Delta Air Lines UK Staff Pension Scheme (the "Scheme")

Statement of Investment Principles (the "Statement") – December 2025

1. Scope of Statement

This Statement has been prepared in accordance with 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 July 2025. The Trustees will review this Statement and the Scheme'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.

2. Consultations Made

As required by the Act, the Trustees have consulted with the employer, Delta Air Lines Inc. prior to writing this Statement, have considered any recommendations and will take the employer's comments into account when they believe it is appropriate to do so.

The Trustees are responsible for the investment strategy of the Scheme. They have obtained written advice on the investment strategy appropriate for the Scheme and on the preparation of this Statement. This advice was provided by Mercer Limited ("Mercer"), who are authorised and regulated by the Financial Conduct Authority. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

The day-to-day management of the Scheme's assets has also been delegated to Mercer. A copy of this Statement is available to Mercer and to the members of the Scheme. In this capacity, and subject to agreed restrictions, the Scheme's assets are invested in multi-client collective investment schemes ("Mercer Funds") managed by a management company (Mercer Global Investments Management Limited ("MGIM")). MGIM has appointed Mercer Global Investments Europe Limited ("MGIE")) as investment manager of the Mercer Funds. In practice, MGIE delegates the discretionary investment management for the Mercer Funds to third party investment managers based in countries such as Ireland, UK and USA and those sub-investment managers will manage either a sub-fund or certain segments of a sub-fund.

3. Objectives and Policy for securing objectives

The Trustees' primary objectives are:

• "funding objective" - to ensure that the Scheme is fully funded using assumptions that contain a margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the employer;

• "security objective" - to ensure that the solvency position of the Scheme (as assessed on a gilt basis) is expected to improve. The Trustees will take into account the strength of employer's covenant when determining the expected improvement in the solvency position of the Scheme;

• "stability objective" – to have due regard to the likely level and volatility of required contributions when setting the Scheme's investment strategy;

• "investment objective" –Mercer aims to outperform the change in value of a pre-determined set of cashflows which are designed to broadly replicate the estimated movement in the value of the Scheme's liabilities.

The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustees determines to be financially material considerations. Non-financial considerations are discussed in section 9.

4. Investment Risk Measurement and Management

In setting the Scheme's investment strategy, the Trustees' primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

To understand what is an acceptable degree of risk, the Trustees take expert advice.

The key investment risks are recognised as arising from asset allocation and a mismatch between the Scheme's assets and its liabilities and the employer's ability to support this mismatch risk. The asset allocation is assessed triennially in conjunction with the actuarial valuation of the Scheme, following which the Trustees take advice on the continued appropriateness of the existing investment strategy with reference to the Trustees' objectives.

The Trustees recognise that there are risks that may arise from the lack of diversification of investments, through holding leveraged Liability Driven Investment (LDI) to maintain liability hedging without impacting on expected return and that there is a risk that the day-to-day management of assets will not achieve the rate of investment return expected by the Trustees.

The Trustees recognise the risks inherent in holding illiquid assets and currency risk. These risks are mitigated by considering the Scheme's expected liquidity requirements and through a currency hedging policy.

The Trustees monitor the risks on a regular basis via investment monitoring reports prepared by Mercer. The Trustees have appointed Mercer as the fiduciary manager to manage the Scheme's portfolios and help to mitigate the Trustees' acknowledged risks.

The Trustees also consider investment risk to include Environmental, Social & Governance ("ESG") factors and climate change. These risks could negatively impact the Scheme's investments. The Trustees consider these risks by taking advice from Mercer.

Should there be a material change in the Scheme's circumstances, the Trustees will advise Mercer, who will review whether and to what extent the investment arrangements should be altered; in particular whether the current asset allocation remains appropriate.

5. The Balance Between Different Kinds of Investments

The asset allocation of the Scheme is considered appropriate, bearing in mind the results of the latest actuarial valuation dated 30th April 2024.

6. Choosing Investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Scheme, its cashflow requirements, the funding level of the Scheme and the Trustees' objectives.

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

The Trustees exercise their powers of investment in a manner intended to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk, a spread of assets is held. The diversification is both within and across the major asset classes. Assets held to cover the Scheme's technical provisions (the liabilities of the Scheme) are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.

