

Implementation Statement for the Ticona UK Pension Scheme

31 March 2024 – 31 March 2025

1. Background

The Trustees of the Ticona UK Pension Scheme (“the Scheme”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Scheme’s Statement of Investment Principles (“SIP”) during the previous Scheme year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found at:

<https://spondon.celanese.com/en/ticona-uk-pension-scheme>

2. Updates to both investment strategy and the SIP

In June 2024, the Trustees carried out a Bulk Annuity purchase in respect of broadly 100% of Scheme liabilities. The Bulk Annuity Insurer is Just Retirement Limited. This Bulk Annuity policy is currently owned by the Trustees i.e. it is a Buy-in policy not a Buy-out policy, although the intention is for it to be converted to the latter in due course as part of an eventual wind-up of the Scheme.

The vast majority of the Scheme’s legacy pooled investments that were managed by Columbia Threadneedle Management Limited (“CT”) were sold to fund the Bulk Annuity Purchase, however the Scheme is in a surplus funding position and so some surplus assets remain invested with CT.

In addition to the DB Funding assets above, the Scheme continues to hold some AVC assets with another provider.

The SIP was updated a couple of times in the year:

1. First in April 2024 to reflect the Trustees’ intention to Buy-in and the corresponding interim investment strategy, which was to hold various Liability Driven Investment pooled funds in order to approximately track Bulk Annuity Pricing.
2. Secondly in December 2024 to reflect the June 2024 Bulk Annuity Purchase and the agreed investment strategy for the surplus assets.

In general, the investment strategy changes were made first, based on suitable advice, and then the SIP was updated afterwards to reflect the changes (as opposed to the other way around).

Other than this there were no departures from the SIP during the year as far as the Trustees are aware.

3. Voting and Engagement

The Trustees are keen that their Bulk Annuity insurer and pooled investment manager are signatories to the UK Stewardship Code, which they are.

All of the Trustees' non-insured holdings during the Scheme year were within pooled funds. From 31 March 2024 to 31 March 2025, the Scheme held the following funds:

- Columbia Threadneedle Real Dynamic LDI Fund (up to June 2024)
- Columbia Threadneedle Nominal Dynamic LDI Fund (up to June 2024)
- Columbia Threadneedle Sterling Liquidity Fund

These pooled funds do not hold equities, and as such there are no voting rights to report on. Regarding wider engagement activities, the Trustees delegated discretion to their investment manager.

The Trustees have no influence over the investment activities of the Bulk Annuity insurer, and as of June 2024 only a small minority of the Scheme's assets remained invested outside of the Bulk Annuity Policy (those surplus assets were held in the Columbia Threadneedle Sterling Liquidity Fund). In this context, the Trustees have taken a proportionate approach to reporting engagement activities in this statement.