



Kemira GrowHow UK Limited Pension Fund

Chair's Statement

1 January 2021 to 31 December 2021

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01 Introduction

£17.5m

Total defined contribution funds in the Scheme as at 31 December 2021

This is the Chair’s Statement for the Kemira GrowHow UK Limited Pension Fund (the “Scheme”) covering the period 1 January 2021 to 31 December 2021.

As the Chair of the Trustees, I provide you with a yearly statement which explains what steps have been taken by the Trustee Board, with help from our professional advisers, to meet the new governance standards. The law sets out what information has to be included in my Statement and this is designed to help members achieve a good outcome from their pension savings.

The Scheme is a hybrid Scheme with a defined contribution (‘DC’) section providing benefits to members depending on their membership category. The Scheme is being used as a qualifying scheme to comply with the automatic enrolment legislation in the UK, in relation to current employees.

The Scheme has a default investment option and this is explained further in Section 2.

01.01 Governance and Queries

The Trustees are committed to having high governance standards. The Trustees meet regularly to monitor the controls and processes in place in connection with the Scheme’s investments and administration.

I welcome this opportunity to explain what the Trustees do to help ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out, or any suggestions about what can be improved, please contact XPS Pensions Limited.

The Scheme was established by the first Definitive Deed dated 1 January 1998 in order to provide benefits for employees of Kemira GrowHow UK Limited.

I, Susan Anyan, on behalf of Capital Cranfield Pension Trustees Limited was appointed as the Chair of the Trustees and I am signing this Statement in that capacity.

02 Default Investment Strategy

Statement of Investment Principles (SIP)

A copy of the SIP, which sets out the objectives for the Scheme's investment strategy, can be found in Appendix B

02.01 The default investment options

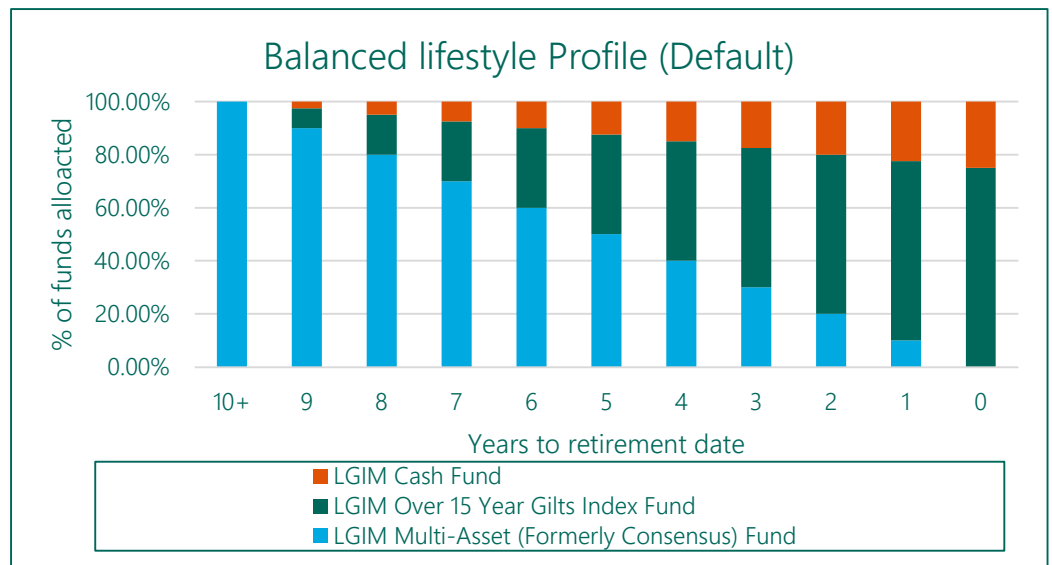
If members do not make their own investment choices in the Scheme, their funds are invested in the "default investment option".

Pre-Retirement Default

The Scheme's default investment option is called the Balanced Lifestyle Fund. This is what is known as a "lifestyle" strategy, which seeks to automatically switch investments gradually into lower risk funds as members approach retirement.

When members are more than 10 years from their target retirement date, the Balanced Lifestyle Fund is invested entirely in the LGIM Multi-Asset (formerly Consensus) Fund. This fund invests in a mixture of equities (shares in companies) and bonds, aiming to achieve long-term capital growth whilst avoiding excessive risk. The LGIM Multi-Asset (formerly Consensus) fund is "passively managed", which means it aims to track an index, rather than make regular trades to try to achieve excess returns.

Once members are within 10 years of their target retirement date, the Balanced Lifestyle Fund gradually switches their investments into the LGIM Over 15 Year Gilts Index Fund ("Gilts") and the LGIM Cash Fund ("Cash"). This continues until, at their target retirement date, 75% of the investment is in Gilts. The remaining 25% is in Cash.

