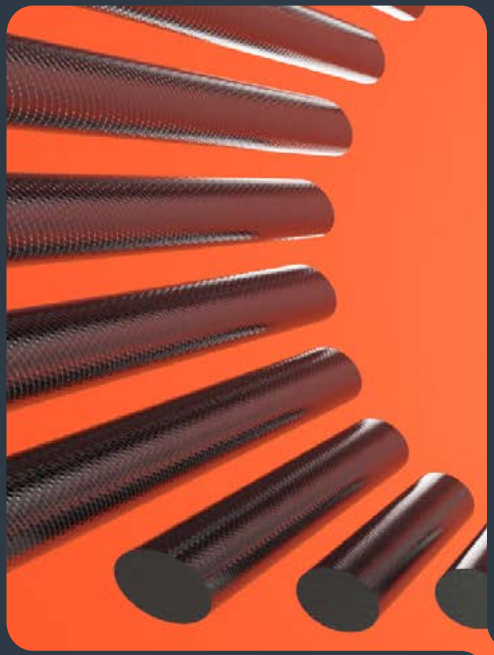


MEMBERS' REPORT

Rhodia Pension Fund

Rhodia Pension Fund (RPF) Benefit Category
Final Salary Scheme

Money Purchase (MP) Benefit Category
Money Purchase Scheme

2023



This report covers the financial highlights from the Report & Accounts for the year ending 31 December 2023, signed off on 12 July 2024, together with relevant commentary for thesubsequent period.

SYENSQO
ADVANCING HUMANITY

WELCOME

to this year's *Members' Report*. We hope this provides a convenient way for you to keep updated on your pension fund and the wider world of pensions.

Key messages for 2023/2024

- The Solvay Group separated into two entities in December 2023 with Solvay Solutions UK Limited, the Fund's sponsoring employer, becoming part of the Syensqo business. As you'll recall, as part of this change, a £75m one-off contribution was made to the Fund and the existing Group support in the form of a 'payment undertaking', passed from Solvay to Syensqo. These measures were negotiated by the Trustee with support from our Fund actuary, investment consultant, legal adviser and covenant adviser.

  The Trustee continues to monitor the financial position of the Fund regularly and I am pleased to advise that it remains in a resilient funding position. You can find more information on page 12.

  Furthermore, the separation of the Solvay Group has been successful. Our covenant adviser monitors the performance of the Syensqo Group closely and we are encouraged by the fact it is trading well.

- A triennial valuation of the Fund became due as at 1 January 2024. Following advice from our advisers, we are now seeking to agree the assumptions, as required by legislation, with the Company. I'm pleased to say that this is proceeding smoothly and the Syensqo Group is well aware of its responsibility to support the Fund.

  As part of this process, the investment strategy is being reviewed to ensure it is achieving satisfactory investment performance whilst managing the associated risks. Discussions with the Company are in progress on this also. A full report on investment conditions over 2023/24 and investment issues relevant to the Fund can be found on page 7.

- A Company-led project is currently under way to potentially consolidate money purchase arrangements across the UK to provide better value for money, improved member choices and an enhanced member experience. The Trustee is supportive of this initiative and has been invited to participate in the process to ensure that any proposed changes deliver the improvements that we would require.

- The UK general election took place on 4 July 2024. The election was the first general election victory for Labour since 2005 and ended the Conservatives' 14-year tenure as the primary governing party. The new government has made clear that public finances are in poor shape and revenue-raising measures will be necessary. In light of the autumn budget on 30 October 2024, we have included a brief overview of some changes to inherited pensions on page 10.

- State pensions increased in line with inflation in April 2024, with the new government remaining committed to the triple lock. The weekly State pension rose from £203.85 in 2023/24 to £221.20 in 2024/25.

It will take only 15 minutes to read this newsletter, which contains important information for all members, and I hope that it offers some reassurance and understanding about how your pension is managed. If there is a particular topic you would like to see us cover in a future update, or if you have any questions or queries, please get in touch using the contact details on page 22.

Finally, may I take this opportunity to wish you a happy Christmas and every success for 2025.