The assets of the Scheme are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level) and appropriately diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the portfolio as a whole.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to void excessive risk exposure to a single counterparty or other derivative operation.

7. Custody

Investment in pooled funds gives the Trustees a right to the cash value of the units rather than to the underlying assets. The manager of the pooled funds is responsible for the appointment and monitoring of the custodian of the funds' assets. The custodians are independent of the employer.

8. Realisation of Investments/Liquidity

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise.

The majority of the assets held are realisable at short notice (through the sale of units in pooled funds).

The Trustees on behalf of the Scheme hold shares in the Mercer Funds. In its capacity as investment manager to the Mercer Funds, MGIE, and the underlying third party asset managers appointed by MGIE, within parameters stipulated in the relevant appointment documentation, have discretion in the timing of the realisation of investments and in considerations relating to the liquidity of those investments.

9. Cash flow and cash flow management

Cash flows, whether positive or negative, are taken into account by Mercer when it rebalances the Scheme’s assets in line with the Scheme’s strategic allocation. Mercer is responsible for raising cash flows to meet the Scheme’s requirements.

10. Rebalancing

As noted, responsibility for monitoring the Scheme’s asset allocation and any rebalancing activity is undertaken by Mercer. Mercer reviews the balance between the Growth and Matching Portfolios on an ongoing basis. If at any time the balance between the Growth and Matching Portfolios is deemed to be outside an agreed tolerance range, Mercer will seek to rebalance these allocations back towards the target allocations.

11. Arrangements with, and the Evaluation of the Performance of, Asset Managers

The Trustees have appointed Mercer as their fiduciary manager, who they consider to be their asset manager. References in this policy to ‘underlying asset managers’ refers to those asset managers which Mercer, in turn, appoints to manage investments on behalf of the Trustees. The Trustees recognise that the arrangements with Mercer, and the underlying asset managers, are important to ensure that interests are aligned. The Trustees seek to ensure that Mercer is incentivised to operate in a manner that generates the best long-term results for the Scheme and its beneficiaries.

The Trustees receive regular reports and verbal updates from Mercer on various items, including the funding level, investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to their objectives and assess Mercer over the previous three months, one-year, three years and since inception periods.

The Trustees review the absolute performance and relative performance against a portfolio's and underlying investment manager's benchmark (over the relevant time period) on a net of fees basis. The Trustees' focus is on the medium to long-term financial and non-financial performance of Mercer and the Mercer Funds.

The Trustees share the policies, as set out in this Statement, with Mercer and ask them to review and confirm whether their approach is in alignment with the Trustees' policies.

Neither Mercer or MGIE make investment decisions based on their assessment about the performance of an issuer of debt or equity. Instead, assessments of the medium to long-term financial and non-financial performance of an issuer are made by the underlying third party asset managers appointed by MGIE to manage assets within the Mercer Funds. Those managers are in a position to engage directly with such issuers in order to improve their performance in the medium to long term.

The asset managers are incentivised as they will be aware that their continued appointment by MGIE will be based on their success in meeting MGIE's expectations. If MGIE is dissatisfied then it will, where appropriate, seek to replace the manager.

Before the appointment of a new fiduciary manager, the Trustees will review the governing documentation associated with the investment and will consider the extent to which this aligns with the Trustees' policies. Where necessary, the Trustees will seek to amend that documentation or express their expectations (such as through side letters, in writing, or verbally at Trustee meetings) to improve alignment.

The Trustees believe that having appropriate governing documentation, setting out clear expectations to Mercer and carrying out regular monitoring of the performance of the investment strategy will be sufficient to incentivise Mercer to make decisions that align with the Trustees' policies and which will be based on assessments of medium- and long-term financial and non-financial performance.

Where Mercer is considered to make decisions that are not in line with the Trustees' policies, expectations, or the other considerations set out above, the Trustees will typically engage with Mercer to understand the circumstances and materiality of the decisions made.

There is no set duration for the arrangement with Mercer, although the continued appointment will be reviewed periodically. Similarly, there are no set durations for arrangements with the underlying asset managers that Mercer invests in, although this is regularly reviewed as part of the manager research and portfolio management processes in place.