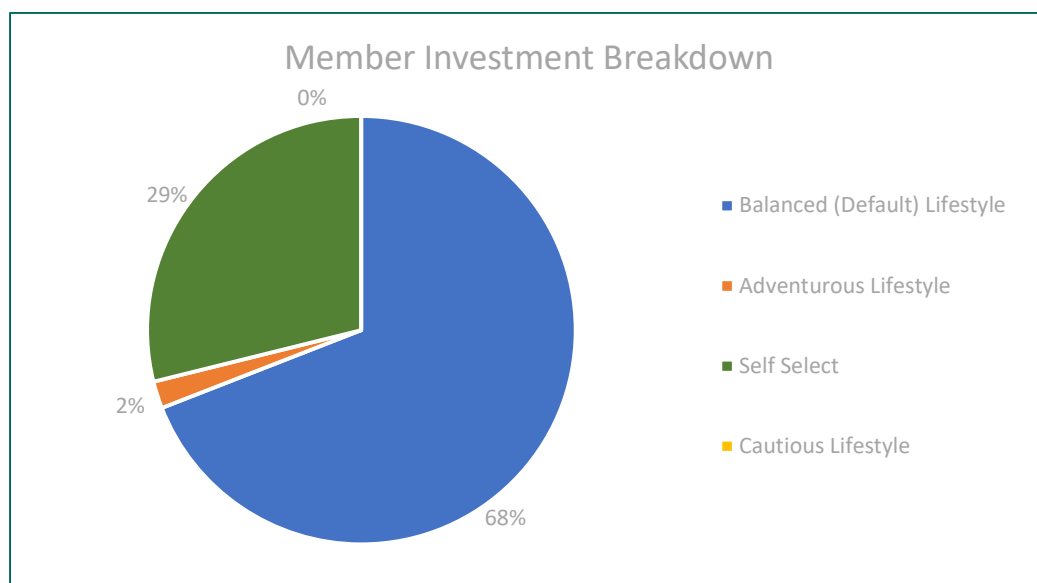


The aim of the lifestyle fund overall is to reduce the risk of market volatility impacting members funds at retirement. In the early years, money is invested in funds with greater growth prospects. As retirement approaches, the individual's account is automatically switched gradually over 10 years into lower-risk investment funds. The default lifestyle is most appropriate for members wishing to buy an annuity at retirement.

Members can opt out of the default investment option and invest in any other funds or lifestyles offered by the Trustee Board.

Default Investment Strategy continued

Profile options: lifestyle vs self-select



Within the period covered by this report, around 68% of members had their contributions invested in the default investment option. This figure (in comparison to other similar pension schemes) is low and indicates a degree of member engagement in actively selecting their investment choice.

Post Retirement Default

For members who elect to take advantage of the freedoms offered direct from the Scheme a default option has been set where members move into Flexi Access Drawdown and are invested in a default investment option. The Post Retirement default is Schroders Dynamic Multi-Asset Fund Series 1 which invests in a broad range of assets and aims to deliver long-term growth with reduced risk.

02.02 Reviewing the default investment arrangements

The Trustees are expected to review the investment strategy and objectives of the default investment options at regular intervals.

As required under legislation, a full review must be carried out at least every 3 years. The last formal strategic review was completed on 1 November 2021. The review took account the Company and Trustees long-term view of arrangements for the Scheme along with the continuous monitoring of the investment performance and how members are accessing their benefits at retirement.

The lifestyling options are kept under review for suitability in the light of the choices that members make at retirement. It is noted that the lifestyling element will become more relevant as more members approach their target retirement date

The review of the default investment options were given particular consideration looking at the characteristics of members who are enrolled in the default investment options (because they made no investment choice) to ensure they take into account the needs of the Scheme membership to ensure the default investment arrangements remained appropriate.

The most recent formal strategic review commenced in November 2021.

Default Investment Strategy continued

In addition to considering the membership profile, the Trustees also look at the level of risk and number and range of investment funds offered to members, changing long-term investment market conditions and the investment products and techniques available in the marketplace.

During the period covered by the Statement, the Trustees have continued to monitor the performance of the underlying funds in the Balanced Lifestyle and the Post Retirement Default options against the aims and objectives set out in the Statement of Investment Principles (SIP). This review included analysis of the fund returns against their benchmarks and consideration of general market trends.

As a result of the monitoring over the period covered by this statement, along with advice from the Scheme's investment advisors, the Trustees concluded that the current (Balanced Lifestyle and the Post Retirement) Default arrangements have met their aims and objectives as laid out in the Statement of Investment Principles and offer the members good value

03 Net returns, charges and transaction costs

03.01 Net returns

Changes to legislation introduced in October 2021 require trustees of relevant occupational pension schemes to report on the net investment returns for the default arrangement(s) and for each fund which Scheme members are, or have been able to, select, and in which Scheme members are invested during the Scheme year.