Sandy MacKenzie
Chair of the Trustee

November 2024

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Recent developments

Changes ahead for inherited pensions

In the autumn 2024 budget, the chancellor announced that almost all pension benefits will form part of a deceased individual's estate for inheritance tax (IHT) purposes from April 2027.

This means that the value of pension death benefits will be taken into account when calculating the overall value of a person's estate (property, money and possessions) and any IHT due. If the total value of the estate exceeds the nil-rate band, which is currently £325,000 (and any other allowances or exemptions available), the excess will be subject to IHT at a rate of 40%.

This change will apply equally to DB and DC pension schemes with limited exemptions only for dependant's scheme pensions and charity lump sum death benefits.

The rules are complex, and a government consultation is under way to determine how this new approach will be put into practice.

New tax allowances

You can usually take up to 25% of your pension as a tax-free lump sum. The new Lump Sum Allowance (LSA) limits this to £268,275, unless you have previously applied to HMRC for Lifetime Allowance (LTA) protection (in which case a higher limit may apply). There is also the Lump Sum and Death Benefit Allowance (LSDBA), which restricts the amount of lump sum death benefits that can be paid tax free from all registered pension schemes to £1,073,100 (unless you have LTA protection, in which case a higher limit may apply).

Get to know your pension

The Department for Work and Pensions has produced a retirement planning guide as part of its 'Get to know your pension' project. Set out in simple steps, it helps you plan for the retirement you want, looking at things to consider like getting a State pension forecast and how to track down a lost pension. It also debunks some pensions myths and provides signposts to further information and support. Go to **www.yourpension.gov.uk** to get started.

Don't forget: you won't automatically receive your State pension, you have to claim it from the government. You should receive a letter no later than two months before you reach State pension age advising you on what to do. You can either claim your State pension as soon as you retire or defer payment until a later date.

Further information on your State Pension can be found by visiting **www.gov.uk/check-state-pension**

For those members in receipt of a temporary bridging pension, our pension administrators will write to you six months in advance of you receiving your State pension to advise that the bridging pension will end and the revised amount payable from the pension fund will begin.

An update on pensions dashboards

Last year it was announced that the timetable for launching pensions dashboards would be pushed back to give the pensions industry more time to get ready for this major project.

Since then, the Department for Work and Pensions has published new guidance setting out a staged timetable for pension schemes to connect to the pensions dashboards ecosystem. The timetable highlights that the earliest staging dates for larger personal pension or stakeholder schemes would be 30 April 2025. Our Fund has a staging date of 1 September 2025 and our administrators are currently working hard on meeting this deadline.

When it's launched, the dashboard will provide a single place where you can get information about all your pension savings across all schemes, as well as track down any lost pension pots.

LOST A PENSION?

If you think you may have a lost pension, the government has a free pension tracing service that helps reunite people with their lost pensions. You can contact them by telephone on 0800 731 0193, or via the website **www.gov.uk/find-pension-contact-details**

State pension top-up deadline

Individuals with gaps in their National Insurance (NI) record now have until April 2025 to fill them. The opportunity is extended back to the 2006/07 tax year and could be worth thousands of pounds for people who live well into their retirement. Under the new State pension system, you will need at least 35 qualifying years of NI contributions or credits to qualify for the full payment of £221.20 a week. If you were contracted out of the State pension before April 2016, you may need more than 35 qualifying years to get the full rate.

You can check your NI record and find out how much it will cost to top-up your credits by visiting **www.gov.uk/check-national-insurance-record**

The new general code of practice

The Pensions Regulator's new general code for trustees is now in force. The general code of practice (previously called the single code) consolidates and replaces 10 of the 15 existing codes of practice, aiming to provide one set of clear, consistent expectations on scheme governance (including investment governance) and administration. In preparation for the general code, the Trustee has been working closely with the Fund's legal advisers to ensure that they meet the new requirements.

Final Salary Scheme

These figures have been taken from the formal annual Report & Accounts.

