Chair's Statement for the year ended 31 March 2022 (the Statement) covering the Defined Contribution Section (DC Section) and Additional Voluntary Contributions (AVCs) relating to the Defined Benefit Section of the Plan

This Statement has been prepared by the Trustee of the ICL Group Pension Plan (the Plan) to demonstrate how the Plan has complied with the governance standards under the applicable legislation (including those introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015) over the period from 1 April 2021 to 31 March 2022 (the reporting period).

During the reporting period, the Trustee undertook a review which considered how best to support members with their DC savings both now and in the future. The results of this assessment were that members were expected to receive improved value by being moved to a master trust arrangement. Following a full market review, the Fidelity Master Trust was selected as this arrangement was expected, overall, to be the most suitable to members. The Trustee intends to transfer the DC assets under the Plan to the Fidelity Master Trust by the end of 2022. More detail on this review process is provided in the Value for members section of the Statement.

Default investment strategy

The Plan has been closed to future contributions and new entrants since 30 November 2011. The Plan has never been used as a qualifying scheme for automatic enrolment purposes. As a result, the Plan does not have a 'default arrangement' for the purposes of the Charges and Governance Regulations.

The Trustee has in place a Statement of Investment Principles (SIP) which governs decisions about investments and sets out the aims and objectives of the Plan's investment strategy. The full SIP is appended to this statement.

DC Section Core financial transactions

The Trustee has a Service Level Agreement (SLA) in place with Fidelity as the DC Section Administrator, which covers the timeliness of all core financial transactions. These include transfers into and out of the Plan, fund switches and payments out of the Plan to and in respect of members. Examples of the SLAs for these core financial transactions are:

- 5 working days to make payments relating to the transfer of member assets into and out of the Plan.
- 5 working days to make payment of a member’s retirement benefits.

Fidelity’s target is to achieve a minimum of 95% of tasks completed within the agreed timeframes.

The Trustee monitored the performance achieved through quarterly reporting received from Fidelity which included:

- Performance against the agreed service standards including core financial transactions.
- The payments made into and out of the Plan.
- Any member complaints or issues that arose.
- Member interactions and requests to Fidelity.
- The Fidelity team that supports members and the Trustee.

Fidelity exceeded its service level agreement target over the period and achieved a service standard of 100% in the year to 31 March 2022.

Fidelity operates the following to ensure core financial transactions are processed promptly and accurately:

- Four eyes checking of financial transactions which requires two reviews are undertaken before payment is made.

- Daily cashflow monitoring of the bank account used to make payments by Fidelity.

Plan-level core financial transactions such as lifestyle strategy switches and member-level switches are processed using ‘straight-through processing’. Service standard achievement is not reported by Fidelity in its reporting for these tasks; however, Fidelity has provided written assurances that these Plan-level core financial transactions, including automated processes, have been processed accurately and on a timely basis over the reporting period including that there were no complaints, errors or issues with the processing of core financial transactions over the reporting period.

To ensure the accuracy of the Plan’s data the Trustee receives reporting from Fidelity on the Plan’s common and conditional data at least annually. The Plan’s scores at the end of the reporting period showed a common data score of 93.91% and a conditional data score of 99.92% As with the previous reporting period, the majority of the items not meeting the assessment relate to missing member addresses and the Trustee is working with Fidelity to address these data issues over 2022.

Over the reporting period, a representative of the Fujitsu Pensions Team or from 1 February 2022, the WTW team has attended all Trustee meetings and Audit Risk Management and Administration Sub-Committee meetings to provide updates on the service received.

Based on this regular reporting and the service levels achieved the Trustee is satisfied that the DC Section’s core financial transactions during the reporting period have been processed promptly and accurately and no issues relating to core financial transactions need to be reported.