Net investment returns refer to the returns on funds after the deduction of all transaction costs and charges and including them in this statement is intended to help members understand how their investments are performing. More details of this are set out in Appendix A.

03.02 Fund Performance

The Trustees have selected a range of funds which they believe to be appropriate for members of the Scheme. The funds are managed by Legal & General Investment Management (LGIM) and Schroders.

XPS provide the Trustees with quarterly investment performance information to monitor the Default Investment, which it reviews and challenges in Trustee meetings. The Trustees raise performance questions directly with LGIM, Schroders and also with XPS, the appointed investment adviser.

This table shows how the Default options have performed for members at three different ages, over the last year with a target retirement date of 65. The investment manager is currently preparing the net returns for the 5 year period for the default lifestyle based on the new regulations and guidance. This was not received at the time of preparing this statement. The Trustees and their advisers are working to ensure that this information will be included in future statements.

The annualised 5 year returns for the underlying funds with the Balanced Lifestyle Fund are shown in the Self-select table below.

| | Annualised Net Ret | | |
|-----------------------------------|--------------------|--------|--------|
| | Age 25 | Age 45 | Age 55 |
| Balanced Lifestyle Fund | | | |
| 1 year return to 31 December 2021 | 7.96% | 7.96% | 7.96% |

| Post Retirement Default* | Annualised Net Ret |
|-----------------------------------|--------------------|
| 1 year return to 31 December 2021 | 7.40% |
| 5 year return to 31 December 2021 | 4.40% |

* Schroders Dynamic Multi-Asset Fund Series 1

Source: Legal & General Investment Managers (LGIM) December 2021. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest

Figures are net of fees but members should be aware that the level of charges and transaction costs paid by members on the default strategies depends on the underlying mix of assets based on the age of the member and duration to retirement.

Net returns, charges and transaction costs continued

03.03 Self-select Funds

The table below shows the annualised net return for the past 1-year and 5-year periods for each of the Self-Select Funds.

| | Annualised Net Ret | | |
|-----------------------------------|--------------------|--------|--------|
| | Age 25 | Age 45 | Age 55 |
| 1 year return to 31 December 2021 | | | |
| Cautious Lifestyle | 7.96% | 7.96% | 7.96% |
| Adventurous Lifestyle | 18.7% | 18.7% | 18.7% |
| Cash Lifestyle | 7.96% | 7.96% | 7.96% |

As before, the investment manager is currently preparing the net returns for the 5 year period for the lifestyle arrangements based on the new regulations and guidance. This was not received at the time of preparing this statement. The Trustees and their advisers are working to ensure that this information will be included in future statements. An indicator is provided in the table below showing those funds which form part of the different lifestyle strategies.

| | 5 year (2017 – 2021) | 1 year (2021) |
|---|-------------------------|------------------|
| Self-Select Fund | | |
| LGIM Managed Property | 6.00% | 19.20% |
| LGIM Global Equity 70:30 Index Fund ³ | 7.70% | 18.70% |
| LGIM Over 15y Gilts Index Fund ^{1 2 3} | 4.00% | -7.40% |
| LGIM Multi-Asset Fund ^{1 2 4} | 6.70% | 8.00% |
| LGIM UK Equity Index Fund | 5.50% | 18.30% |
| LGIM Cash Fund ^{1 2 3 4} | 0.20% | -0.10% |
| Schroder Life Global Equity Fund | 15.80% | 22.90% |
| Schroder Life UK Equity Portfolio | 5.30% | 12.70 |
| Schroder Life Dynamic Multi Asset Fund ⁵ | 4.80% | 7.80% |
| Schroder Life Diversified Growth Fund | 5.30% | 7.50% |

¹part of the Default lifestyle

²part of the Cautious lifestyle

³part of the Adventurous lifestyle

⁴part of the Cash lifestyle

⁵the Post Retirement Default

Source: Legal & General Investment Managers (LGIM) and Schroders December 2021. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest.

Net returns, charges and transaction costs

continued

Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose

03.04 Investment Manager Charges

The Trustees have selected a range of funds which they believe to be appropriate for members of the Scheme. The funds are managed by Legal & General Investment Management (LGIM) and Schroders.

The funds available are a mix of “passively managed” funds, which means they aim to track an index, and “actively managed” which make regular trades to try and achieve excess returns over passively managed funds. Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose, or select the lifestyle investment option. Alternatively, if they do not make a choice, their funds will be invested in the default investment option.