Financial highlights

Opening Fund account as at 1 January 2023	**£737.5m**
Expenditure	**(57.32m)**
Pensions, lump sums and death benefits	(£55.97m)
Leavers' payments	(£0.48m)
Life assurance premiums	(£0.45m)
Administration expenses	(£0.42m)
Income	**£61.33m**
Contributions	£82.44m
Investment income	(£20.46m)
Investment expenses	(£0.65m)
Increase in market value	**£33.06m**
Transfers between sections	£0.11m
Closing Fund account as at 31 December 2023	**£774.63m**

As at 31 December 2023, the RPF Benefit Category's total asset market value amounted to:

£738.61M

This includes AVCs split as follows:

Clerical Medical: **£0.02M** (With Profits Funds)

Mobius Life: **£1.11M**

In addition, £2.49m was held in the Internal Fund invested in the main investment portfolios.

Investment review

Market background

At the beginning of 2023, financial markets in developed economies broadly stabilised following the UK gilt market crisis in 2022, and investors shifted their focus from political issues to higher inflation and stronger labour markets. As the year progressed, a declining fear of recession, moderating inflation and enthusiasm over Artificial Intelligence (AI) helped drive growth, particularly in the US. The Bank of England (BoE), along with other central banks, continued to raise interest rates to combat relatively high inflation, with the BoE eventually raising interest rates to 5.25% towards the end of 2023 as inflation proved to be more persistent than expected. By September, 10-year government bond yields (which move inversely to prices) were higher than they had been during the 2022 gilt market crisis.

Against this backdrop, positive performance across traditionally risky assets in developed markets (such as equities) began to decline in the latter half of 2023. This was mainly due to investors becoming more cautious as central banks hinted at the possibility of keeping interest rates higher for longer, hampered further by geopolitical tensions following renewed conflict in the Middle East.

Equity markets reached their lows in October but reacted positively to improved economic and inflationary data towards the end of 2023. This late turnaround resulted in a strong performance across 2023 as a whole for global equity markets, with global equities returning c.17% in the year to 31 December 2023*.

Overall, the positive momentum throughout the year was driven by lower inflation data, expectations of productivity growth from AI, positive corporate earnings and better than expected economic activity data. Emerging market equities were also positive, growing c.3% year on year**, but underperformed relative to global equities, largely due to ongoing stresses within the Chinese economy.

Expectations around the timing of central bank interest rate cuts were pushed back from early 2024 to the latter half of 2024 as growth and inflation data continued to be stronger than expected in the first quarter of 2024. This also caused government bond yields to rise. Despite this, equity markets started 2024 in broadly the way they ended 2023, with positive performance driven by continued speculation surrounding AI and generally positive corporate earnings.

*performance of the FTSE World Index for the year to 31 December 2023

**performance of the FTSE Emerging Index for the year to 31 December 2023



Review of investment performance

Over the year to 31 December 2023, the total return on assets was 1.1% net of fees, underperforming the target return of 4.9% by 3.8%. This underperformance was driven by the Fund's Diversified Growth Funds (DGFs), in particular the Ruffer Absolute Return Fund. The Fund's other DGFs also did not meet their respective performance targets, although their performance was positive.

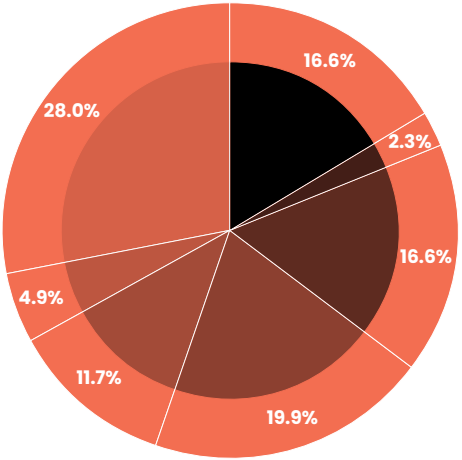
The Fund's investment strategy includes a Liability Driven Investment (LDI) portfolio, which exists to protect the Fund's funding level (i.e. the value of its assets compared with the value of its liabilities) and to reduce volatility in the funding position. Rising gilt yields over 2023 resulted in a fall in value of the Fund's liabilities. The Fund's LDI portfolio also fell in value over the year by c.3%, matching a significant proportion of the liability movement.

