

# Statement of Investment Principles – One Ecolab Pension Plan

## December 2025

### Introduction

- 1 One Ecolab Pension Plan (the 'Plan') is a Registered Pension Scheme for the purposes of the Finance Act 2004. It has both defined benefit (DB) and defined contribution (DC) sections, as well as providing the facility for members to pay Additional Voluntary Contributions (AVCs).
- 2 This document is the Statement of Investment Principles ('SIP') made by the Trustee of the Plan in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it).
- 3 On 1 November 2022, the Purolite International Retirement Benefits Scheme merged into the Plan and a new segregated section, referred to as the Purolite Section, was created. Assets from the Purolite International Retirement Benefits Scheme were transferred to the Purolite Section of the Plan.
- 4 Before finalising this SIP, the Trustee took written advice from the Plan's Investment Consultant (Towers Watson Limited) and consulted Ecolab Limited (the 'Employer'). The ultimate power and responsibility for deciding investment policy, however, lies solely with the Trustee.
- 5 The Trustee will review this SIP at least every three years and without delay after any significant change in investment policy.

## Plan objectives

### Defined Benefit (DB) section

- 6 For the DB section of the Plan, the Trustee has considered (amongst other factors) the nature of the Plan's liabilities and the Plan's Statutory Funding Objective (SFO) when deciding on its investment strategy.

The Trustee's primary investment objective for the DB section is to limit the risk of the assets not being sufficient to meet the liabilities. It aims to do this by ensuring adequate asset growth, noting that this will be made up of both investment returns and future contributions. In addition, the Trustee also aims to work progressively towards a fully funded position for the Purolite Section of the Plan.

- 7 The Trustee considers that the investment strategies shown on the following pages will ensure:

- There is a reasonable expectation of meeting its investment objectives, and;
- The assets are appropriately diversified

### Defined Contribution (DC) section

- 8 The Trustee's primary objectives for the DC Section and AVC arrangements are:

- To make available to members of the DC Section an appropriate range of investment options, to which members and the Employer will contribute (in accordance with the Trust Deed and Rules), in order to provide a fund which will be used to secure members' benefits at retirement.
- In determining which investment options to make available, the Trustee has considered the investment risk associated with the investments alongside the likely at-retirement objectives of members (lump sum withdrawal, drawdown or annuity purchase). This risk can be expressed as the uncertainty of the ultimate amount of savings available on retirement to provide retirement benefits, alongside the risk of a member's retirement savings not moving in a similar way to their desired at-retirement outcome (for example, a member who wishes to purchase an annuity at-retirement having assets move in a different manner to annuity pricing). There are a number of factors which contribute to this uncertainty. Some of them (such as the amount of contributions paid and the length of time these contributions are invested) are not ultimately affected by the investment options made available to members.
- The Trustee's policy is to seek to achieve the objectives by providing a range of funds which, together, offers a suitable mixture of real and monetary assets. They recognise that the returns on real assets, while expected to be greater over the long term than those on monetary assets, are likely to be more volatile.
- The Trustee will aim to ensure that the DC Section meets the necessary legislative requirements, including the DC Code of Practice.

- 9 In seeking to achieve these objectives, the Trustee is mindful of the need to:

- take account of current market conditions when positioning the portfolio at any time; and

- limit the risk of the assets failing to meet the members' objectives over the long term, noting that asset growth is expected to be made up of investment returns plus future contributions.

## Investment strategy

### Defined Benefit (DB) section

- 10 In setting out the mandates for the Investment Managers, the Trustee will ensure that the Plan holds a suitably diversified range of securities in each category, avoiding an undue concentration of assets.
- 11 In March 2022, the Trustee and Principal employer agreed a dynamic de-risking framework for the Nalco, Chemicals and Pest sections of the Plan. In 2024, each of these three sections had reached the end of this de-risking framework.

The table below outlines the current target allocation for each of the four sections.

Target allocation	Nalco Section	Chemicals Section	Pest Section	Purolite Section
<b>Equities</b>	17.5%	17.5%	17.5%	50.0%
<b>Credit</b>	30.0%	30.0%	30.0%	23.0%
<b>LDI, government bonds and cash</b>	52.5%	52.5%	52.5%	27.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As part of the dynamic de-risking framework, each of the Nalco, Chemicals and Pest sections of the Plan may de-risk (or re-risk) should the future funding level improve (or deteriorate) relative to pre-agreed funding level trigger points.

