

Amari Plastics Plc Pension Scheme

Statement of Investment Principles – July 2025 (replaces March 2023)

1. Introduction

The Trustee Directors ("Trustees") of the Amari Plastics Plc Pension Scheme ("the Scheme") have drawn up this Statement of Investment Principles ("the Statement") to comply with the requirements of the Pensions Act 1995 ("the Act") and subsequent legislation and regulation. The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments. Due to the move to a more simplified arrangement, a separate document detailing the specifics of the Scheme's investment arrangements is no longer produced, and relevant details are instead contained in this Statement.

In preparing this Statement the Trustees have consulted Vink UK Ltd as Scheme Sponsor.

2. Process for Choosing Investments

The Trustees have considered their objectives for investing the Scheme assets. They have considered their Investment and Funding objectives together to ensure that the two are compatible. They have then constructed a portfolio of investments consistent with these objectives.

In doing so the Trustees take into account what they believe to be financially material considerations, which can include risk and return expectations as well as Environmental, Social and Governance ("ESG") issues where these are considered to have a material impact on income, value or volatility of an investment held or the overall portfolio of investments held by the Scheme over the Trustees' investment time horizon. Specific considerations are detailed throughout this Statement.

In considering the appropriate investments for the Scheme the Trustees have obtained and considered the written advice of Mercer, whom the Trustees believe to be suitably qualified to provide such advice. 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).

3. Investment Objectives

The investment objectives set out here are those that the Trustees determine to be financially material considerations in relation to the Scheme.

The Trustees' objective is to secure all benefits through transferring responsibility for meeting all the Scheme's pension obligations to a regulated insurance company. To this end the Trustees have purchased a bulk annuity policy with Legal & General Assurance Society ("LGAS") with the intention of converting this to a "buy-out" and subsequently winding up the Scheme.

Prior to wind-up additional payments or expenses will be met from cash balances and/or payments from the Sponsor. This includes a final payment to LGAS in addition to the Initial Premium that has been paid.

Given the Trustees' objectives, while members will continue to receive payments in the long term (from LGAS, once buy-out has been achieved), the Trustees' investment horizon is short.

4. Risk Management and Measurement and Financially Material Considerations

There are various risks to which any pension scheme is exposed which are considered to be financially material to the Scheme over its anticipated lifetime. The Trustees' policy on risk management and measurement is as follows:

- The primary investment risk arises from a mismatch between the Scheme's assets and liabilities. This is minimised by matching almost 100% of the liabilities with annuities held with a regulated insurance company.
- The Sponsor may be unable or unwilling to finance a shortfall between assets and liabilities. This risk is also minimised by holding an annuity to meet all benefits, combined with a cash holding expected to be sufficient to meet outstanding commitments and expenses. Where a balancing payment is due to be made in respect of any annuity, the risk of variation in the amount of the balancing payment is considered to be very small relative to the size of cash holding.
- The annuities represent a concentration of risk that the provider does not make the required payments. As the policies are governed by insurance market solvency regulations, the Trustees believe this risk is low and have mitigated it by careful choice of provider and contract terms.
- Although bulk annuities are illiquid investments and cannot be traded on regulated markets, the Trustees are satisfied this is appropriate given the security they provide by paying members' benefits as they fall due.
- Considerations specific to Environmental, Social and Governance ("ESG") issues are addressed in section 9.

Should there be a material change in the Scheme's circumstances, the Trustees will review whether the current risk profile remains appropriate. Given the arrangements that are in place the likelihood of material change is considered very low.

5. Portfolio Construction & Day to Day Management of the Assets

After a careful suitability review, the Trustees have invested the majority of Scheme assets in a bulk annuity with LGAS. LGAS is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA. The Trustees have taken steps to satisfy themselves that LGAS has the appropriate knowledge and experience.

Remaining assets are held in a pooled cash fund (the GBP Liquidity Plus Fund) managed by Insight Investment Management ("Insight").

6. Expected Return

An expected return on the bulk annuity has not been determined but is implicit in the price of the contract.

