

Annual Implementation Statement (forming part of the Trustees' Report)

Introduction and purpose to this statement

This document is the Annual Implementation Statement ("the statement") prepared by the Trustees of the Perstorp Pension Plan (the "Plan") covering the Plan year from 1 April 2023 to 31 March 2024.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustees, the engagement policy under the Plan's Statement of Investment Principles ("SIP") has been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

A copy of this Implementation Statement has been made available on the following website:

<https://www.formica.com/en-gb/formica-pension-schemes/the-perstorp-pension-plan>

Changes to the SIP over the Year to 31 March 2024

In July 2023, the Trustees entered into a buy in policy with Aviva for the deferred and remaining pensioner liabilities. A further review of the investment strategy was undertaken, resulting in the addition of a cash fund and the removal of all equity funds, to better match the Plan's non-buy in liabilities. Following consultation with the Company, a new SIP was signed on 28 June 2023 to move 15.8% into Cash and hold the remaining non-buy in assets in bonds. Following completion of the deferred buy in, a further review was undertaken with at least 90% of the allocation held as Cash and the remainder as bonds. The Trustees monitor the allocation regularly and take action as required.

Trustees' Engagement and Voting Policy

The Plan owns units in passively managed pooled funds in which it is invested but it does not own the underlying assets of the funds. The responsibility for exercising and directing engagement and voting rights acquired through the Plan's investments is delegated to the Investment Manager. All of the Plan's invested assets are held with BlackRock.

Due to the passive nature of the Plan's investments, the Trustees recognise that no material decisions are taken by the investment manager on the holdings to be included in the portfolio as they must retain asset holdings that are broadly in line with the relevant market index they are tracking. However, the Trustees expect that the Investment Manager where appropriate will engage with companies on matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest risks, and environment, social and governance ('ESG') issues concerning the Plan's investments.

The Plan's non-buy in assets are held in cash and bond funds. Voting information on these funds is not provided since the vast majority of loan and debt securities do not come with voting rights.

Conclusion

The Trustees considers that all SIP policies and principles were adhered to during the year.

Trustees of the Perstorp Pension Plan
August 2024