As at 31 December 2023, the Fund's invested assets totalled approximately

£762m

and was split in the proportions on the right.

POSITION AS AT 31 DECEMBER 2023



	Investment manager	31/12/2023 Allocation (%)
Global Absolute Return	Ruffer	16.6
Aquila Life Market Advantage	BlackRock	2.3
Stable Return	Nordea	16.6
Diversified	LGIM	19.9
Diversified Growth	Schroders	11.7
Strategic Alternatives Income	BlackRock	4.9
LDI	Schroders	28.0

Source: Mercer. Figures above do not include the Trustee bank account.

Investment performance

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)
Fund	2.6	-32.1	7.9	8.3	12.9
Benchmark (the Fund's target return, which is gilts +2.7%)	8.6	-24.7	3.7	11.9	16.4

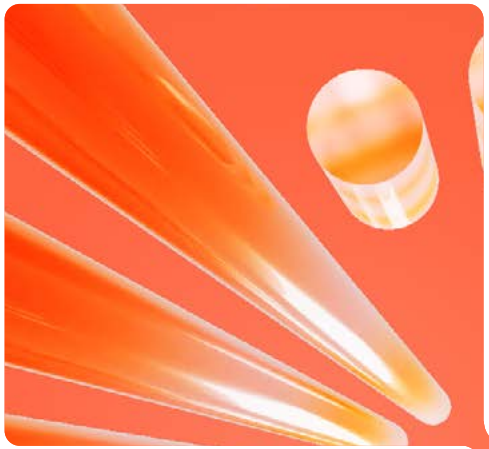
Source: Investment Managers, Northern Trust, Thomson Reuters, Bloomberg, Mercer.

Recent investment developments

The Trustee conducted a number of investment-related exercises during 2023, which included the following:

- The Trustee aims to be a responsible steward of the Fund's assets. During 2023, the Trustee undertook an in-depth review of the voting and engagement activity of the Fund's DGF managers. The purpose of the review was to better understand the level of stewardship for each of the investment managers, as well as to confirm whether the voting and engagement policies of these managers aligns with the Trustee's key priority themes, as outlined in the Trustee's 2021 ESG policy*. The Trustee is satisfied that the Fund's investment managers' actions are aligned with its ESG beliefs and policies.
- During the year, the Company contributed £75m to the Fund, which was invested across the Fund's DGFs in order to bring the allocation to these funds back in line with the strategic allocation. The allocations to these DGFs have typically been underweight since the gilt crisis in late 2022, during which the Trustee was required to disinvest from some of the Fund's DGFs to ensure sufficient liquidity was available to maintain the LDI strategy.

*Environmental, Social and Governance (ESG) factors are used to measure the sustainability impact of a company's operations. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls and shareholder rights. The Trustee produced the Fund's first Task Force on Climate-related Financial Disclosures (TCFD) report in 2023, and you can read it by visiting **https://ssuklpensions.com/wp-content/uploads/2024/05/Rhodia-TCFD-Report-for-year-ending-31-December-2023-Final.pdf**



Impact of the general election

After 14 years of the UK being led by a Conservative prime minister, the general election held on 4 July 2024 has seen a seismic shift in Westminster with Labour securing a landslide majority, similar in size to the Labour victory in 1997.

The new government would like to increase spending on hard-pressed public services. However, it is believed that the current state of public finances limits their flexibility to do so. Labour has been vocal that it plans to boost growth and the government's plans for this should become clearer over time.

