

Ashtead Group plc Retirement Benefits Plan (“the Plan”)

Statement of Investment Principles for the Plan (“the Statement”)

Scope of Statement

This Statement, made by the Trustee of the Plan (the "Trustee"), has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005).

The effective date of this Statement is 7 March 2024. The Trustee will review this Statement and the Plan’s investment strategy no later than three years after the effective date of this Statement and without delay after any significant change in investment policy.

Consultations Made

The Trustee has consulted with the principal employer, Ashtead Group plc (“the Employer”), prior to writing this Statement and will take the Employer’s comments into account when the Trustee believes it is appropriate to do so.

The Trustee is responsible for the investment strategy of the Ashtead Group plc Retirement Benefits Plan. The Trustee has obtained written advice on the investment strategy appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Investments Limited who are authorised and regulated by the Financial Conduct Authority.

A copy of this Statement is available to the members of the Plan and is available on-line via a publicly accessible website.

Strategy

In March 2024 the Trustee purchased a bulk annuity policy from Canada Life, which insures the members' liabilities. Canada Life pays the Plan an amount equal to the pension payment of the members underlying the policy. This insurance contract is an asset of the Plan and the pension liability remains within the Plan. With the exception of cash and additional voluntary contributions, this is the sole asset of the Plan.

Choosing Investments

The types of investments held and the balance between them is determined according to what is deemed appropriate given the liability profile of the Plan, its cashflow requirements, the funding level of the Plan and the Trustee’s objectives.

The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustee exercises its powers of investment in a manner calculated to ensure the security, quality and liquidity of the portfolio as a whole. Diversification has been considered by the Trustee as appropriate.

Having taken advice, which covered the requirements of Section 36 of the Pensions Act 1995 (as amended), from their advisors prior to entering into the bulk annuity policy, the Trustee

believes that by investing in a policy of this nature the Trustee will achieve its investment objectives with a minimal level of risk.

Investment Risk Measurement and Management

As the Plan's sole asset, excluding cash, is a bulk annuity policy with Canada Life, the Plan is exposed to risk of the insurer defaulting. The Trustee considered the credit strength of the insurer as part of its due diligence process. Having considered this, in addition to a number of factors such as the prudential regulation regime and other protections available (e.g. the Financial Services Compensation Scheme), the Trustee considered the bulk annuity policy to be an appropriate investment for the Plan.

Arrangements with Asset Managers

All of the Plan's assets are invested with Canada Life in the form of a bulk annuity policy, with the exception of cash and additional voluntary contributions. The aim of the bulk annuity policy is to wholly insure the benefits of all members of the Plan.

Given the nature of the agreement with Canada Life, the Trustee believes it has limited ability to incentivise Canada Life to align its investment strategy and decisions with the Trustee's policies in relation to stewardship, corporate governance and responsible investment.

Given the long term nature of the Plan's sole investment and the bulk annuity policy the Trustee believes that Canada Life is appropriately incentivised to make decisions relating to the medium and long term financial and non financial factors which may influence performance.

Costs and Performance

Given the nature of a bulk annuity policy and that the Trustee does not directly remunerate Canada Life, the Trustee does not believe it is appropriate to monitor the performance of the insurer.

Investment Advisors

The Trustee's investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (e.g. one off special jobs, or large jobs, such as asset and liability modelling), the Trustee will endeavour to agree a project budget. These arrangements recognise the bespoke nature of the advice given and that no investment decisions have been delegated to the adviser.

Environmental, Social and Governance considerations Stewardship - voting and engagement

The Trustee's primary concern when setting the investment strategy is to act in the best financial interests of the beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that, in order to fulfil this commitment and to protect and enhance the value of the Plan's investments, it must act as a responsible steward of the investments.

The Trustee acknowledges that financially material considerations include environmental, social and corporate governance (ESG) factors, such as climate change.

The Trustee also recognises the importance of its role as a steward of capital, promoting corporate responsibility and ensuring the highest standards of governance.

However, given the nature of the agreement with Canada Life, the Trustee believes it has limited ability to incentivise Canada Life to align its investment strategy and decisions with the Trustee's policies in relation to stewardship, corporate governance and responsible investment.

Members' views and non-financial factors

The Trustee does not explicitly take the views of members and beneficiaries of the Plan into account in relation to ESG factors or the present and future quality of life of the members and beneficiaries of the Plan (defined as 'non-financial factors' in the 2018 Regulations). The Trustee will review this policy on a regular basis.

Additional Voluntary Contributions ("AVC") Arrangements

Some members have secured further benefits by paying AVC to the Plan. The liabilities in respect of these AVC are equal to the value of the investments bought by the contributions. The AVC provider is Phoenix Life Limited. This arrangement is closed to both new members and contributions.

From time to time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate to the members' needs.

For and on behalf of the Trustee of the Ashtead Group plc Retirement Benefits Plan