VAN LANSCHOT KEMPEN

INVESTMENT MANAGEMENT

Statement of Investment Principles

Graphic Packaging UK Pension Scheme

1. Introduction

This Statement of Investment Principles (the "SIP") sets out the policy of the Trustee of the Graphic Packaging UK Pension Scheme (the "Scheme") on various matters governing decisions about the investments of the Scheme. This SIP replaces the previous SIP dated June 2024.

This SIP has been drawn up by the Trustee to meet the requirements of Section 35 of the Pensions Act 1995, (as amended by the Pensions Act 2004) (the "Act") and the Occupational Pension Plans (Investment) Regulations 2005 and the Occupational Pension Plans (Investment and Disclosure) (Amendment) Regulations 2019 ("the Regulations") and subsequent legislation.

The trustee is responsible for setting the general investment policy, but delegates the responsibility for the selection of specific investments to an appointed investment manager or managers, which may include an insurance company or companies. The investment manager(s) provides the skill and expertise necessary to manage the investments of the Scheme.

In December 2020 the Trustee appointed Van Lanschot Investment Management (UK) Limited ("VLK IM") (formerly known as Kempen Capital Management (UK) Limited or "Kempen") (the "fiduciary manager") to undertake on behalf of the Trustee certain investment advisory and management functions in relation to the Scheme as more fully specified in the fiduciary management agreement (the "FMA").

In preparing this SIP the Trustee has consulted Graphic Packaging International Europe UK Holdings Limited (the "Employer") to ascertain whether there are any material issues which the Trustee should consider in determining the Scheme's investment arrangements. The Trustee seeks to maintain a good working relationship with the Employer and will discuss any proposed changes to the SIP with the Employer. Although, the Trustee's fiduciary obligation is to the Scheme's members and will take precedence over the Employer's wishes.

2. Investment Governance

Effective governance of the assets of the Scheme and management of risk is achieved by the following division of responsibilities.

The Trustee

The Trustee's principal responsibilities in relation to investments include but are not limited to:

- Determining an appropriate division of responsibilities.
- Appointing, monitoring and removing third party service providers, for example an investment advisor or fiduciary manager.
- Setting an investment policy consistent with relevant legislation, which consists of:
    - A strategic investment objective.
    - A list of permissible asset classes or target asset allocations.
    - The magnitude of flexibility afforded to the fiduciary manager or any other advisor.

Management of assets

The management of the Scheme assets is the responsibility of the Trustee, acting on expert advice. The Trustee has delegated day-to-day investment of the Scheme's assets to Aviva and L&G under a buy-in contract, and to VLK IM under a fiduciary manager contract.

The Trustee confirms that this SIP reflects the investment strategy it has implemented for the Scheme. The Trustee acknowledges that it is its responsibility, with guidance from the advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Suitability

The Trustee has defined the investment objective and investment strategy with due regard to the Scheme's liabilities. The Trustee has taken advice from the advisers to ensure that the proposed strategy, and the assets held by the Scheme through that strategy, are suitable given its liability profile, the Trustee's objectives, legislative requirements, regulatory guidance and specifications in the trust deed and rules governing the Scheme (the Trust Deed).

3. Investment Policy

The overall objective of the Trustee is to invest the Scheme's assets in the best interest of the members and beneficiaries and optimise the return on investments. In order to achieve this, in January 2025, the Trustee agreed a low risk investment strategy comprising of a buy-in with Aviva and L&G. Under the terms of the contract, Aviva and L&G are committed to paying the retirement benefits due to all members and their dependents that were included in the contract.

Given the Trustee no longer requires investment returns in order to meet majority of its outstanding liabilities, the Trustee's objective is no longer framed with reference to a liability-related objective. The Scheme's remaining assets (mainly cash and the residual illiquid assets) are managed by the Fiduciary Manager on a care and maintenance basis. Legacy illiquid assets are currently in wind-down and the proceeds received will be used to repay a company loan which partially funded the purchase of the buy-in contract.

4. Risk Management and Measurement

The Trustee considers that there are a number of different types of investment risk that are important for the Scheme. These include, but are not limited to:

Strategic risk

This is the risk that the performance of the Scheme's assets and liabilities diverges in certain financial and economic conditions. This risk has been taken into account in the Trustee's investment strategy review and will be monitored by the Trustee on a regular basis.

The Trustee will review the Scheme's investment strategy at least every three years in light of the various risks faced by the Scheme.

