



**DuPONT/INVISTA
PENSIONERS
ASSOCIATION
CANADA**

DIPAC Winter 2024 Newsletter

Hopefully this newsletter finds you and your loved ones in good health as we head into the winter season.

Our last Annual General meeting (AGM) was held in spring 2023 and there are a couple of matters that the board would like to bring the members up to speed on.

A number of your board members have been meeting on a semi-annual basis with INVISTA to obtain updates on the status of the plan as well as other matters material to the pensioner community.

In this newsletter we will review the status of the pending sale of the fibres side of the INVISTA portfolio and the implications of a sale on the pension plan and benefits plans, the status of the plan as per the last filed actuarial report, DIPAC membership for 2024 and Kingston and Maitland operational updates.

Our aim here is to share as much information as we have to ensure the member community is as informed as the board.

As the sale process becomes more concrete, we will schedule an AGM either in person or virtually to explain the different aspects of the sale as it pertains to both pensions and benefit plans

Current Sale Process and Pension Plan Impact

In May 2024 we communicated INVISTA's intent to explore the sale of its Nylon Fibres Business which would include all of Kingston's operations. Maitland intermediates assets are not part of the Fibres Business and would remain part of INVISTA.

The INVISTA Nylon Fibre Businesses that are for sale include its airbag, industrial fibres and Cordura businesses with its 5 supporting global manufacturing locations: Seaford, Delaware and Martinsville, Virginia both in the US; Gloucester ,UK; Qingpu, China; and **Kingston, ON.**

The sale process is proceeding with negotiations underway with a narrowed down list of potential buyers. We anticipate some closure on this part of the sale process over the next few months but given current global political uncertainty this may have an impact on the closing process timeline.

A key aspect of the sale of the Nylon Fibre businesses for Canadian pensioners and DIPAC members is of course the future management of the Canadian pension plan.

It is too early to be definitive on the outcome of the plan management post sale, but it appears unlikely that a new owner would want to assume the responsibility of the pension plan. With the plan now fully funded, converting the current pension payments to Canadian backed financial institutions annuities is a likely outcome. The pension payments to pensioners in our plan would remain the same but the pension fund will be held and managed by a Canadian financial institution instead of INVISTA. If this outcome comes to pass, we would anticipate the conversion to annuities happening sometime in 2025 or 2026. While this is our best view at the current time it is subject to negotiations and future decisions by INVISTA and the future buyers of the Fibre businesses.

The DIPAC board does favour annuitization as it will secure the future viability of pensions.

Benefits

The 2025 Choices Enrollment did see an increase in the price tags for retirees; the first in four years. Overall, the enrollment process was successful and did not encounter the administrative issues experienced last year.

With the pending sale of INVISTA Nylon Fibres it is difficult to comment on the future status of the benefit plans. As the DIPAC Board obtains more information on the sale and possible annuitization of the pension plan, we will also pursue in tandem the needs for benefits continuation with whomever takes over the responsibility.

Current Status of the Defined Benefit (DB) Plan

The plan is in good financial condition as at September 30, 2024, with the solvency ratio at 105% (last valuation solvency ratio was 100%). The plan has been in a positive position since June 2021 and is expected to remain so as INVISTA has taken positive action to ensure that the assets continue in tandem with the liabilities.

The DB plan is now closed to all participants as of last year with employees given the choice of converting to the new Defined Contribution (DC) plan or continuing in the DB plan. 389 employees converted to DC with monies moved to the respective employees DC accounts while 198 employees elected to continue in our DB plan. Hence, the DB plan now consists of approximately 2200 retired members (of which 331 are deferred) and 198 active employees with the average age of pensioners being over 80.

Membership / DIPAC 2024 Financials

In 2024 our membership dropped significantly from 118 paying members in 2023 to only 26 for 2024.

This has had a major impact on our financials with our income down around \$2800 coupled with expenses incurred for our website relative to an outside hacking episode in 2024 which required some computer expenses.

This has led to a **loss** of \$3,800 for the year.

We continue to need your help so please find attached a membership form with the applicable information about where to send membership dues or use the PayPal feature as outlined on the DIPAC website so that we can continue the advocacy work for defined benefit pensions in Ontario and federally.