- 12 The assets for the Purolite Section are managed to a different strategy reflecting the difference in the liabilities and funding position. Following the 2024 actuarial valuation, the Trustees agreed a strategic asset allocation of 50% growth assets and 50% matching assets. In addition, a de-risking framework has been agreed which is set out in a separate document.
- 13 The Trustee considers the expected return on investments when deciding the investment strategy for the framework set out above. The Trustee expects the return on investments within the Growth asset allocation to be higher with higher risk, than the expected return for the Matching asset allocation, which is expected to be lower, with lower risk.

The assets for all sections are managed by Legal and General Investment Management (LGIM). The assets with LGIM will be rebalanced periodically towards the asset allocation policy using cash flow into or out of each Section. The Trustee monitors the allocation within each Section on a quarterly basis and takes action, as required.

- 14 The Plan will hold assets in cash and other money market instruments. The Trustee's policy is that there will be sufficient investments in liquid or readily realisable assets to meet cashflow requirements in foreseeable circumstances so that the realisation of assets will not disrupt the Plan's overall investments, where possible. The Trustee, together with the Plan's administrators, will hold sufficient cash to meet benefit and other payment obligations.

### Defined Contribution (DC) section

- 15 The Trustee recognises that the risks faced by DC section members are best managed by offering members a broad range of funds in which they may invest, providing members with

the opportunity to meet different objectives. They also recognise that members will also have differing personal preferences over how they intend to take their benefits at retirement.

16 The main types of assets held in the DC section are as follows:

- The Global equity funds invest in a diversified range of UK, overseas and emerging market companies respectively. The Trustee believes these funds to be appropriate for the aim of providing long-term growth and believes these funds to be suitable for members who are some way from retirement.
- The multi-asset fund is aimed at members who wish to gain exposure to alternative asset classes. The multi-asset fund offers the opportunity to achieve growth from a diverse source of returns with lower overall volatility than investing in equities alone.
- The bond funds and cash fund are aimed primarily at members approaching retirement. The bond funds provide a measure of protection against fluctuations in annuity prices. They may also be of interest to members who are more risk averse. The cash fund is also useful for members seeking greater capital protection and those who may be planning to withdraw some or all of their benefits as a cash lump sum.
- The Trustee believes illiquid assets improve diversification and could offer the potential for higher risk-adjusted returns. The Plan currently accesses illiquid assets indirectly, through the investments in the pooled fund underlying the Legal & General Diversified Fund, which is a component of the default and alternative lifestyle strategies and is also a stand-alone Fund in the self-select range. Any investments in illiquid assets in this pooled fund are at the discretion of the investment manager, with decisions taken in the context of the fund's overall risk and return objectives, and currently the investments include property and private market credit investments. The Trustee does not currently have any plans to invest directly in illiquid assets and any change in exposure to illiquid assets will be a consequence of Legal & General exercising discretion in its management of the Diversified Fund.

The age profile of members investing in illiquid assets through the underlying pooled fund will vary and, for the default and alternative lifestyle strategies, will be driven by the term to their target retirement age. In these strategies members are invested in the Diversified Fund at least until 5 years before retirement. For members that self-select the Diversified Fund the investment in the pooled fund starts when the member first invests. Members in the lifestyle strategies will continue to hold a portion of their total investments in the Diversified Fund up until 1 year before retirement in both the default strategy and Cash targeting lifestyle strategy, and through to retirement in the Drawdown targeting lifestyle strategy.

The Trustee will continue to consider the use of illiquid investments in the context of improving the Plan's overall risk and return characteristics to improve long-term outcomes for members.

17 DC section members can choose from the funds shown in the table in the 'Portfolio Summary' document, which includes the associated charges, all of which are provided through Legal & General. Members may also have money invested in a number of legacy funds.

18 The default strategy has been designed by the Trustee, in conjunction with its advisers, taking into account the typical risk profile of the DC section membership and the expected retirement decisions by members.

