

Basell Polyolefins UK Pension Scheme ("the Scheme")

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

1. Background

The Trustees of the Scheme have drawn up this Statement to comply with the requirements of:

- The Pensions Act 1995 (as amended);
- The Occupational Pension Schemes (Investment) Regulations 2005 (as amended); and
- any other overriding legislation.

As required, the Trustees have consulted a suitably qualified person and have obtained written professional advice from their investment consultant, Mercer Limited. The Trustees in preparing this Statement have also consulted the sponsoring Company, Basell Polyolefins UK Limited ("the Company").

The Trustees' investment responsibilities are governed by the Scheme's Trust Deed and applicable legislation and this Statement takes full regard of these. A copy of the Scheme's Trust Deed is available for inspection upon request. The Trustees will, at the minimum, aim to review this Statement every year to ensure that it remains accurate. The Statement will be amended more frequently should any changes be made to the Scheme's investment arrangements. The Trustees are committed to maintaining the accuracy of this Statement on an ongoing basis.

2. Overall Investment Policy

Overall investment policy falls into two parts. The strategic management of the assets is fundamentally the responsibility of the Trustees acting on advice from their investment consultant, Mercer Limited, and is driven by their investment objectives as set out below. The remaining elements of policy are part of the day-to-day management of the assets, which is delegated to a professional investment manager.

2.1 Investment Objectives

The Trustees' main aims are:

- To make sure that they can meet their obligations to the beneficiaries of the Scheme by ensuring there are always sufficient assets of the Scheme (at their realisable value) to meet 100% of benefits as they fall due for payment to members.
- To pay due regard to the Company's requirements with regards to the size and incidence of contribution payments.

The Trustees' long-term objective is to reach and maintain at least 100% funded on a solvency basis. As and when opportunities arise, the Trustees will seek to de-risk the investment strategy in order to protect the funding position whilst retaining sufficient growth assets to achieve the long-term objective.

2.2 Risk

The Trustees recognise a number of risks involved in the investment of the assets of the Scheme. The Trustees have considered the following risks which they believe may be financially material to the Scheme over its anticipated lifetime. These considerations are taken into account in the selection, retention and realisation of investments:

- **Funding level and mismatching risk** - The Trustees pay close regard to the risks which may arise through a mismatch between the Scheme's assets and its liabilities. The Trustees are satisfied that the Company is aware of and willing to underwrite the mismatch risk inherent in the asset allocation policy and that this, in turn, could lead to volatility in future contribution requirements. Funding levels are monitored through regular funding updates and ongoing triennial actuarial valuations with appropriate action to prevent value deterioration of the funding position.
- **Manager risk** - The Trustees monitor the manager's performance on a quarterly basis, and compare the investment returns with the appropriate performance objectives to ensure continuing acceptable performance. The use of a passive manager reduces the risk associated with poor manager performance.
- **Liquidity risk** - The Trustees have adopted a strategy that makes due allowance for the need for liquidity of the Scheme's assets.
- **Concentration risk** - The Trustees have adopted a strategy that ensures that the risk of an adverse influence on asset values from the poor performance of a small number of individual investments is reduced by diversification of the assets:
 - by asset class (UK equities, overseas equities, fixed interest)
 - by region (UK, overseas)
 - within asset classes (by the use of diversified pooled funds)
- **Environmental, Social and Governance (ESG) risk** – The Trustees have adopted a strategy of regularly reviewing ESG risks with their investment consultant, including the extent to which ESG issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- **Climate risk** - The Trustees have adopted a strategy of regularly reviewing with their investment consultant the extent to which climate change may cause a material deterioration in asset values as a consequence of factors including but not limited to policy change, physical impacts and the expected transition to a low-carbon economy.

The Trustees monitor these risks on a regular basis.