AVCs: Core financial transactions

The Trustee has a Service Level Agreement (SLA) in place with Aviva as the main AVC Administrator, which covers the timeliness of all core financial transactions. These include transfers into and out of the Plan, fund switches and payments out of the Plan to and in respect of members. The service agreement sets out the expected timeframes for completing core financial transactions and examples of the expected timeframes are below:

- 5 working days to make payments relating to the transfer of member assets in and out of the Plan.
- 5 working days to make payment of a member’s retirement benefits.

The Trustee regularly monitors the core financial transactions of the Plan and Aviva’s performance against the agreed standards. The Trustee does this through receiving bi-annual reporting from Aviva on its service performance including:

- Performance against the agreed service standards including core financial transactions.
- The quality of service provided, including the end to end times to process tasks and the level of tasks that delivered value.
- The payments made into and out of the Plan.
- Any member complaints or issues that arose.
- Member interactions and requests to Aviva.

In addition, the Trustee also receives reporting from its DC adviser which benchmarks Aviva’s service performance for the Plan against other schemes with Aviva.

Aviva operates the following to ensure financial transactions are processed promptly and accurately:

- Two individuals checking all investment and banking transactions.
- Daily monitoring of the bank account related to the AVCs.

To ensure the accuracy of the Plan’s data, during the reporting period Aviva undertook a review of the common data held for the AVC members of the Plan. The results as at 31 March 2022 showed a common data score of 98%. The missing data items predominately related to missing address information. The Trustee is working with Aviva and WTW as the Plan's defined benefit administrator over 2022 to resolve the outstanding data issues.

The Trustee is supported by WTW who provide the Trustee Secretarial services to the Board. This team support the Trustee with reviewing the Plan's core financial transactions via monitoring the service provided by the Plan administrator. Over the reporting period, the Trustee Secretary attended all Trustee meetings and Audit Risk Management and Administration Sub-Committee meetings to provide updates on the service received. In addition, representatives from the WTW administration team will attend meetings when required.

Aviva and the Trustee targets 95% of all cases meeting the agreed SLA. Over the reporting period Aviva achieved a service standard of 66.7% across all tasks with the performance for core financial transaction related tasks being 75.7%. Aviva now also measures itself against an internal metric focused on the speed and quality of its service through assessing the end-to-end time taken to complete a task and the perceived value provided to the customer for each task. This metric showed that of the cases processed over the 6 months to 31 December 2021, 55% did not deliver value and of the cases processed 45% took more than 5 days to complete from an end-to-end point of view with an average of 7 working days. This performance is below both Aviva's standards and the Trustee's expectation.

The continued concerns around the service being received by Aviva, was one of the reasons the Trustee undertook the review of its DC arrangements (as set out earlier in this statement). As part of this review, the Trustee has agreed to move the AVC assets to a master trust arrangement where members are expected to receive a higher quality administration service.

There were no member complaints during the reporting period.

In response to this poor performance and ongoing concerns around the service being received by Aviva, the Trustee has decided to review its AVC offering and has conducted a review of other providers in the market as part of its wider DC strategy review to understand if improved services can be offered to members. The Trustee has agreed that members would receive improved value by moving to a new provider and more detail on this is set out in the Value for Members section of the statement.

The Trustee also has in place legacy arrangements with Phoenix Life (formerly London Life) and Utmost Life and Pensions (Utmost - formerly Equitable Life). In terms of financial transaction activities, these providers are responsible for disinvesting member assets and paying these to the Trustee bank account when a member wishes to redeem their AVCs or move their savings to the Aviva arrangement.

The Phoenix Life policy only had one member remaining invested during the reporting period and this policy contains valuable guarantees which the member would lose if they were moved to an alternative arrangement. There were no financial transactions relating to the Phoenix Life arrangement over the reporting period.

Utmost does not make available Plan specific reporting in relation to the performance of its administration service. Utmost's own service standards over the reporting period is that the payment of member benefits will be made within 5 working days. Utmost has stated that in the year to 31 December 2021, 96% of all of its payments were made within its service standards (based on the whole of Utmost's business). For the Plan the WTW team supports the Trustee with the monitoring of this arrangement through liaising with Utmost to ensure, as far as possible, any payments are made as promptly and accurately as possible. There were no financial transaction issues relating to Utmost over the reporting period.