The default strategy initially invests in return seeking funds; 70% in L&G Global Equity Index Blend Fund 3E and 30% in the L&G Diversified Fund with the aim to grow a member's DC account in the 'accumulation phase' and mitigate inflation and opportunity cost risks. 5 years before retirement, investments are moved into relatively less risky funds; the L&G Pre Retirement Fund and L&G Sterling Liquidity Fund. The asset allocation at the member's selected retirement date assumes a member will take 25% of their account as a lump sum with the remainder used to purchase an annuity.

Two alternative lifestyle strategies are available as self-select options for members:

- An alternative lifestyle strategy (OEPP Lifestyle Strategy Targeting Cash Lump Sum), using the same underlying funds as the default strategy, is available to members which assumes a member will take their DC account as a lump sum at retirement.
  - A further alternative lifestyle strategy (OEPP Lifestyle Strategy Targeting Drawdown), using the same underlying funds as the default strategy, is available to members which assumes a member will use income drawdown to access their account at retirement.
- 19 The funds available to DC section members allow members to select funds that best meet their risk preferences.
- 20 The Trustee completed an exercise to consolidate legacy AVC arrangements in 2023, to move members from three legacy arrangements into the DC Section funds. As a result of that exercise, the Plan now has only two legacy AVC arrangements where members previously made contributions – in these arrangements, investments are held in with-profits funds with Prudential and Phoenix Life. These arrangements will close once the last invested members retire or otherwise withdraw their benefits.
- 21 Realisation of investments – DC section members' accounts are held in funds that can be realised to provide benefits on retirement, or earlier on transfer to another pension arrangement.

## Investment managers

- 22 The Plan uses different mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular pooled vehicle are consistent with its policies, where relevant to the mandate in question.
- 23 To maintain alignment, managers are provided with the most recent version of the Plan's Statement of Investment Principles and the Trustee's policy on sustainable investment on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.
- 24 Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.
- 25 For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods.
- 26 The Trustee appoints its investment managers with an expectation of a long-term partnership. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

- 27 Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.
- 28 The Trustee reviews the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.
- 29 The Trustee takes account of all financially material risks and opportunities in consultation with its advisers. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of members' investment time horizons and objectives. The Trustee's time horizon reflects the time horizon of the Sponsor's business and the Plan's maturing liability profile. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in the context of this broader risk management framework.
- 30 The Trustee's policy is that day-to-day decisions relating to the investment of Plan assets is left to the discretion of its investment managers. This includes consideration of all financially material factors, including ESG-related issues where relevant. The Trustee explores these issues with its managers to understand how they exercise these duties in practice and receives reports on how these issues are addressed
- 31 When considering the appointment of new managers, and reviewing existing managers, the Trustee, together with its investment consultant, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant
- 32 The Trustee policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attached to investments to the investment managers. The Trustee recognises the UK Stewardship Code as best practice and encourages their investment managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings.
- 33 The Trustee's focus is explicitly on financially material considerations. The Trustee's policy at this time is not to take into account non-financially material considerations.

## Managing risk

The Trustee has considered risk from a number of perspectives. As part of each formal strategy review the Trustee considers these risks in a quantitative manner where possible and appropriate, however due to the complex and interrelated nature of these risks qualitative perspectives are also considered.

### Defined Benefit (DB) section

35 The Trustee has considered the following key risks affecting the DB section's assets:

Risk	How is it monitored?	How is it mitigated?
<b>Deficit</b>	By assessing the progress of the actual growth of the liabilities relative to the selected investment policy	By setting an investment policy with appropriate regard to the expected risk and return relative to the expected growth of liabilities
<b>Liquidity</b>	By the level of cashflow required by the Plan over a specified period	The Plan's administrators assess the level of cash required to limit the impact of the cash flow requirements on the investment policy and through holding assets of appropriate liquidity
<b>Currency</b>	Through the level of exposure to non-Sterling denominated assets	Implementing a currency hedging programme to reduce the impact of exchange rate movements
<b>Interest rate and inflation</b>	By comparing the likely movement in the Plan's liabilities and assets due to movements in inflation and interest rates	Holding assets that respond to changes in interest rates and inflation in a similar way to the liabilities
<b>Sponsor</b>	By receiving regular financial updates from the Employer and periodic independent covenant assessments	Through an agreed contribution and funding schedule

