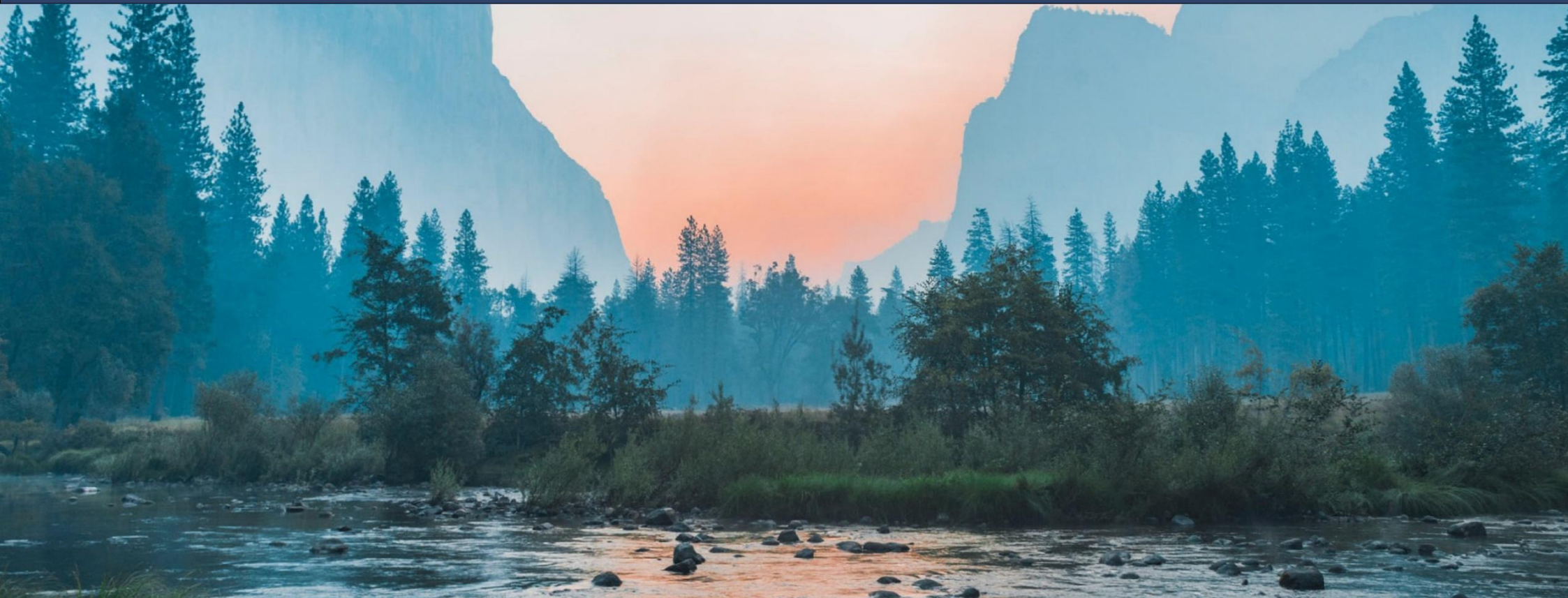


Statement of Investment Principles

For the Cancer Research UK Pension Scheme

Effective from: 10 September 2025



1. Introduction

This Statement of Investment Principles ("SIP") has been produced by the Trustee of the Cancer Research UK Pension Scheme.

It sets out various matters governing investment decisions for the Cancer Research UK Pension Scheme ("the Scheme"), which is a Defined Benefit Scheme. This SIP also covers the Additional Voluntary Contribution arrangements ("AVCs").

This SIP replaces the previous SIP dated 1 November 2023.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP to ascertain whether there are any material issues of which the Trustee should be aware in agreeing the Scheme's investment arrangements. The Charity has been particularly concerned to ensure the exclusion of tobacco-related investments, this issue is dealt with further in section 8 of this Statement.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

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

2. Investment objectives

The primary objective for the Scheme is to ensure that the benefit payments are met as they fall due.

Our investment objective for the AVCs is to make available a suitable range of investment options to meet members' risk / return objectives.

3. Investment strategy

With input from our advisers and in consultation with the employer, we reviewed the investment strategy in February 2025, considering the primary objective described in Section 2.

To achieve this objective, we have entered into three bulk annuity policies which, in combination, match the benefits payable to the Scheme's members. The annuity policies are buy-ins and therefore they remain assets of the Scheme. The Scheme's residual invested assets are wholly invested in a money market fund.

4. Considerations in setting the investment arrangements

When deciding how to invest the Scheme's assets, it is our policy to consider a range of asset classes, taking account of the expected returns and risks associated with those asset classes, as well as our beliefs about investment markets and which factors are most likely to impact investment outcomes.

We take an integrated approach when assessing risk and reviewing the investment strategy. In particular we take account of: the employer covenant, contributions, funding targets, liability profile (including interest rate and inflation sensitivities and the extent to which they are hedged) and the level of expected return and risk now and as the strategy evolves.