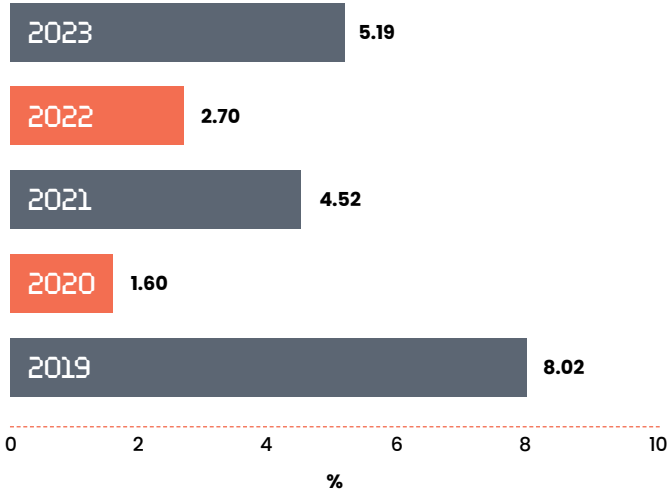
The support for pension consolidation and investment in UK productive finance by pension funds was a key theme in the final months of the previous Conservative government. Support is expected to continue and potentially strengthen given that public finances, and the scope for raising taxes, appear very limited for Labour.



Membership statistics as at 31 December

	2023	2022
Contributing members	56	80
Deferred members	1,607	1,698
Pensioners	4,368	4,437
TOTAL	6,031	6,215

Performance of the internal AVC fund over recent years as at 31 December



Summary Funding Statement 2023

The Fund is currently undertaking a valuation as at 1 January 2024. The Trustee is in discussions with the Company to agree the valuation, which is due to be completed by 31 March 2025. As such, we have no funding update to provide at this time.

Details of the most recent funding position, as provided last year, are repeated below for your convenience.

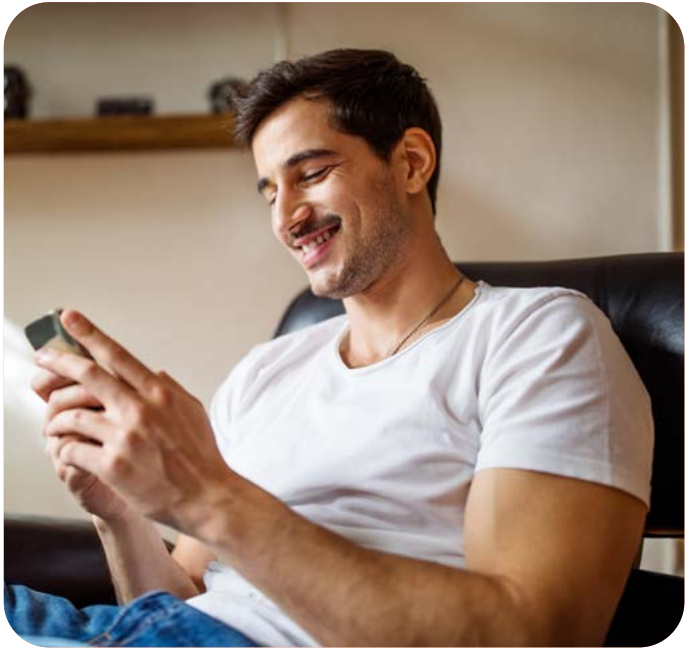
What's this statement for?

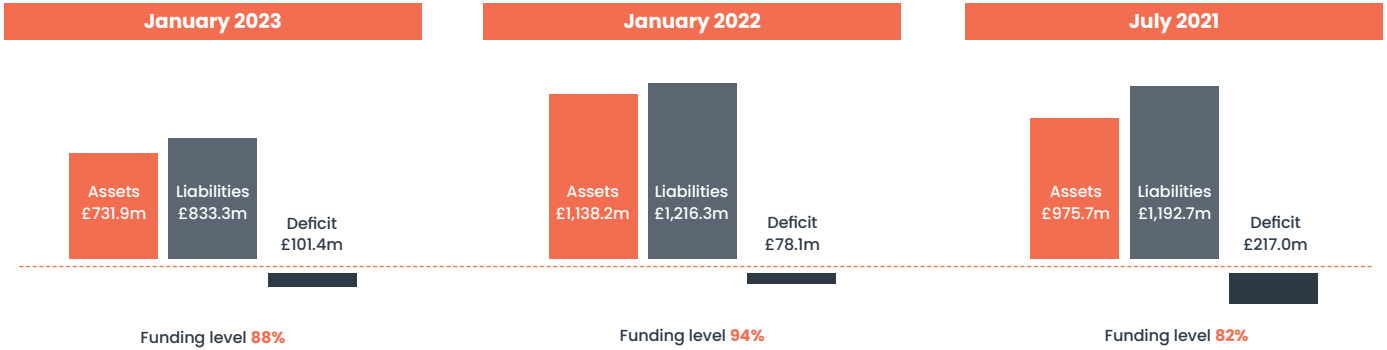
The Trustee is required to provide you with this statement giving you an update about the Fund's financial security. We hope you find it useful and easy to understand, but if you have any questions, please contact the Fund administrator, Capita. Contact details are on page 22.