Based on this regular reporting and the service levels achieved the Trustee is satisfied that the AVC core financial transactions during the Reporting period have been processed accurately and no issues relating to core financial transactions need to be reported. However, the Trustee is not satisfied with the promptness of the processing of some core financial transactions by Aviva as demonstrated by the poor service standards. As noted above, in part due to the concerns with Aviva's administration performance the Trustee undertook a review of its DC arrangements and agreed that members would receive improved value by moving to a new arrangement with more detail set out in the Value for Members section of the statement.

Costs and charges

The statutory guidance was taken into account in preparing this section of the Statement.

The tables below show the total fee (called the total expense ratio, or TER) and transaction cost for each of the DC Section and AVC funds available to members. The TER includes the annual management charge (AMC) plus any additional fund management expenses. Transaction costs are those incurred by the investment managers as a result of buying, selling, lending or borrowing investments. These costs are typically categorised as:

- Explicit costs which are directly observable and include broker commissions and taxes, or
- Implicit costs which cannot be observed in the same way but can also result in a reduction in the value of capital invested, these include market impact or delay costs which can also result in a gain for the fund (i.e. a negative transaction cost).

The FCA's Policy Statement 'Transaction Cost Disclosure in WorkPlace Pensions' establishes a defined methodology to calculate transaction costs (known as the 'slippage cost' methodology).

The transaction costs shown below have been calculated by the Plan's providers in conjunction with the underlying fund managers. The figures shown in the transaction costs column indicate whether (over the reporting period) the total transactions that have taken place have produced either a positive or a negative impact. Negative costs are a feature of price movements in a fund as members trade in and out of the fund and are not a reflection of explicit costs paid by members. As a result of this, it is not expected that transaction costs for the affected fund(s) will always be negative.

Unless stated the transaction costs and TERs shown are for the period 1 April 2021 to 31 March 2022.

<u>DC Section costs and charges</u>

<u>Lifestyle strategy</u>

Under the Plan Lifestyle Strategy members' savings are invested in the Fidelity Blackrock 30/70 Currency Hedged Global Equity Fund initially and then phase into the Fidelity L&G Multi-Asset Fund starting 23 years from retirement, and then phase into the Fidelity Blackrock Cash Fund over the 4 years prior to retirement. The table below provides the charges and transactions costs that apply at different points till retirement for a member investing in the Lifestyle Strategy.

Fidelity Lifestyle Option - Term to retirement	TER	Transaction costs
0	0.09%	0.02%
3	0.21%	0.02%
6	0.24%	0.02%
9	0.24%	0.02%
15	0.23%	0.03%
20	0.22%	0.04%
25+	0.21%	0.05%

Fidelity funds	TER	Transaction costs
Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund*	0.21%	0.05%
Fidelity L&G Multi-Asset Fund*	0.25%	0.02%

Fidelity funds	TER	Transaction costs
Fidelity BlackRock Cash Fund*	0.09%	0.02%
Fidelity L&G Pre-Retirement Fund	0.18%	0.01%
Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	0.14%	0.01%

*Component fund of the Lifestyle Strategy

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 require the Trustee to produce a pounds and pence illustration showing the compounded effect of costs and charges. This is shown in Appendix 1. The illustrations included have been provided by Fidelity, who have followed reasonable measures to ensure that these illustrations are in line with the relevant statutory guidance.

The Trustee has taken into account the new statutory guidance which requires trustees to make available certain information on a publicly accessible website. This is now in place and can be accessed using the website address: **https://retirement.fidelity.co.uk/about-workplace-pensions/investing/costs-and-charges/ICLP**.