### Defined Contribution (DC) section

36 The Trustee's policy is to review the range of funds offered and the suitability of the lifecycle option on a regular basis and in line with their regulatory responsibilities. The risks are:

Risk	Description of risk	How is it mitigated?
<b>Inflation</b>	Investment returns over members' working lives will not keep pace with inflation.	Members have access to asset classes which have the potential to keep track of or outpace inflation, such as equities.
<b>Annuity conversion</b>	Relative market movements in the period prior to retirement lead to a substantial reduction in the annuity secured, for those members intending to buy an annuity at retirement.	Members have access to asset classes which match the rises and falls of annuity prices, such as fixed interest securities.
<b>Opportunity cost</b>	Members end up with insufficient funds at retirement through not taking appropriate risk at the appropriate times.	Communication to DC members and the recommendation that DC members seek independent financial advice.
<b>Capital</b>	A fall in the value of the members' fund.	The investment options are appropriately diversified and members are able to construct a balanced and diverse portfolio using a number of different asset classes.

<b>Manager</b>	The chosen investment manager does not perform in line with the objectives which the manager is assessed.	Ongoing monitoring of the performance of the investment managers as well as a number of qualitative factors supporting the managers' investment process.
<b>Insolvency</b>	The chosen investment and administration provider becomes insolvent.	Taking appropriate advice from a suitably qualified person and ensuring that the chosen investment and administration provider has a sufficient degree of financial strength and a contract which is suitable for the Plan's specific needs. The Trustee is aware that a currently strong financial assessment does not guarantee future solvency.
<b>Operational</b>	Fraud, poor advice or acts of negligence.	All advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

## Funds held by the Plan – As at December 2025

### Defined Benefit (DB) section

Section	Investment Manager	Asset Type	Style
Nalco, Chemicals and Pest sections	Legal and General Investment Management	All World Equity Index Fund	Passive
		All World Equity Index Fund (Hedged)	Passive
		LDI portfolio	Passive
		UK AAA-AA-A Over 15 Year Corporate Bonds	Passive
		Active Corporate Bond – Over 10 Year	Active
		Sterling Liquidity Fund	Passive
Purolite Section	Legal and General Investment Management	All World Equity Index Fund	Passive
		All World Equity Index Fund (Hedged)	Passive
		Over 15 Year Gilts Fund	Passive
		UK AAA-AA-A Over 15 Year Corporate Bonds	Passive
		Sterling Liquidity Fund	Passive

### Defined Contribution (DC) section

Type	Fund Type	Style
Default strategy	OEPP Lifestyle Strategy Targeting Annuity Purchase, investing in: <ul style="list-style-type: none"> <li>- 70% L&amp;G Global Equity Index Blend Fund 3E</li> <li>- 30% L&amp;G Diversified Fund</li> </ul> Moving to the following over the 5 years prior to retirement: <ul style="list-style-type: none"> <li>- 75% L&amp;G Pre Retirement Fund</li> <li>- 25% L&amp;G Sterling Liquidity Fund</li> </ul>	Passive
Self-select fund	OEPP Lifestyle Strategy Targeting Cash Lump Sum, investing in line with the default fund until the 5 years prior to retirement, then moving into: <ul style="list-style-type: none"> <li>- 75% L&amp;G Sterling Liquidity Fund</li> <li>- 25% BlackRock Market Advantage</li> </ul>	Passive
	OEPP Lifestyle Strategy Targeting Drawdown, investing in line with the default fund until the 5 years prior to retirement, then moving into: <ul style="list-style-type: none"> <li>- 70% L&amp;G Diversified Fund</li> <li>- 30% L&amp;G Sterling Liquidity Fund</li> </ul>	Passive
	L&G Global Equity Index Blend Fund 3E	Passive
	L&G World ex UK Equity Index Fund	Passive
	L&G World Emerging Markets Equity Index Fund	Passive
	L&G Diversified Fund	Passive
	L&G Pre Retirement Fund	Passive
	L&G Sterling Liquidity Fund	Active