12. Arrangements with, and Evaluation of the Remuneration of, Asset Managers and Portfolio Turnover Costs

The Trustees monitor, and evaluate, the fees it pays for asset management services on an ongoing basis taking into account the progress made in achieving its investment strategy objectives as outlined in section 6. Mercer's, and MGIE's, fees are based on a percentage of the value of the Scheme's assets under management which covers the design and triennial review of the strategy, and investment management of the assets. In addition, the underlying third party asset managers of the Mercer Funds also charge fees based on a percentage of the value of the assets under management. In some instances, some of the underlying managers may also be entitled to charge fees based on their performance.

MGIE reviews the fees payable to third party asset managers managing assets invested in the Mercer Funds on a regular basis with any negotiated fee savings passed directly to the Scheme. Mercer's, MGIE's, and the third party asset managers', fees are outlined in a regular investment strategy report prepared for the Trustees, excluding performance-related fees and other expenses involved in the Mercer Funds not directly related with the management fee.

Details of all costs and expenses are included in the Mercer Funds' Supplements, the Report & Accounts and within the Scheme's annualized, MiFID II compliant Personalised Cost & Charges statement. The Scheme's Personalised Cost & Charges statement also include details of the transaction costs associated with investment in the Mercer Funds.

The Trustees do not have an explicit targeted portfolio turnover range but rebalancing ranges have been designed to avoid unnecessary transaction costs being incurred by unduly frequent rebalancing. Performance is reviewed net of portfolio turnover costs, with the review of portfolio turnover of the underlying investment managers undertaken by MGIE.

13. Environmental, Social or Governance ("ESG") Considerations

The Trustees consider investment risk to include ESG factors and climate change. These risks could negatively impact the Scheme's investments. The Trustees consider these risks by taking advice from Mercer.

As part of Mercer's management of the Scheme's assets, the Trustees expect Mercer to:

▪ Where relevant, assess the integration of ESG factors in the investment process of underlying managers;

▪ Use its influence to engage with underlying managers to ensure the Scheme's assets are not exposed to undue risk; and

▪ Report to the Trustees on its ESG activities as required.

14. Stewardship – Voting and Engagement

The Trustees recognise the importance of their role as a steward of capital, promoting corporate responsibility, and encouraging high standards of governance. The Trustees recognise that, ultimately, this will help to protect the financial interests and will create long-term financial value for the beneficiaries of the Scheme.

The Trustees review the stewardship activity of Mercer on an annual basis to ensure the Scheme's stewardship policy is being appropriately implemented in practice.

As part of Mercer's management of the Scheme's assets, the Trustees expect the manager to:

▪ Ensure that (where appropriate) underlying asset managers exercise the Trustees' voting rights in relation to the Scheme's assets; and

▪ Report to the Trustees on stewardship activity by underlying asset managers as required.

Underlying Managers are expected to vote at company meetings and engage with companies on the Trustees' behalf in relation to ESG considerations and other relevant matters (such as the companies' performance, strategy, risks, capital structure, and management of conflicts of interest).

Where possible, the transparency for voting should include voting actions and rationale with relevance to the Scheme's assets, in particular where: votes were cast against management; votes against management generally were significant; votes were abstained; voting differed from the voting policy of the Trustees.

The Trustees will engage with Mercer, which in turn is able to engage with Underlying Managers or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance, capital structure, and management of actual or potential conflicts of interest, of the underlying investments made.

This engagement aims to ensure that robust active ownership behaviours, reflective of the Trustees' active ownership policies, are being actioned. This will take the form of annual reporting and follow up meetings, where necessary, from Mercer. Such reporting will be made available to Scheme members on request.

Should the Trustees' monitoring process reveal that an Underlying Manager's voting and engagement policies and actions are not aligned with the Trustees' expectations, the Trustees will engage with Mercer, via different medium such as emails and meetings, to discuss how alignment may be improved to bring about the best long-term outcomes for the Scheme.

15. Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy the Trustees do not explicitly take into account the individual views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

16. Effective Decision Making

The Trustees recognise that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. They also recognise that where they take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.

The Trustees believe that, given the size of the Scheme, a separate investment sub-committee would not be appropriate. Therefore, all investment issues are discussed by the whole Trustee body with assistance from the Scheme's investment advisers before decisions are taken.

17. Additional Voluntary Contributions ("AVCs") Arrangements

Some members obtain further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions.

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

For and on behalf of the Trustees of the Delta Air Lines UK Staff Pension Scheme.