The charges and other expenses applied to the default investment option (which are averaged across the membership based on the split of their investments), along with the other available portfolio options and self-select funds available to members during the Scheme year, were:

| Fund Name | Annual Management Charges (AMC) | Other expenses | Total Expense Ratio |
|---|---------------------------------|----------------|---------------------|
| Default Investment Option | | | |
| Balanced lifestyle Fund (default) | 0.11-0.26% | 0.00% | 0.11-0.26% |
| Self-Select Funds | | | |
| LGIM Managed Property | 0.88% | 0.66% | 1.53% |
| LGIM Global Equity 70:30 Index Fund ³ | 0.21% | 0.00% | 0.21% |
| LGIM Over 15y Gilts Index Fund ^{1 2 3} | 0.10% | 0.00% | 0.10% |
| LGIM Multi-Asset Fund ^{1 2 4} | 0.26% | 0.00% | 0.26% |
| LGIM UK Equity Index Fund | 0.18% | 0.00% | 0.18% |
| LGIM Cash Fund ^{1 2 3 4} | 0.12% | 0.00% | 0.12% |
| Schroder Life Global Equity Fund | 0.53% | 0.00% | 0.53% |
| Schroder Life UK Equity Portfolio | 0.54% | 0.00% | 0.54% |
| Schroder Life All Maturities Corporate Bond Fund | 0.26% | 0.00% | 0.26% |
| Schroder Life Dynamic Multi Asset Fund ⁵ | 0.26% | 0.00% | 0.26% |
| Schroder Life Diversified Growth Fund | 0.72% | 0.03% | 0.75% |
| Other Portfolios | | | |
| Lifestyle Option 2 - Cautious | 0.11-0.26% | 0.00% | 0.11-0.26% |
| Lifestyle Option 3 - Adventurous | 0.17-0.22% | 0.00% | 0.17-0.22% |
| Lifestyle Option 4 - Cash | 0.12-0.26% | 0.00% | 0.12-0.26% |

(Source: Legal & General Investment Management, Schroders)

¹part of the Default lifestyle ²part of the Cautious lifestyle

³part of the Adventurous lifestyle ⁴part of the Cash lifestyle

⁵the Post Retirement Default

Members may select any of the funds above and switch between these options should they wish.

Transaction costs are costs associated with buying and selling of investments and include for example stamp duty and brokerage fees. Transaction costs are incurred when contributions are invested, on switching between funds and when selling investments to take benefits. The following table indicates transaction costs incurred by each of the funds available for investment over assessment periods monitored by the investment manager:

Net returns, charges and transaction costs

continued

| Fund Name | Transaction Costs (% of funds traded) |
|---|--|
| Default Investment Option | |
| Balanced lifestyle Fund | 0.01-0.03% |
| Self-Select Funds | |
| LGIM Managed Property | -0.3012% |
| LGIM Global Equity 70:30 Index Fund ³ | 0.0151% |
| LGIM Over 15y Gilts Index Fund ^{1 2 3} | 0.0386% |
| LGIM Multi-Asset Fund ^{1 2 4} | 0.0037% |
| LGIM UK Equity Index Fund | 0.0177% |
| LGIM Cash Fund ^{1 2 3 4} | 0.0217% |
| Schroder Life Global Equity Fund | 0.1900% |
| Schroder Life UK Equity Portfolio | 0.0341% |
| Schroder Life All Maturities Corporate Bond Fund | 0.0000% |
| Schroder Life Dynamic Multi Asset Fund ⁵ | 0.2244% |
| Schroder Life Diversified Growth Fund | 0.3500% |
| Other lifestyle Funds | |
| Lifestyle Option 2 - Cautious | 0.01-0.03% |
| Lifestyle Option 3 - Adventurous | 0.02-0.03% |
| Lifestyle Option 4 - Cash | 0.01-0.02% |

(Source: Legal & General Investment Managers and Schroder Investment Management)

¹part of the Default lifestyle ²part of the Cautious lifestyle

³part of the Adventurous lifestyle ⁴part of the Cash lifestyle

⁵the Post Retirement Default

A negative transaction cost indicates that transacting has resulted in a net revenue rather than a net cost for the fund.

03.05 Administration Charge

The Employer pays all administration charges with the exception of the Post-Retirement Flexi-Access Drawdown fee (noted below) and the small transaction costs detailed in this statement. The Employer also pays the cost of insured lump sum death in service benefits as part of the Scheme.

Member charges Post Retirement

If a member chooses to place their funds in Flexi-Access Drawdown or leave the whole fund invested and make withdrawals throughout retirement, they will be charged a fixed administration charge of 0.4% of their fund plus £50 p.a. These charges will be deducted directly from their post retirement investment fund(s) on 1 January each year.

