

The A. Schulman Inc. Ltd. (1978) Retirement Benefits Scheme (“the Scheme”)

Summary of Investment Arrangements – November 2025

1. Background

The Trustees of the Scheme have drawn up this document to set out the principles that govern decisions regarding the investment of assets for the Scheme.

In preparing this document the Trustees have consulted a suitably qualified person and have obtained written professional advice from their investment consultant, Mercer Limited. The Trustees have also consulted the Sponsoring Company, A. Schulman Inc. Limited (“the Company”) to ascertain whether there are any material issues of which the Trustees should be aware in agreeing the Scheme’s investment arrangements.

The Trustees' investment responsibilities are governed by the Scheme's Trust Deed and Rules and applicable legislation, and this document takes full regard of these. A copy of the Scheme's Trust Deed and Rules is available for inspection upon request.

2. Overall Investment Policy

Overall investment policy falls into two parts. The strategic management of the assets is 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.

3. Investment and Funding Objectives

The primary objective of the Scheme is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis.

The Trustees' overriding funding principles for the Scheme are as follows - to set the employer contribution at a level which is sufficient:

- To build up assets to take account of future increases to current benefits (accrued and when in payment) in accordance with the Scheme Rules;
- To recover any shortfall in assets that may exist relative to the value placed on accrued liabilities over the longer term; and;
- To ensure that 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.

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.

For employee members, benefits are based on service completed up to 4th May 2016, and take account of future revaluation in accordance with statutory requirements. The value of the Scheme’s liabilities is calculated on the basis agreed by the Trustees and the Scheme Actuary, which includes an appropriate allowance for the Scheme’s investment strategy to produce returns

above UK government bonds (as a proxy for the Scheme's liabilities). The funding position of the Scheme is monitored regularly by the Trustees and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004 (and subsequent legislation).

4. Financially Material Considerations, Risk Measurement and Management

The Trustees recognise a number of risks involved in the investment of the assets of the Scheme, the key risk being that the Scheme has insufficient assets to make provisions for its liabilities. The Trustees have considered the following risks that 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, in relation to changes in financial and demographic factors. The Trustees and their investment consultant consider these risks when setting the Scheme's investment strategy. 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 failure by the investment manager(s) to achieve the rate of investment return assumed by the Trustees. 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 passive investment funds reduces the risk associated with poor manager performance.
- **Liquidity risk** – The risk of a shortfall of liquid assets relative to the Scheme's immediate liabilities. The Trustees will manage the Scheme's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs, and have adopted a strategy that makes due allowance of the need for liquidity of the Scheme's assets.
- **Concentration risk** - The failure to spread investment risk across a range of sources. The Trustees and their investment consultant consider this risk and 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, bonds)
 - by region (UK, overseas)
 - within asset classes (by the use of diversified pooled funds)
- **Covenant risk** – The Trustees' willingness to take investment risk is dependent on the continuing financial strength and support of the Company. Therefore, a key risk is the failure of the Company to be able or willing to support the Scheme. As a result, the Trustees receive regular updates from the Company, consider the Company's performance regularly, and formally assesses the support at least every three years as part of the actuarial valuation. The Trustees and their investment consultant also consider this risk when setting investment strategy and consult with the Company as to the suitability of the proposed strategy.
- **Environmental, Social and Governance (ESG) risk** – The risk of 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. The Trustees have adopted a strategy of periodically discussing ESG risks with their investment consultant.

- **Climate change risk** - 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. Given the inherent uncertainty, the Trustees have not made explicit allowance for the risks of climate change in setting their strategic benchmark. The Trustees have instead adopted a strategy of regularly reviewing climate change risk with their investment consultant.

Due to the complex and interrelated nature of these risks, the Trustees consider the majority of these risks in a qualitative rather than quantitative manner as part of each formal investment strategy review. Some of these risks may also be modelled explicitly during the course of such reviews.

The Trustees typically meet with their investment consultant every six months to discuss investment matters. At these meetings the funding level development, investment strategy and manager performance are reviewed, thereby providing an opportunity to consider the impact of risks further and whether any changes are needed to further manage those risks.

In considering the selection, retention and realisation of investments the Trustees do not take account of non-financially material considerations, including member views.

Should there be a material change in the Scheme's circumstances, the Trustees will review whether, and to what extent, the investment arrangements should be altered.

5. Investment Policy

The Trustees have adopted the following strategic asset 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 (+15 year)	17.5
UK Gilts (All Stocks)	27.5
UK Index Linked Gilts (+5 year)	7.5
UK Index Linked Gilts (+15 year)	7.0
UK Index Linked Gilts (5 to 15 years)	20.5
UK Corporate Bonds (all stocks)	5.0
Total	100.0

The benchmark allocation was determined with regard to the actuarial characteristics of the Scheme, in particular the strength of the funding position and the liability profile. The Trustees' policy is to assume that equities will outperform gilts, and therefore the Scheme's liabilities, over the long term. However, the Trustees recognise the potential volatility in equity returns, particularly relative to the Scheme's liabilities, and the risk that the assets do not deliver the returns expected.