Investment manager risk

This is the risk that the investment managers fail to meet their investment objectives. The fiduciary manager monitors the investment managers on a regular basis.

Active manager risk

The Trustee understands that the use of active, rather than passive management introduces additional risk. Where active management is adopted, the Trustee deems the risk to be acceptable in the context of the Scheme's overall investment risk profile.

Fiduciary manager risk

There are risks associated with actions of the fiduciary manager and its selection of investment managers. The Trustee will monitor the continuing suitability of the fiduciary manager.

Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Trustee's ability to meet its investment objectives.

Currency risk

Whilst the majority of the currency exposure of the Scheme's assets is to Sterling, the Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets. The fiduciary manager on behalf of the Trustee considers the overseas currency exposure in the context of the overall investment strategy.

Interest rate and inflation risk

The Scheme's liabilities are exposed to interest and inflation risk, these are mitigated by the buy-in contract.

Liquidity risk

This is the risk that the Scheme is unable to realise assets to meet benefit cash flows as they fall due. The Trustee is aware of the Scheme's cash flow requirements and believe that this risk is managed appropriately via the buy-in contracts.

Environmental, social and governance risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Scheme's investments which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance.

Other non-investment risks

The Trustee recognises that there are other, non-investment, risks faced by the Scheme. Examples include:

- Sponsor covenant risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated).
- Decisions may be taken without appropriate advice or expertise
- Custody risks
- Derivative counterparty risks, such as the risk of insolvency.

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Scheme's funding position falls below what is considered an appropriate level. By understanding and considering each of the risks that contribute to funding risk, the Trustee and their advisors believe that they have addressed and are positioned to manage this general risk.

5. The Trustees' policy on financially material considerations and non-financial matters

The majority of the Scheme's assets are held in a buy-in policy with Aviva and L&G. Given the nature of the buy-in contract, the Trustee believes it has a limited scope to influence the ongoing stewardship and corporate governance activities of the insurer as a result it will not actively seek to monitor its activities and policies in this area.

For the remaining legacy illiquid assets, where possible, the Trustee has considered how ESG, climate change and other ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme. The Trustees believe that if these factors are considered and managed within the investments the Scheme holds, it is expected to produce better financial (and therefore member) outcomes.

In setting and implementing the Scheme's investment strategy, the Trustees do not explicitly take into account the 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).

The Trustee believes that ESG and climate change factors within an investment context can be financially material, and that by taking these financial and non-financial factors into account within the investment plan can yield different returns and/or risks. The Trustee also recognises that ESG factors, and particularly climate change factors are more likely to influence risk adjusted returns over the long term.

Without prejudice to the Trustee's legal obligations, the Trustee delegates full discretion to the fiduciary manager around the evaluation of ESG and climate change factors within the investment process and assets.

6. Stewardship

The Trustee recognises its responsibility as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to their fiduciary manager and investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations. As the remaining assets are legacy illiquid positions, the opportunity for active stewardship are limited.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. They expect the fiduciary manager to exercise ownership rights and undertake monitoring and engagement in line with its' own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code 2018 and the UK Stewardship Code 2020.

The fiduciary manager supports and expects the underlying managers, who are regulated in the UK, to comply with the UK Stewardship Code 2020, including public disclosure of compliance via an external website. For an underlying manger to be appointed they must also abide by the fiduciary manager's Responsible Investment and Exclusions policy.

7. Fee structures

The Trustee recognises that the provision of investment management, dealing and advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustee has agreed Terms of Business with the Scheme's fiduciary manager In addition, the underlying legacy illiquid investment managers levy fees based on a percentage of the value of the assets under management.

8. SIP compliance and review

The Trustee will monitor compliance with this SIP. In particular they will obtain confirmation from the fiduciary manager that they have complied with this SIP insofar as is reasonably practicable and that in exercising any discretion they have done so in accordance with Section 4 of the Occupational Pension Plan (Investment) Regulations 2005. The Trustee undertakes to advise the fiduciary manager and, where necessary, investment managers promptly and in writing of any change to this SIP.

The Trustee will review this SIP after consultation with their professional advisers once every three years, and immediately after any significant change in investment policy. Any material change to this SIP will only be made after having obtained and considered the advice of professional advisers who the Trustee reasonably believes 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 Plan investments.

Adopted by the Trustees with effect from: February 2025

Signed .... Name ....

Date ....

for and on behalf of the Trustee of the Graphic Packaging UK Pension Scheme