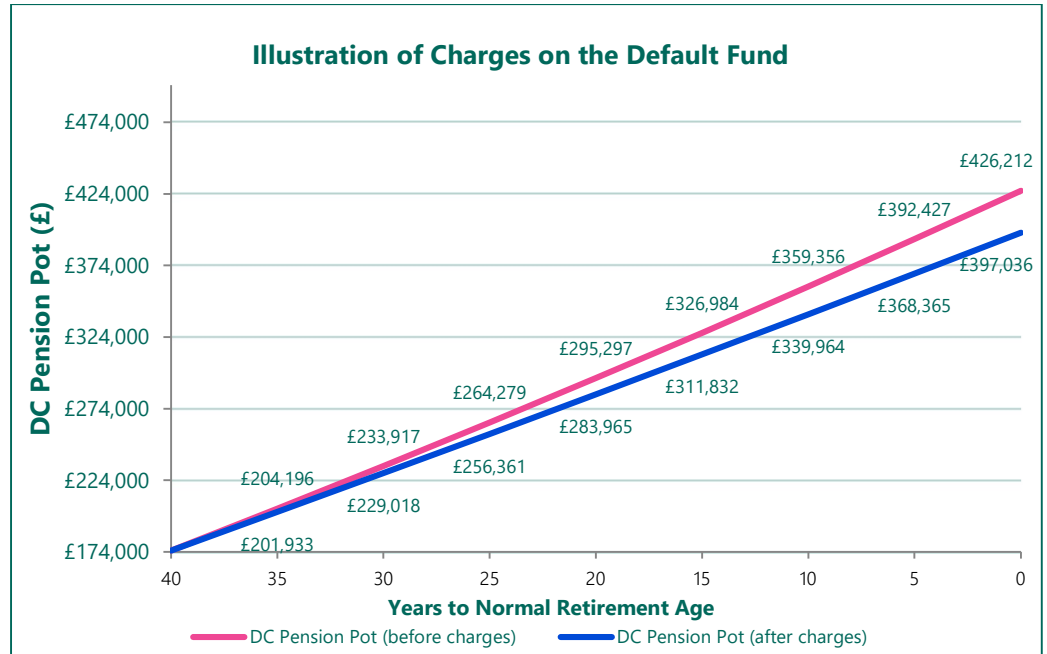
03.06 An illustration of the charges levied on members

The Trustees are required to produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

Net returns, charges and transaction costs

continued

Below you can find an illustration of the effect of the Total Expense Ratio and transaction costs met by members. The below is an example pension pot, invested in the default investment strategy, and is in real money terms, taking into account the effect of inflation. Further information is in Appendix A.



Please note that this is for illustration purposes only. The actual returns received are likely to differ over time, as will individual member pension pot sizes. This illustration is based on:

- > The Scheme's default investment option used by circa 68% of members (see Section 2).
- > An initial pension pot of £175,104 – which is the average pot size in the period
- > Contributions of 13% throughout the period, on earnings of £39,000 pa.
- > Investment returns estimated as 3.30% pa / 3.04% pa (gross/net of charges) for the LGIM Multi Asset Fund in which all monies are invested until 10 years before the member's Normal Retirement Date.
- > Investment returns estimated as 0.85% pa / 0.71% pa (gross/net of charges) for the LGIM Over 15 Year Gilts Index Fund and -0.10% pa / -0.24% pa (gross/net of charges) for the LGIM Cash Fund. Monies are gradually switched into over the 10 years before the member's Normal Retirement Date.
- > Inflation of 2.5% pa and salary increases of 2.5% pa.
- > The Investment Manager Charges as stated in the above section, which are correct as at 31 December 2021 (they may have changed since then).

03.07 What are the assumptions based on?

In preparing these illustrations, the Trustees have had regard to:

- > The Department for Work and Pensions' 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes';
- > Actuarial Standards Technical Memorandum 1 (AS TM1 v4.2) issued by the Financial Reporting Council; and
- > The Financial Conduct Authority (FCA) Transaction cost disclosure in workplace pensions Policy Statement PS17/20.

04 Core financial transactions

04.01 Assessing Core Transactions

During the year, the Trustees ensured the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 were met and that the Scheme's core financial transactions were processed promptly and accurately by:

- > having an agreement in place with XPS Pensions Limited (as "Scheme Administrator" or "Administrator"), committing them to defined service level agreements ("SLAs"). Amongst other matters, this covers the accuracy and timeliness of all core financial transactions;
- > having XPS Pensions Limited report on their performance against the SLAs above as a means of monitoring that the SLA requirements are being met and to cover what they do to ensure no issues arise; and
- > having the Scheme auditor independently test a sample of financial transactions for accuracy and timeliness as part of the annual audit process.

Where any error or issue is identified, the Trustees take appropriate steps to resolve and take action as required. We can confirm there were no material issues in the Statement period on which to report. As part of the journey-planning, a risk register is maintained in order to minimise the occurrence of any issues and to understand any root cause.