The last actuarial valuation at 1 July 2021

An actuarial valuation is an exercise to compare how much money the Fund has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Fund's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 1 July 2021, with an update on 1 January 2022 and 1 January 2023. The results of these valuations are shown on the next page.





Summary of the Recovery Plan

Because there was a shortfall at the 2021 valuation, the Company agreed to pay extra contributions of £3m every year for six years. The Company also agreed to pay a one-off contribution of £115m which was received in December 2021.

These contributions are on top of the regular amount (43.5% of Contributions Salaries) that the Company pays towards new benefits building up each year. There is no change in the rate paid by members that are still building up benefits.

Change in funding position since previous statement

The funding of the Fund has deteriorated since the previous statement. The key factors influencing this were:

- the investment returns on the Fund's growth portfolio (non-hedging) were lower than assumed;
- higher than expected inflation over the year.

Payment to the Company

We have to tell you that there has not been any payment made to the Company out of the Fund's assets since the last Summary Funding Statement.

Winding-up

If the Fund winds up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2021 valuation, it was estimated that the amount needed to secure all the Fund's benefits was £1,605.2m, which was £629.5m more than the Fund's assets. This is just an indication and is required under legislation; it does not mean that the Trustee or the Company are considering winding up the Fund.

What would happen if the Fund started to wind up?

Whilst the Fund is still running, even though funding may temporarily be below target, benefits will still be paid in full. If the Fund did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, the Company would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund (PPF) might be able to take over the Fund and pay compensation to members. Further information is available at **www.ppf.co.uk**

It is only if the Company became insolvent and assets available to the Fund were insufficient to secure PPF-level benefits that the Fund would apply for entry to the PPF.

How is my pension paid for?

The Fund is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Fund has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Fund to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Fund needs?

As part of the three-yearly actuarial valuation, the Trustee agrees a funding plan (the Statement of Funding Principles) with the Company, which aims to make sure there is enough money in the Fund to pay for pensions now and into the future. Members who are still building up benefits pay a proportion of their salary towards this cost, and the balance is paid by the Company. The Company also pays the cost of running the Fund every year. This is why the Fund relies on the Company's continuing support.

Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Fund. This means the cost of securing pensions in this way is considerably more expensive than if the Fund runs normally with the continuing support of the Company. Aiming to have enough money to cover that cost would likely mean that the Fund will have far more than it actually needs if it keeps running.

How are the Fund's assets invested?

The Trustee's policy is to invest in a broad range of assets, targeting the following splits:

Diversified Growth Funds	72.5%
Liability Driven Investments	23.0%
Alternatives	4.5%

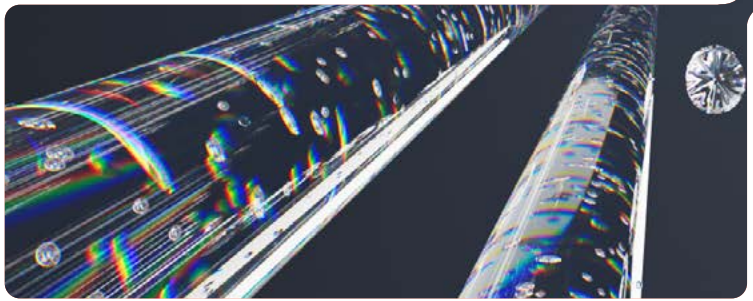
The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- direct how the Fund's liabilities must be calculated
- set the period for removing any funding shortfall
- set the level of Company contributions to be paid
- change the way members build up benefits in the future.