2.3 Investment Policy

The Trustees have adopted the following benchmark allocation:

Asset Class	Benchmark Allocation (%)
Equities	15.0
UK Equities	1.5
North American Equities	7.5
Europe (ex-UK) Equities	3.0
Japanese Equities	1.5
Asia Pacific (ex-Japan) Equities	1.5
Bonds	85.0
UK Gilts	34.0
UK Corporate Bonds	3.0
UK Index Linked Gilts	48.0
Total	100.0

2.4 Day-to-day Management of the Assets / Cashflow and Rebalancing Policy

Responsibility for investment of the Scheme assets rests with Legal & General Assurance (Pensions Management) Limited. Day-to-day investment management of the Scheme assets is delegated to an associate company, Legal & General Investment Management Limited ("L&G") that is authorised and regulated by the Financial Conduct Authority ("FCA").

L&G passively manage the Scheme's assets through a range of pooled funds with the objective of achieving benchmark performance over rolling three-year periods within certain tolerances.

On a quarterly basis, L&G will rebalance the Scheme's assets back to the central benchmark should they fall outside the permitted ranges shown in the table overleaf. Investment / disinvestment requests are used to help keep the asset allocation within the agreed ranges.

Fund	Benchmark Index	Central Benchmark %	Range +/- %
Equity Portfolio		15.0	1.5
UK Equity Index	FTSE All-Share	1.5	0.25
North America Equity Index	FTSE World North America	7.5	0.75
Europe (ex-UK) Equity Index	FTSE Developed Europe (ex-UK)	3.0	0.5
Japan Equity Index	FTSE Japan	1.5	0.25
Asia Pacific (ex-Japan) Developed Equity Index	FTSE Developed Asia Pacific (ex-Japan)	1.5	0.25
Fixed Interest Bond Portfolio		37.0	4.0
Over 15 Year Gilts Index	FTSE A Over 15 Year Gilts	19.0	-
All Stocks Gilts Index	FTSE A UK Conventional Gilts All Stocks	15.0	-
AAA-AA-A Corporate Bonds – All Stocks - Index	Markit iBoxx Sterling Non-Gilts (ex BBB)	3.0	-
Index-Linked Gilt Portfolio		48.0	5.0
Over 5 Year Index-Linked Gilts Index	FTSE-A Index-Linked Gilt (Over 5 Year)	38.0	-
Over 15 Year Index-Linked Gilts Index	FTSE-A Index-Linked Gilt (Over 15 Year)	2.5	-
2035 Index-Linked Gilt	2035 Single Stock Index-Linked Gilt	7.5	-
Total		100.0	

3. Additional Voluntary Contributions

The Trustees invest members' additional voluntary contributions ("AVCs") in an insured arrangement with the Prudential Assurance Society.

With the assistance of the Scheme's consultants, these arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable and the investment profiles of the funds remain consistent with the objectives of the Trustees and the needs of the members.

4. The Trustees' Policy with Regard to Risk

Besides the Trustees' policy on risk, the Trustees have also considered risk from the following perspectives which are relevant to the Scheme.

4.1 Liquidity / Marketability

The Trustees recognise that there is a risk in holding assets which cannot easily be sold should the need arise. The assets underlying the insurance policies in which the Scheme invests, which are issued by Legal & General Assurance (Pensions Management) Ltd, are entirely invested on an index-tracking basis, and as a consequence, it is unlikely that the investment manager will hold a security which is not represented in one of the world's leading indices. Furthermore, the Trustees believe the insurance contracts in which the Scheme's assets are invested are readily realisable investments.

4.2 Diversification

A number of investment restrictions apply that are designed to limit the Scheme's exposure to any individual asset class, market or security. The following investment restrictions apply:

- i. The portfolio shall only invest in L&G's own in-house funds.
- ii. L&G may only invest in:

L&G UK Equity Index Fund
L&G North America Equity Index Fund
L&G Europe (ex UK) Equity Index Fund
L&G Japan Equity Index Fund
L&G Asia Pacific (ex Japan) Developed Equity Index Fund
L&G Over 15 Year Gilts Index Fund
L&G All Stocks Gilts Index Fund
L&G AAA-AA-A Corporate Bond - All Stocks Index Fund
L&G Over 5 Year Index Linked Gilts Index Fund
L&G Over 15 Year Index Linked Gilts Index Fund
L&G 2035 Index Linked Gilt Fund

- iii. The portfolio may not directly invest in property.