The core financial transactions include:

- > **The investment of contributions** - The Scheme Administrator monitors the payment of contributions to the Scheme by the Company, ensuring that these are paid within statutory timescales. Any late payment outside these timescales is reported directly to the Trustees and appropriate action taken. The settlement of all DC funds is actioned promptly by the Administrator and the Trustees monitor the service standards of the Administrator.
- > **The transfer of assets relating to members into and out of the Scheme** - The Administrator maintains and reconciles comprehensive records of individual member's contributions and fund values. Contributions are invested within five working days of receipt. Any investments withdrawn or transferred to another scheme are processed within 12 working days following receipt of all relevant paperwork, subject to any investigations required where there is evidence of a pensions scam.
- > **The transfer of assets relating to members between different investments within the Scheme** - Transfers between Scheme investments take place annually in February (to rebalance members funds if in one of the Scheme's lifestyles) and in respect of individual members switches are accomplished as quickly as possible.
- > **Monitoring of bank accounts** - There is a dedicated contribution processing team, checking investment and banking transactions.
- > **Payments to members** - All payments out of the Scheme in respect of members' benefits are made in line with standard checks. This includes agreed processes and authorisation levels to ensure any payment made is calculated correctly and in line with the Scheme rules and legislation and also complies with HMRC rules and guidance. In addition, every effort is made to check for possible pension scams.

Noting the requirement for accurate member data to process contributions and payments correctly, the Trustees are taking steps to continually review and where necessary, correct any problems with the member data which is held by the Scheme Administrator. This is reported each year to the Pensions Regulator in the online scheme return.

05 Value for Members

05.01 Assessment of Value

When assessing the charges and transaction costs that are payable by members, the Trustees are required to consider the extent to which the investment options and the benefits offered by the Scheme represent good value for members when compared to other options available in the market.

The Trustees have concluded that the charges and transaction costs shown in this Statement represent good value for members having considered the following elements:

- > the **processes that are in place** to ensure the efficient administration and governance of the Scheme (which include those explained in the 'Core financial transactions' and the 'Knowledge and understanding of the Trustees' sections of this Statement);
- > the **returns achieved by the investment funds** compared to the charges and transaction costs that are met by members (as set out in this Statement);
- > the **type and range of investment options** that are offered do allow members to target the most popular retirement choice(s). In addition, a range of self-select funds, covering a broad range of asset types, are available for those who wish to manage their own investment approach. The Trustees regularly monitor both the performance and appropriateness of the funds and can take action to make changes when required. Each year, the Trustees review at a meeting the member investment choices to look at how members' funds are invested. The Trustees discuss whether they are satisfied that the investment funds offered and communications concerning those investment funds are appropriate and offer members the opportunity to maximise the value of contributions to the Scheme. As mentioned previously the full investment review was commenced in the period of the report and actions are now being taken to improve this position.
- > the **quality of communications** and other services provided to members on an annual and ad-hoc basis that are provided by the Scheme Administrator within the legal timescale;
- > the Scheme's **contribution structure** provides members with a generous employer contribution rate of 9% when the minimum rate required by members at 4% is made. This offers members a good opportunity of achieving a good outcome at retirement.

05.02 Service Providers

In addition to assessing the costs charged by service providers, the Trustees keep providers' service levels under review. This is to ensure that the services provided reflect the SLAs and continue to meet the needs of the members.

As an example, meetings are held with XPS Pensions Limited representatives to discuss their performance as third-party administrator in order to ensure that administrative performance meets the standards set by the Trustees.

In order to ensure the services provided remain the most appropriate and offer value for members, the Company and Trustees will from time to time put services out to tender.

05.03 Communications

Good member communications are crucial to achieving good value. The Trustees and Company are engaged in ongoing efforts to improve communications with members and are considering provision of access to an online tool and website. Another aim of the Trustees is that their service providers introduce, where possible, more user-friendly and online communications for the membership.

Value for Members

Continued

Each year XPS spend a week on site at the Employer and members are given the opportunity to book a 1:1 consultation to discuss anything pensions related.

As an example, the Trustees remind all members annually whether they are invested in the default strategy and stresses the importance of reviewing their investments on a regular basis to make sure they remain appropriate to their needs.

05.04 COVID-19

Throughout 2021, the global pandemic caused by the Covid-19 virus continued to have an impact on members' benefits. Whilst the markets have now stabilised somewhat, members continue to face periods of volatility in the short to medium term which could still have an impact on their retirement planning.

The Trustees carried out an extensive assessment to ensure that they effectively carry out their duties to govern the Scheme. This includes seeking assurances that all providers continue to be able to maintain their services.