None of these things have happened in the Fund.





Money Purchase Scheme

These figures have been taken from the formal Annual Report & Accounts.

Financial highlights

Opening Fund account as At 1 January 2023	**£7.5m**
Expenditure	**(£0.4m)**
Pensions, lump sums and death benefits	(£0.1m)
Leavers' payments	(£0.3m)
Contributions	**£0.8m**
Increase in market value	£0.7m
Transfers between sections	(£0.1m)
Closing Fund account as at 31 December 2023	**£8.5m**



Investment review

Investment strategy review

As mentioned in the 2022 Members' Report, the Trustee has recently conducted a review of the Fund's default strategy. The Trustee decided to continue to target drawdown at retirement as part of the default strategy but agreed, in principle, to changes to the underlying asset allocations. Implementation considerations in conjunction with discussions with the Company were later put on hold pending a Syensqo-led project to potentially consolidate money purchase arrangements across the the UK to provide better value for money, improved member choices and an enhanced member experience.

It is noted that any decisions implemented as part of the default strategy review will be reported on in the Chair's Statement for the year end 2024 once the implementation considerations have been agreed.

As part of an annual assessment of the Fund's value for members, the Trustee, with support from the investment adviser, determined the Fund to be offering good value for members. This included consideration of the default strategy, alternative lifestyles and self-select funds.

Investment performance

The Fund makes available a range of passive and active funds for members to select from within the self-select range. The passive funds aim to match the benchmark performance whereas the active funds aim to outperform the benchmark.

Absolute performance for all funds has been positive over the 12 months to 31 December 2023. The passive funds have broadly performed in-line with their benchmarks over this period, indicating that performance has been in line with expectations. Of the three active funds, the BlackRock DC Diversified Growth Fund has outperformed its benchmark but the BNY Mellon Real Return Fund and Insight Broad Opportunities Fund have both underperformed over the 12-month period. This is not a surprise, given the difficult market conditions experienced in 2023, due to inflationary pressures and high interest rates.

Equity markets have performed particularly strongly over 2023, with the BlackRock Aquila Life (50:50) Global Equity Fund returning 10.9%. Over the first six months of 2024, the trend of positive equity performance has continued as global markets have performed strongly.

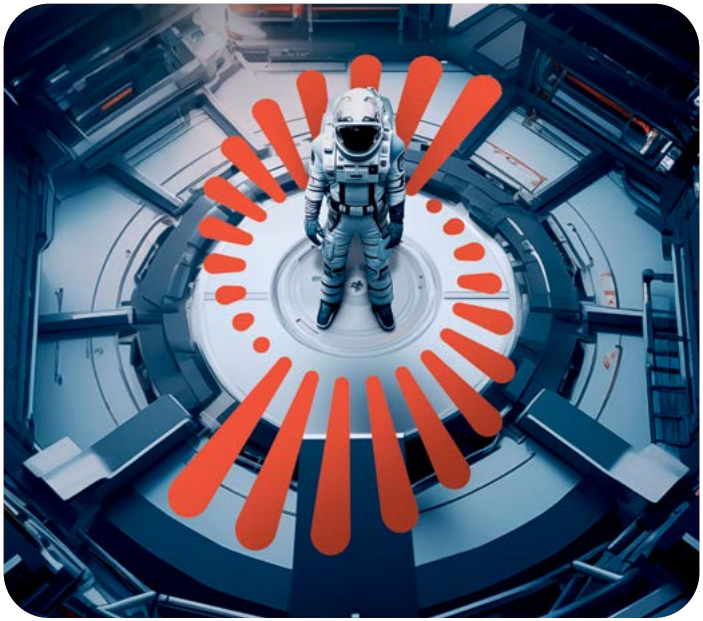
Following poor performance for the bond funds in 2022 as a result of the Truss/Kwarteng mini-budget, bonds have seen some bounce back over 2023. All bond funds delivered positive performance over 2023. Corporate bonds performed better than government bonds as the high interest rate environment continued, with the L&G Active Corporate Bond Fund returning 8.5% over the 12-month period. Bond markets have slowed during the beginning of 2024, most notably in UK government bonds where returns have been negative on an absolute basis.