AVCs: Costs and charges - Utmost and Phoenix Life

Utmost Funds	TER	Transaction costs
Utmost Managed Fund**	0.75%	0.0687%
Phoenix Life Funds		
Phoenix Life London Life With Profits Fund*	No explicit member charges	No explicit member charges

*For the Phoenix Life London Life With-profits Fund no explicit member charges are applicable as all costs are deducted from the returns achieved by the Funds. These costs may impact on any non-guaranteed bonus rates received by members.

**The Utmost Managed Fund transaction costs are as at 31 December 2021 as this is the latest transaction costs that Utmost has made available.

AVCs: Costs and charges - Aviva

Under the Plan's AVC arrangement with Aviva a cash targeting lifestyle strategy is available to members which invests 100% in the Aviva Blended Global Equity Fund and then phases into the Aviva Cash Fund over the 5 years prior to retirement. In addition, some members hold investments in a legacy annuity targeting lifestyle strategy which is not open to further investments. Under this lifestyle members are invested 100% in the Aviva Blackrock Global Equity (50:50) Index Fund and then phase into the Aviva Pre-Retirement Fixed Interest Fund and the Aviva Cash Fund over the 5 years prior to retirement. The table below provides the charges and transaction costs that apply at different points till retirement for both lifestyle strategies.

Annuity Targeting Lifestyle Option

Term to retirement	TER	Transaction costs
0	0.43%	0.009%
3	0.43%	0.0449%
5+	0.43%	0.0689%

Cash Targeting Lifestyle Option

Term to retirement	TER	Transaction costs*
0	0.43%	0.0000%
3	0.44%	0.0000%
5+	0.44%	0.0000%

Aviva Funds	TER	Transaction costs
Cash Fund	0.43%	0.0000%
Blackrock Global Equity (50:50) Index Fund	0.43%	0.0689%
Pre-Retirement Fixed Interest Fund	0.43%	0.0120%
Managed Fund	0.43%	0.0602%
Stewardship Fund	0.43%	0.0790%
Stewardship Managed Fund	0.43%	0.1739%
BlackRock Corporate Bond All Stocks Index Tracker	0.43%	0.1257%
BlackRock UK Equity Index Tracker	0.43%	0.2386%
LGIM Diversified Fund	0.55%	0.0000%
Blended Global Equity Fund	0.44%	0.0000%
With-profits Fund	0.43%	0.0640%

Net investment performance

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for trustees of relevant occupational pension schemes. From 1 October 2021, trustees are required to calculate and state the return on any fund option members are invested in and/or are available to invest in, net of transaction costs and charges.

The Trustee has taken into account the statutory guidance when providing these investment returns and has not deviated from this.

DC Section

Fund	Last 12 months (%) 1 year to 31 March 2022	Last 5 years (% p.a.) 5 years (1 April 2017 - 31 March 2022)	Last 10 years (% p.a.) 10 years (1 April 2012 - 31 March 2022)	Last 15 years (% p.a.) 15 years (1 April 2007 - 31 March 2022)
Fidelity BlackRock 30/70 Currency Hedged Global Equity Fund	10.6	6.3	10.3	n/a
Fidelity L&G Multi-Asset Fund	4.3	1.2	n/a	n/a

Fidelity BlackRock Cash Fund	0.1	0.2	0.5	7.4
Fidelity L&G Pre-Retirement Fund	-6.9	1.2	n/a	n/a
Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	3.7	0.7	6.3	n/a