It is important to note that in periods of market volatility that members are unlikely to have permanently lost money during this volatility and members are reminded that pensions are long-term investments, the chances are that markets will rise again in the future.

The Trustee Board reviews the Scheme's risk register at least annually to ensure that all services remain effective and reminds members to be vigilant around the effects of market volatility and the increased awareness of cases of pension scams.

05.05 Flexibility - accessing benefits

The Trustees offer members direct access to Flexi Access Drawdown direct from the Scheme. In addition, members (who meet prescribed conditions under legislation) also have the option to take an Uncrystallised Funds Pension Lump Sums.

The benefits of membership include (amongst other things) the design of the default arrangement and how this reflects the interests of members in matching the investment profile to their desired retirement choice.

05.06 Conclusion

Assessment of value for members is an ongoing process and the Trustees undertake a review each year to ensure the Scheme continues to offer good value, and that any changes in legislation, market conditions or member views are reflected for benefits of members. The Trustees should look to better understand its members by gathering their views.

The review reported that the Trustees met all their legal obligations but that improvements could be made in certain areas. Any change should take a pragmatic approach and overall, the Trustees deemed that the Scheme does provide members with reasonable value.

06 Trustee Knowledge and understanding

06.01 Knowledge and understanding of the Trustees

The Trustees are satisfied that they have complied with the knowledge and understanding requirements set out in section 248 of the Pensions Act 2004.

The Trustees have knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. This is evidenced by the Trustees' interaction with its advisers as shown in the Trustees' meeting minutes, and the governance framework established by the Trustees.

The Trustee Board has access to key Scheme documentation through a central online portal.

The Trustees have exercised their discretions and powers in line with the Trust Deed and Rules, current legislation and, where required, legal advice has been taken, demonstrating their working knowledge of the Scheme's Trust Deed and Rules.

06.02 Trustee Training

In-house training is offered, use of the Pensions Regulator's (TPR's) online Trustee Toolkit is encouraged, and trustees attend external seminars and updates. Any new trustee is expected to carry out this training and be fully conversant with the Scheme's documentation within six months. A log of trustee participation in training is maintained by the Trustees, and the Trustees are regularly polled regarding the training that they would find most valuable and to identify any gaps in knowledge.

Part of the decision to appoint a professional independent trustee was in order to ensure that the Trustee board has sufficient knowledge, experience and understanding to carry out its duties effectively. Capital Cranfield, the professional Trustee, became the Chair of the Trustee Board of the Scheme in 2019

The Trustees' advisers provide in-meeting training on new legislation and literature published by TPR relating to its Codes of Practice, in particular Code of Practice no. 13.

During the period covered by this Statement the Trustees had a number of training sessions, which covered the following areas:

- **Investment training** - investment classes and Environmental, Social and Governance (ESG)

The Trustees also make use of a team of expert advisers. Investment advisers, representatives from the third-party administrator, and other experts including legal advisors regularly attend meetings of the Trustees.

06.03 Conclusion

As a result of the training activities completed by the Trustees (both individually and collectively), and taking into account the professional advice available, I am confident that the combined knowledge and understanding of the Trustees have enabled them to properly exercise their function.

07 Conclusion

“Overall, the conclusion is that the Scheme is continuing to deliver value for money to the members”

The annual production of this Statement provides members with a narrative of how the Trustees look after members’ interests, especially in the areas of the five key elements within this Statement listed below.

- > Default investment strategy
- > Charges and transaction costs
- > Core financial transactions
- > Providing Value for Members
- > Trustee Knowledge and Understanding

The Trustees will continue to monitor these key areas and report to members both via the annual Chair’s Statement and other communications as appropriate. In conclusion, with the continual monitoring and the reviews detailed here, I am pleased to be able to submit this report in accordance with the Chair’s Statement requirements. I believe that the Scheme was operated and governed appropriately during the reporting period.

Signature

Date

Name

Qualification

Susan Anyan

Chair of the Trustees

(on behalf of Capital Cranfield Pension Trustees Limited)

Kemira GrowHow UK Limited Pension Fund

Appendix A Projections

A.01 Projection assuming future contribution

The schedule below provides an illustration of the real accumulated fund that might be available from the Scheme when a member retires at various intervals. The notes below indicate the assumptions used within the illustration to arrive at the real accumulated fund. The illustrations provide an indication of the values before any charges are incorporated and after all costs and charges are incorporated to assist in seeing the effect of all costs and charges.