All funds that are used within the default strategy and the alternative lifestyle strategies have performed positively over the 12 months to 31 December 2023.



Market value of investments

	£
BlackRock Aquila (50:50) Global Equity Index Fund	440,198
BlackRock Aquila Emerging Markets Index Fund	12,021
BlackRock DC Diversified Growth Fund	18,708
Newton Real Return	23,000
L&G Active Corporate Bond – All Stocks Fund	26,927
L&G Over 15 Year Gilts Index Fund	23,350
L&G Over 5 Year Index-Linked Gilts Index Fund	134,988
L&G Cash Fund	184,987
Rhodia Growth Fund* **	6,815,482
RD Pre-Retirement Portfolio	579,301
Total* **	**8,258,962**



Note: totals are subject to rounding.

*Default lifestyle strategy fund. Details of the switching mechanism are included in the Statement of Investment Principles.

**Rhodia Growth Fund allocation based on the 'growth phase' of the lifestyle strategy – 45% BlackRock Aquila Life (50:50) Global Equity Index Fund, 10% Insight Broad Opportunities Fund, 10% BNY Mellon (Newton) Real Return Fund, 10% BlackRock DC Diversified Growth Fund, 5% BlackRock Aquila Life Emerging Markets Fund, 20% L&G Active Corporate Bond – All Stocks Fund.

***Monies held on the Mobius Life Platform include external Final Salary Scheme AVCs.

Membership statistics as at 31 December

	2023	2022
Contributing members	90	86
Deferred members	127	117
TOTAL	217	203

Help and information

Rhodia Pensions Trust Limited Directors

Company-appointed Trustee Directors

Sandy MacKenzie (Chair), Independent Trustee

Marcus Hurd, Independent Trustee

Pin-Nee Tang, (representing ndapt ltd) Independent Trustee

Member-nominated Trustee Directors

Eddie Chilton, Pensioner

Dave Hodgson, Pensioner*

Steve Pearce, Pensioner

*former Rhodia Pharma Solutions Pension Plan representative

Secretary to the Trustee Directors

Annette Coppin

Professional advisers

Actuary:	W Jones, XPS Pensions Group
Auditor:	RSM UK Audit LLP
Solicitors:	CMS Cameron McKenna Nabarro Olswang LLP
Covenant advisers:	PwC LLP
Bankers:	Barclays Bank plc (Final Salary Scheme)
	National Westminster Bank (Money Purchase Scheme)
Scheme administrators:	Capita Pension Solutions Ltd
Investment managers:	BlackRock Investment Management
	Clerical Medical
	Legal & General Investment Management
	Mobius Life Limited (Money Purchase Scheme)
	Nordea Asset Management
	Ruffer LLP
	Schroders Investment Management
Investment consultant:	Mercer Ltd
Global custodian:	The Northern Trust Company (Final Salary Scheme)
TCFD adviser:	Redington
MasterTrust provider:	LifeSight
Group life assurance broker:	Aon
Registered office:	Solvay Solutions, Trinity Street, Oldbury, West Midlands B69 4LW

Contact details

Do you need to update us?

If you are a deferred pensioner and you have recently moved house, or your personal circumstances have changed, please make sure that you contact Capita to provide them with your current details. Details of the address are shown on the right.

If you are a contributing member of the Rhodia Pension Fund, please inform HR.

If you have any queries relating to your pension benefits or actual pension payments, please contact Capita directly:



Rhodia Pension Fund
c/o Capita Pension Solutions Ltd
Hartshead House
2 Cutlers Gate
Sheffield S4 7TL



0344 3912 403



rhodia@capita.co.uk

By law we cannot give you advice about your pension arrangements. If you are thinking about any changes, you may want to obtain independent financial advice.

If you have any general queries about the Fund that Capita is unable to answer, the Pensions Team will be happy to help you.

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UK Pensions and Administration Manager



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Annette Coppin
Pension Services Manager



0121 541 3857



annette.coppin@solvay.com

Karen Lowe
Pension Administration Co-ordinator



0121 541 3783



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