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

The Trustees have appointed Legal & General Assurance (Pensions Management) Limited ("L&G") to invest the Scheme's assets on the Trustees' behalf. Day-to-day investment management of the Scheme assets is delegated to an associate company, Legal & General

Investment Management Limited ("LGIM") that is authorised and regulated by the Financial Conduct Authority ("FCA").

LGIM 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 below. 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 Bonds Portfolio		50.0	5.0
Over 15 Year Gilts Index	FTSE A UK Conventional Gilts Over 15 Years	17.5	-
All Stocks Gilts Index	FTSE A UK Conventional Gilts All Stocks	27.5	-
AAA-AA-A Corporate Bond All Stocks Index	Markit iBoxx Sterling Non-Gilts (ex BBB)	5.0	-
Index-Linked Gilts Portfolio		35.0	3.5
Over 5 Year Index-Linked Gilts Index	FTSE A UK Index-Linked Gilts Over 5 Years	7.5	-
Over 15 Year Index-Linked Gilts Index	FTSE A UK Index-Linked Gilts Over 15 Years	7.0	-
5 to 15 Year Index-Linked Gilts Index	FTSE A UK Index-Linked Gilts 5-15 Years Index	20.5	-
Total		100.0	-

7. Additional Voluntary Contributions

The Trustees invest members' additional voluntary contributions ("AVCs") in insured arrangements with Standard Life Assurance Limited.

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.

8. Responsible Investment and Corporate Governance

The Trustees recognise that the consideration of 'financially material considerations', including ESG factors, is relevant at different stages of the investment process. 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 document and the broader implementation of the strategy.

Strategic considerations

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

Structural considerations

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

The Trustees recognise that the choice of benchmark dictates the assets held by the investment manager(s) for passive mandates and that the manager(s) has somewhat limited freedom, beyond voting and engagement, 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 factors.

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 review the statements of corporate governance issued by their investment manager(s). The Trustees recognise that stewardship encompasses the exercise of voting rights, engagement by and with investment managers and the monitoring of compliance with agreed policies.

Voting and engagement

The Trustees have adopted a policy of delegating voting decisions on stocks to their investment manager(s) on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The investment manager(s) are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

Where relevant, the Trustees will review the voting policies of the investment manager(s). The Trustees will request their investment manager(s) provide details of any change in their house policy periodically.

Where appropriate, the Trustees will engage with and may seek further information from their investment manager(s) 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 manager(s) 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(s) as part of their broader monitoring activity.

Monitoring

The investment manager(s) report 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 managers' voting on particular companies or issues affecting more than one company.

The Trustees aim to meet with their investment consultant and investment manager(s) regularly. The Trustees will provide their investment manager(s) with an agenda for discussion, including issues relating to individual holdings and where appropriate, ESG issues. The Trustees (and their investment consultant) will challenge the investment manager(s) on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

9. Investment Manager Arrangements

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, as 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 manager(s) 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.

As the Scheme is only invested in passive mandates 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. The investment consultant's manager research ratings assist with due diligence and questioning the manager(s) directly during presentations. These ratings are used in decisions around selection, retention and realisation of manager appointments.

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.

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 manager(s), where applicable. These investment manager(s) 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.

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' focus is on long-term performance but an investment manager's appointment may be reviewed at any time.

The investment manager(s) are remunerated by way of a fee calculated as a percentage of assets under management, plus a fixed fee for managing the Scheme's asset allocation against the benchmark allocation set by the Trustees.

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

The Trustees monitor the level of remuneration of the investment manager(s) and the investment consultant and may organise competitive fee quotes or tenders as applicable.

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.

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.

10. Governance

The Trustees are responsible for the investment of the Scheme's assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and expert advice in order to take an informed decision. The Trustees have established the following decision-making structure:

Trustees

- Set structures and processes for carrying out their role.
- Select and monitor planned asset allocation strategy.

- Monitor actual returns versus the Scheme's benchmark.
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy.

Investment Consultant

- Advise on all aspects of the investment of the Scheme's assets, including implementation.
- Advise on this document.
- Provide required training.

Investment Manager(s)

- Operate within the terms of their written contracts.
- Select individual investments with regard to their suitability and diversification.
- Comment, where applicable, on the suitability of the indices in their benchmarks.

11. Monitoring of the Scheme's Arrangements

The Trustees will, at the minimum, aim to review this document every year to ensure that it remains accurate. The document will be amended immediately following any significant change in investment policy or circumstances of the Scheme. The Trustees are committed to maintaining the accuracy of this document on an ongoing basis, and will take investment advice from their investment consultant as necessary in order to do so.

The **investment manager, L&G**, will prepare quarterly reports for the Trustees that will include:

- A valuation of all investments held for the Scheme;
- Records of all transactions together with a cash reconciliation;
- Details of fund and benchmark performance for the funds in which the Scheme invests;
- A review of recent actions undertaken on behalf of the Scheme.

Signed for and on behalf of The Trustees of the A. Schulman Inc. Ltd. (1978) Retirement Benefits Scheme

November 2025