annuity policy with M&G provides protection against investment and longevity risk and given it covers the Scheme’s known liabilities it also acts to significantly reduce the likelihood of additional reliance on the sponsor covenant.