The Insight GBP Liquidity Plus Fund is expected to generate a return in excess of its benchmark which is the Sterling Overnight Index Average ("SONIA") rate.

7. Additional Assets

Some members of the Scheme hold AVCs, which are invested and used to increase pension benefits at retirement, or in the event of death. The Trustees establish the arrangements under which these contributions are invested, taking advice from Mercer.

8. Selection, Retention and Realisation of Investments

The selection, retention and realisation of assets is carried out in a way consistent with the overall principles set out in this Statement.

Regular payments to the Scheme in respect of the insured members and their benefit entitlements are made under the annuity contract. These payments are available to meet the Scheme's cash outflows.

Any additional cash flow requirements, such as expenses, are expected to be met from residual investments or, if there is a shortfall, additional payments from the Sponsor.

9. ESG, Stewardship and Climate Change

The Trustees believe that good stewardship and environmental, social and governance ("ESG") issues may have a financially material impact on investment returns and that good stewardship can create and preserve value for companies and markets as a whole.

The Trustees have implicitly delegated consideration of ESG issues, engagement and stewardship obligations to LGAS in relation to the majority of Scheme assets via a bulk annuity contract, and to Insight in relation to remaining invested assets. The annuity contract makes contractual payment to the Scheme dependent only on the benefits payable under the contract. As a result, the Trustees have minimal direct exposure to risks arising from long-term sustainability issues, including climate change. They are however satisfied that LGAS apply due consideration to ESG issues in the investment of assets underlying the contract.

10. Non Financial Matters

Non-financial matters (as defined in the relevant regulations) are not taken into account when determining investment policy. Member views are not actively sought. The Trustees would review this policy in response to significant member demand.

11. Investment Manager Arrangements

Aligning of Insurer Objectives and Incentivisation:

LGAS have been appointed with the aim of insuring the Scheme's liabilities and reducing the Scheme's funding volatility. The Trustees took expert advice in relation to this appointment. This included an assessment of LGAS's capabilities, knowledge and experience. The annuity policy is managed in line with the Scheme's specific liabilities and investment requirements. Therefore, the policy is aligned with the Trustees' objectives and the terms of the policy incentivises LGAS to meet the Trustees' objectives. The Trustees understand that they have no ability to determine or influence the assets in which LGAS invests. The Trustees recognise that the annuity investment is illiquid and

cannot be traded. However, they are conscious that the regulatory regime for insurers provide significant restrictions to ensure that they fulfil their commitments to policyholders.

Insight's GBP Liquidity Plus Fund is invested with the aim of providing income with capital stability. This is aligned with the Trustees' objectives. The Trustees can terminate Insight's appointment with minimal notice if they become concerned over Insight's ability to deliver against these objectives.

Performance Assessment & Fees

The insurer does not receive on-going remuneration from the Scheme. The premium paid for the annuity policy covers the insurer's implicit fees with the Trustees' choice of insurer taking the size of the premium into account. The Trustees are satisfied that this is the most appropriate basis for remunerating the insurer.

Insight receive income on the GBP Liquidity Plus Fund units as a percentage of the amount invested. Performance is assessed against a representative Cash index.

Portfolio Turnover Costs

The obligation of the insurer to make payments is not impacted by on-going turnover costs and is not considered by the Trustees.

Cash fund holdings are considered to be low and trading costs are minimal. As such the Trustees do not intend to monitor turnover costs explicitly in relation to these holdings.

12. Other appointments

Actuary

Heather Winrow of Mercer is the Scheme's appointed Actuary.

Investment Adviser

Mercer has been appointed to provide advice to the Trustees on investment related matters.

Scheme Actuary and Investment Advisor fees are charged through a combination of fixed fee and budgeted time cost.

Custodian

The assets are held in a bulk annuity insurance policy or in pooled funds. Custodianship of underlying assets is the responsibility of LGAS and Insight respectively.

13. Compliance with this Statement

The Trustees will monitor compliance with this Statement annually.

14. **Review of this Statement**

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement 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 practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

	
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Name	Signature

For and on behalf of the Trustees of the Amari Plastics Plc Pension Scheme