DuPont / INVISTA Pensioners Association Canada
Financial Statement – 2024 vs 2023
(2024 to November 13)

		<u>2024</u>	<u>2023</u>
<u>Income</u>			
	<u>Member's dues</u> <u>(paid - 26 vs 118)</u>	\$ 1,040	\$ 3,880
<u>Expenses</u>			
	<u>Website</u>	\$ 3,045	\$ 1,603
	<u>Directors insurance</u>	\$ 1,419	\$ 1,419
	<u>Travel/Meetings</u>	\$ 0	\$ 1,307
	<u>CFP dues</u>	\$ 300	\$ 300
	<u>CFP – war chest</u>	\$ 0	\$ 110
	<u>Communiques</u>	\$ 0	\$ 294
	<u>Bank Fees</u>	\$ 23	\$ 106
	<u>Office supplies</u>	\$ 22	\$ 21
<u>Total Expenses</u>		\$ 4,809	\$ 5,160
<u>Net Income (Loss)</u>		\$ (3,769)	\$ (1,280)

Kingston Site Update

With the sale of the INVISTA BCF (flooring) business in 2022, Kingston is now an airbag fibre and polymer manufacturing site. The site continues to be INVISTA's and the global markets primary producer of airbag fibres in the world.

The site remains focused and committed to safety and environmental excellence. New employee hiring and training and development continues as a key focus across all areas of the organization.

The past year has seen some economic slowdown which has resulted in some asset curtailments and inventory control. Demand has improved in 2024 but not yet to full capacity. Next to safety and the environment, reliability and yield are key focal areas with significant focus on electrical reliability. Performance over the past number of months has been amongst the best in recent history. Investment focus continues to be centred on reliability and utilizing information and data technologies to support productivity and process improvements. The site continues to hire new employees.

Maitland Site Update

Safety and environmental performance have been good through most of the year but two significant incidents occurred over the past couple of months. Both incidents involved ammonia and resulted in exposures causing injury. In both cases the employees involved were relatively new to the site with limited site experience being a factor in these incidents.

2023 was a tough year from an overall business perspective for INVISTA but the first half of 2024 has seen a strong recovery. There are some warning signals out there for the tail end of this year. The Specialties/Dytek®A business continued to do well throughout.

After building world scale HMD and ADN plants in China, global demand did not materialize as expected. As a result, INVISTA made the decision to shut down the HMD and ADN plants in Orange (Sabine) Texas and also to restart the Maitland HMD plant. In response, Maitland developed a HMD Restart project estimated at over \$22 million, which was approved and is currently under construction with completion expected in 1st quarter 2025. Restarting the HMD plant will change plant operations considerably and will require campaigning Synthesis between Dytek®A and HMD and campaigning B413 Refining between HMD and DCH. Also, the hydrogen plant and HMD/Dytek®A synthesis will need to run at maximum rates.

A \$12 million project has been approved to build a new boiler for the site to be located on the north side of the power house. Boilers 3 and 4 stacks are being taken down to make room for this new boiler. The new boiler is targeted to start up at the end of 2025.

Overall, there is a lot going on at Maitland with these major projects in full swing and next year will also be busy as these projects start up. This will be particularly challenging due to the high employee turnover rate resulting in a large proportion of the employee base being new hires. Several retired employees have returned to the site to help with these projects which has been a critical enabler.

The hydrogen peroxide plant that was originally constructed by DuPont in the late 80's is now owned by Evonik Canada who has just announced a \$9 million expansion project that will install new equipment to manufacture new grades of hydrogen peroxide, allowing the company to expand their operations at the Maitland plant.

ACTIVE MEMBER REGISTRATION

DuPont/INVISTA Pensioners Association-Canada

Print, complete this page and mail, with the appropriate Annual Dues, to;

Janice Daly, Treasurer, DIPAC

6424 Warbler Lane

Mississauga, ON L5N 6E2

Please Print

New Registration

Please complete all sections.

Renewal Registration

Renewal Registrations should only include your name and any changes in other information since last registration.

Pensioner Information

Name:

Address:

City: _____ Province: _____ Postal Code: _____

Phone: (_____) _____ - _____ Fax: (_____) _____ - _____

e-mail:

Year of Retirement: _____

Location at Retirement:

Survivorship

At retirement, did you elect to leave a Joint & Survivor pension payable to your spouse upon your death?

Forms would have been signed.... (1) which specified the pension to be paid, or... (2) a waiver if none was the case.

To facilitate continuing contact by DIPAC, if a pension was to be paid, please provide us with:

Name of Spouse:

Fees

Annual Membership - 1yr/\$20 | 2yr/\$40 | 3yr/\$60 | 4yr/\$80 | 5yr/\$100

Please make cheques payable to: DuPont/INVISTA Pensioners Ass