The primary ways that we manage investment risk is by implementing several buy-in policies that match the benefits we need to pay members, and by investing the Scheme's residual assets in high quality, liquid and low volatility funds. We ensure that we receive professional written advice prior to making any material investment decision, and maintain ongoing monitoring and oversight of the investments.

In setting the strategy it is our policy to consider:

- our investment objectives, including the target return required to meet these;
- the circumstances of the Scheme, including the profile of the benefit cash flows (and the ability to meet these in the near to medium

term), the funding level, and the strength of the employer covenant;

- the need for appropriate diversification between different asset classes to manage investment risk and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate; and
- the views of the Charity.

We also consider other factors that we believe to be financially material over time horizons relevant to the funding of the DB and AVC benefits, including environmental, social and governance (“ESG”) factors and the risks and opportunities relating to climate change.

Our **key investment beliefs**, which influence the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important;
- risk-taking is necessary to achieve return, but not all risks are rewarded. Equity, credit, and illiquidity are the primary rewarded risks. Risks that do not have an expected reward should generally be avoided, hedged, or diversified;
- ESG factors should be considered when making investment decisions, and managers may be able to improve risk-adjusted returns by doing this;
- climate change is a financially material systemic issue that presents risks and opportunities for the Scheme over the short, medium and long term; and
- voting and engagement are important and can create long term value which is in the best interest of Scheme members and therefore we encourage managers to improve their voting and engagement practices.

5. Implementation of the investment arrangements

Before investing in any manner, we obtain and consider proper written advice from our investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

We have signed agreements with the investment manager setting out the terms on which the portfolios are to be managed.

We have limited influence over managers’ investment practices because all the Scheme’s assets are held in pooled funds, but we encourage our managers to improve their practices within the parameters of the fund they are managing.

Our 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 their 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 our responsibility to ensure that the managers’ investment approaches are consistent with our policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies. We expect investment managers to make decisions based on assessments of the longer term performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). We assess this when selecting and monitoring managers.

We evaluate investment manager 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. If a manager is not meeting its performance objectives, we will consider alternative arrangements.

Our policy is to evaluate each of our investment managers by considering performance, the role it plays in helping to meet our 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.

We recognise that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in our assessment of the investment managers, we do not explicitly monitor portfolio turnover. We expect our investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme’s investment mandates.

6. Additional voluntary contributions

Under the terms of the trust deed, the Trustee is responsible for the arrangement and stewardship of AVCs paid by members. The Trustee reviews the investment performance of the chosen providers on a regular basis and takes advice as to the providers' continued suitability.

7. Realisation of investments

When appropriate, we instruct disinvestments as required for benefit payments and other outgoings.

Our annuity providers have the liability of paying the benefits of the members of the Scheme. At present, the providers pay the pension payroll into the Scheme bank account, with the Scheme's administrators processing the payments to members.

8. Financially material considerations and non-financial matters

We consider how ESG considerations (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Scheme and its members.

We influence the Scheme's approach to ESG and other financially material factors through our investment strategy and manager selection decisions. We expect all of our investment managers to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. We seek to appoint managers that have the skills and processes to do this, and review how the managers are taking account of these issues in practice.

We encourage our managers to improve their ESG practices, although acknowledge that we have limited influence over managers' investment practices where assets are held in pooled funds and that the parameters of some pooled funds may limit the scope for significant incorporation of ESG factors.

We do not consider matters that are purely non-financial in nature (eg matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

To the extent reasonably practical, the Trustee has taken steps to ensure the Scheme's assets are not exposed to tobacco-related investments. A key financial reason for this is the potential adverse impact on the Charity from being associated with tobacco companies through its pension scheme investments.

In addition, in view of the nature of the Employer's charitable mission, and particularly their key objective of working towards the day where the UK is tobacco free, the Trustee believes the majority of members would not wish to invest in tobacco-related investments.

The Trustee has therefore adopted a policy of not investing in companies included in the Tobacco Sector of the various global market indices, where possible. The Trustee does not expect this exclusion to be materially financially detrimental over the long term. This policy applies to the main asset portfolio of the DB Scheme. For the Scheme's AVC investments, members are able to self-select funds from the available fund range to reflect their individual preferences.

9. Voting and engagement

We recognise our 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 and is in the best interests of our members.

We seek to appoint investment managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council.

We have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG factors. We expect the managers to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors.

As all of our investments are held through managers or pooled funds we do not monitor or engage directly with issuers or other holders of debt or equity.

We monitor managers' activities in relation to ESG factors, voting and engagement on a regular basis. We seek to understand how they are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with our expectations.

We have selected some priority ESG themes to provide a focus for our monitoring of investment managers' voting and engagement activities. We review the themes regularly and update them if appropriate. We communicate these stewardship priorities to our managers regularly and also confirm our more general

expectations in relation to ESG factors, voting and engagement. The Trustee has chosen the following as its stewardship priorities:

- Climate change
- Business ethics, with particular focus on diversity, equity and inclusion
- Human rights

If our monitoring identifies areas of concern, we will engage with the relevant manager to encourage improvements.