The legal documentation with L&G therefore includes a number of provisions which, among other things, are designed to ensure that only suitable investments are held by the Scheme.

In addition, within each fund L&G will hold a large number of stocks which are available in each market.

4.3 Speculative Investments

The terms of the legal documentation do not allow L&G to make speculative investments or to gear the portfolio or to do anything that would prejudice the Scheme's tax exempt status.

5. Responsible Investment and Corporate Governance

The Trustees believe that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment returns. The Trustees have explicitly acknowledged the relevance of ESG factors in framing their investment beliefs and these beliefs are reflected in the principles set out in this Statement and the broader implementation of strategy.

Strategic considerations

The strategic benchmark in this Statement has been determined using appropriate long-term economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material considerations.

As a result of the inherent uncertainty in climate change, the Trustees have not made explicit allowance for the risks of climate change in setting their strategic benchmark. The Trustees will periodically discuss climate change with their investment consultant and investment manager to consider the potential implications for the Scheme's investments.

Structural considerations

The Trustees have given the investment manager full discretion when evaluating ESG issues and the Trustees expect that their investment manager will take account of all financially material considerations including the potential impact of ESG factors in the implementation of their mandate and in exercising rights and stewardship obligations attached to the Scheme's investments.

Regarding the investment manager's passive mandate, the Trustees recognise that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustees accept that the role of the passive manager is to deliver returns in line with the benchmark and believe the choice of benchmarks will deliver appropriate risk-adjusted returns. The Trustees will review the index benchmarks employed for the Scheme on at least a triennial basis.

Consideration of non-financially material considerations in investment arrangements

Given the objectives of the Scheme, the Trustees have not considered any non-financially material factors in the development and implementation of their investment strategy. The Trustees have not imposed any restrictions or exclusions to the investment arrangements based on non-financially material considerations. Member views are not taken into account in the selection, retention and realisation of investments.

Selecting investment managers

In selecting any new or replacement investment manager(s), the Trustees will explicitly consider, where relevant, potential managers' approach to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision-making.

Stewardship

The Trustees recognise that stewardship encompasses the exercise of voting rights, engagement by and with the investment manager and the monitoring of compliance with agreed policies.

Voting and engagement

The Scheme's voting rights are exercised by its investment manager on the basis that voting power will be exercised by it with the objective of preserving and enhancing long-term shareholder value, in accordance with its own corporate governance policies. The investment manager also takes into account current best practice including the UK Corporate Governance Code and the UK Stewardship Code. Equity managers who are registered in the UK are expected to report on their adherence to the UK Stewardship Code on an annual basis.

Where relevant, the Trustees will review the voting policies of the investment manager and determine that these policies are appropriate. The Trustees will request their investment manager provides details of any change in its house policy periodically.

Where appropriate, the Trustees will engage with and may seek further information from their investment manager on how portfolios may be affected by a particular issue.

The Trustees do not engage directly but believe it may be appropriate for their investment managers to engage with key stakeholders in order to improve corporate behaviour and performance and to mitigate financial risks. Such stakeholders may include corporate management, regulators and governance bodies. The Trustees will review engagement activity undertaken by their investment manager as part of their broader monitoring activity.

Monitoring

The investment manager reports on voting activity to the Trustees on a periodic basis. The Trustees will monitor the investment manager's voting activity and may review voting patterns. The Trustees may also monitor investment manager's voting on particular companies or issues affecting more than one company.