| Investment Return | Default Lifestyle | | LGIM Over 15 Year Gilts Index Fund ¹ | | LGIM Property Fund ² | | Post Retirement Default ³ | |
|--------------------------------|---------------------------------|--------------------------------|---|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| | 2.94% | 2.69% | 0.85% | 0.71% | 2.65% | 1.12% | 3.30% | 3.30% |
| Charges | 0.00% | 0.24% | 0.00% | 0.14% | 0.00% | 1.53% | 0.00% | 0.89% |
| Years to Normal Retirement Age | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) |
| 40 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 |
| 35 | 204,196 | 201,933 | 185,507 | 184,319 | 201,522 | 187,811 | 207,580 | 199,322 |
| 30 | 233,917 | 229,018 | 195,099 | 192,757 | 228,134 | 199,684 | 241,344 | 223,435 |
| 25 | 264,279 | 256,361 | 203,943 | 200,485 | 254,941 | 210,777 | 276,445 | 247,441 |
| 20 | 295,297 | 283,965 | 212,098 | 207,561 | 281,944 | 221,142 | 312,938 | 271,343 |
| 15 | 326,984 | 311,832 | 219,618 | 214,041 | 309,146 | 230,825 | 350,878 | 295,139 |
| 10 | 359,356 | 339,964 | 226,551 | 219,975 | 336,548 | 239,873 | 390,321 | 318,832 |
| 5 | 392,427 | 368,365 | 232,944 | 225,409 | 364,150 | 248,327 | 431,328 | 342,420 |
| 0 | 426,212 | 397,036 | 238,839 | 230,386 | 391,956 | 256,225 | 473,961 | 365,905 |

¹Lowest charging fund

²Highest charging fund

³Post Retirement Default option uses Schroder Life Dynamic Multi Asset Fund

Notes:

- > The projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of inflation.
- > The starting pot size is assumed to be £175,104. This is the average pot size of members that are currently active in the Scheme.
- > Inflation is assumed to be 2.5% each year.
- > 13% contributions are assumed to be paid for the periods shown, using a salary of £39,000 increased each year in line with inflation.
- > All values are estimates and cannot be guaranteed to apply for the future. What happens to your own individual circumstances may vary considerably from these general assumptions.
- > It is also important to note that the amount of real accumulated fund will depend on the actual contributions paid, the way in which your own fund is invested and the investment growth it achieves.

Projections

Continued

A.02 Projection assuming no further contribution

The schedule below provides an illustration of the real accumulated fund that might be available from the Scheme when a member retires at various intervals. The notes below indicate the assumptions used within the illustration to arrive at the real accumulated fund. The illustrations provide an indication of the values before any charges are incorporated and after all costs and charges are incorporated to assist in seeing the effect of all costs and charges.

| Investment Return | Default Lifestyle | | LGIM Over 15 Year Gilts Index Fund ¹ | | LGIM Property Fund ² | | Post Retirement Default ³ | |
|--------------------------------|---------------------------------|--------------------------------|---|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| | 2.94% | 2.69% | 0.85% | 0.71% | 2.65% | 1.12% | 3.30% | 3.30% |
| Charges | 0.00% | 0.24% | 0.00% | 0.14% | 0.00% | 1.53% | 0.00% | 0.89% |
| Years to Normal Retirement Age | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) | DC Pension Pot (before charges) | DC Pension Pot (after charges) |
| 40 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 | 175,104 |
| 35 | 178,885 | 176,773 | 161,457 | 160,350 | 176,389 | 163,604 | 182,045 | 174,337 |
| 30 | 182,748 | 178,458 | 148,873 | 146,840 | 177,683 | 152,859 | 189,261 | 173,573 |
| 25 | 186,694 | 180,159 | 137,270 | 134,468 | 178,987 | 142,820 | 196,763 | 172,812 |
| 20 | 190,726 | 181,876 | 126,572 | 123,138 | 180,301 | 133,440 | 204,562 | 172,055 |
| 15 | 194,844 | 183,609 | 116,707 | 112,763 | 181,624 | 124,676 | 212,671 | 171,300 |
| 10 | 199,052 | 185,359 | 107,611 | 103,262 | 182,957 | 116,488 | 221,101 | 170,550 |
| 5 | 203,350 | 187,126 | 99,224 | 94,561 | 184,300 | 108,837 | 229,865 | 169,802 |
| 0 | 207,741 | 188,910 | 91,491 | 86,594 | 185,652 | 101,689 | 238,976 | 169,058 |

¹Lowest charging funds

²Highest charging fund

³Post Retirement Default option uses Schroder Life Dynamic Multi Asset Fund

Notes:

- > The projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of inflation.
- > The starting pot size is assumed to be £175,104. This is the average pot size of members that are currently active in the Scheme.
- > Inflation is assumed to be 2.5% each year.
- > No contributions are assumed.
- > All values are estimates and cannot be guaranteed to apply for the future. What happens to your own individual circumstances may vary considerably from these general assumptions.
- > It is also important to note that the amount of real accumulated fund will depend on the actual contributions paid, the way in which your own fund is invested and the investment growth it achieves.



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