The Trustees meet with their investment manager regularly. The Trustees provide their investment manager with an agenda for discussion, including issues relating to individual holdings and where appropriate, ESG issues. The investment manager is challenged both directly by the Trustees and by their investment advisers on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

6. Investment Manager Arrangements

6.1 Alignment with the Trustees' Policies

When engaging with investment managers to implement the Trustees' investment strategy outlined above, the Trustees are concerned that, as appropriate and, to the extent applicable, the investment managers are incentivised to align their strategy and decisions with the objectives of the Scheme.

However, since the Scheme is only invested in multi client pooled funds, the Trustees accept that they do not have the ability to determine the risk profile and return targets of specific Funds. The Trustees are able to make investment manager appointments in such a manner that the assets are managed consistent with the investment strategy for the Scheme. The investment managers are incentivised by the knowledge that the Trustees will review their appointment if, over time, they do not meet expectations.

Investment managers are appointed by the Trustees based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class they are selected to manage.

The Trustees look to their Investment Consultant for their forward-looking assessment of a manager's ability to outperform over a full market cycle, for mandates where outperformance is the objective. This view will be based on the Investment Consultant's

assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The Investment Consultant's manager research ratings assist with due diligence and questioning the managers directly during presentations. These ratings are used in decisions around selection, retention and realisation of manager appointments.

For passively managed mandates, or those where outperformance is not the primary goal, the Trustees will seek guidance from their Investment Consultant in relation to their forward-looking assessment of the manager's ability to achieve the stated mandate objectives.

If the investment objective for a particular fund changes, or if other factors change that could have an impact on the manager's ability to meet its objectives, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives.

6.2 Incentivisation and Medium/Long-Term Decision Making

The Trustees do not have a policy about making investment decisions based on their assessment of 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 investment managers, where applicable. These managers may be in a position to engage directly with such issuers in order to improve their performance in the medium to long term. The Trustees do however consider the Investment Consultant's assessment of how each investment manager integrates ESG and stewardship into their investment process. Further detail can be found in Section 5.

6.3 Evaluation and Remuneration

The Trustees receive investment performance reports on a quarterly basis. The Trustees review the performance against a suitable index used as the benchmark (where appropriate), and/or against the managers' stated performance target over the relevant period. The Trustees maintain a focus on long term performance. They may review a manager's appointment if the manager has extended periods of underperformance, there is a material change in personnel or there are developments that may severely impact the outcome of the investment.

The investment managers are remunerated by way of a fee calculated as a percentage of assets under management.

The Trustees may meet with investment managers if they are dissatisfied with their performance or engagement activity, and may choose to terminate the relationship with the manager if they see fit.

6.4 Portfolio Turnover Costs

The Trustees do not currently monitor portfolio turnover costs and have no set portfolio turnover targets; rather the Trustees assess investment performance net of the impact of the costs of such activities.

6.5 Duration of the Arrangements

The Trustees are long-term investors and are not looking to change the investment arrangements on a frequent basis. There is therefore no set duration for manager appointments. The Trustees will retain an investment manager unless:

- There is a change to the overall investment strategy that no longer requires exposure to that asset class or manager;

- The manager appointment has been reviewed and the Trustees have decided to terminate the mandate.

7. Buying and Selling Investments

The Trustees have delegated the responsibility for buying and selling investments to L&G. The day-to-day activities of L&G are governed by an L&G document, the Principles of Operation, that is reviewed from time to time to ensure that the operating instructions, provisions and restrictions remain appropriate.

8. Compliance with this Statement

The Trustees, L&G and Mercer each have duties to perform to ensure compliance with this Statement. These are:

The Trustees will review this Statement every year and will record compliance with it at the relevant Trustee meeting.

L&G, the investment manager will prepare quarterly reports for the Trustees and these include:

- valuation of all investments held for the Scheme;
- records of all transactions together with a cash reconciliation; and
- a review of recent actions undertaken on behalf of the Scheme.

L&G will bring to the Trustees' attention any new investment categories in which they wish to invest in order to meet the Trustees' objective.

Mercer Limited will provide the advice needed to allow the Trustees to review and update as required.

Signed for and on behalf of The Trustees of the Basell Polyolefins UK Pension Scheme

November 2025