AVCs

Fund	Last 12 months (%) 1 year to 31 March 2022	Last 5 years (% p.a.) 5 years (1 April 2017 - 31 March 2022)	Last 10 years (% p.a.) 10 years (1 April 2012 - 31 March 2022)	Last 15 years (% p.a.) 15 years (1 April 2007 - 31 March 2022)	Last 20 years (% p.a.) 20 years (1 April 2002 - 31 March 2022)
Aviva Cash Fund	-0.25	-0.04	-0.03	0.68	1.52
Blackrock Global Equity (50:50) Index Fund	10.88	6.65	9.22	7.01	n/a
Aviva Pre-Retirement Fixed Interest Fund	-6.57	1.07	4.34	5.45	5.49
Aviva Managed Fund	5.94	5.44	6.79	5.29	5.60
Aviva Stewardship Fund	6.17	5.32	8.00	4.36	6.24
Aviva Stewardship Managed Fund	6.61	9.39	10.58	7.27	7.51
BlackRock Corporate Bond All Stocks Index Tracker	-5.63	1.18	3.83	n/a	n/a
BlackRock UK Equity Index Tracker	12.57	4.34	6.81	4.99	n/a
LGIM Diversified Fund	5.82	5.18	n/a	n/a	n/a
Aviva Blended Global Equity Fund	12.48	n/a	n/a	n/a	n/a
Aviva FP With-Profits Fund	8.72	6.15	6.86	5.55	6.14

Notes:

1. Returns are net of the fund specific charges and factor in the transaction costs incurred by the funds.

2. Age specific returns shown under the Lifestyle strategies arrangements are based on a member with a target retirement age of 65.

3. The returns have been provided by Aviva and Fidelity as at 31 March 2022.

4. Utmost has been unable to provide returns for its Managed Fund that are net of the Plan's specific costs and charges. The Trustee is continuing to work with Utmost so that the required information can be included in future Governance statements.

5. Where performance has not been provided, this relates to where a fund has not been in existence for the relevant performance period. The Trustee will include the missing longer term performance in future Governance statements when this becomes available.

6. Whilst it is important to understand the Plan's investment performance, it is also important to remember that pensions are a long-term investment. Members shouldn't make decisions based solely on short-term investment performance (either up or down). You should also remember that investments can go down as well as up, and you may not get back the amount that you invest.

Value for members: DC Section and AVCs

Assessment approach

The Trustee is legally required to undertake a VFM assessment on at least an annual basis, and report on the outcome of the assessment. At the Trustee's request, WTW carried out an assessment in August 2022. The assessment was undertaken in line with the Regulatory guidance and considered the following areas for both the DC Section and AVCs:

1. The level of the charges and transaction costs members pay and benchmarking these across other pension schemes.
2. The net investment returns of the Plan's DC Section and AVC fund ranges and how they performed against their benchmarks.
3. Considering the services and features offered by the Plan against those observed across best practice DC arrangements.

The results of the assessment are set out below.

Under the DC Section the Trustee pays an annual fee to Fidelity to subsidise the cost of the services that they provide. Members bear the cost for the services provided by Fidelity including administration transactions, the investment options available and any communications support. The annual fee paid by the Trustee had the effect of reducing the overall charge paid by members through Fidelity over the reporting period. Under the AVC arrangements members bear the cost for all other services provided by Aviva and Utmost including administration transactions, the investment options available and any communications support. All other DC costs are paid in full by the Trustee.

1. Charges and transaction costs

DC Section

- The Trustee benchmarked the charges paid by members by comparing these to the charges seen across a range of pension schemes of a similar type and size, as well as the charges paid within the wider market (across contract based and Master Trust arrangements). The benchmarking showed that the charges paid by members of the DC Section investment options were significantly below the average paid by schemes of a similar nature as well as those seen in the wider market (such as master trust arrangements).
- The transaction costs for all of the DC Section funds were benchmarked against an average cost for their respective asset class. The assessment showed that the funds were either below or broadly in line with the market average for their relevant asset class.

AVCs

- The Trustee benchmarked the charges and transactions paid by members in line with the approach taken for the DC Section above.

- The benchmarking showed that the charges paid by AVC members of the investment options were broadly in line with the average paid by schemes of a similar nature as well as those seen in the wider market.
- The assessment of the transaction costs showed that the majority of the funds were either below or broadly in line with the market average for their relevant asset class. A small number of funds' costs were above the average.

2. *Net investment returns*

DC Section

- The assessment considered the performance of the component funds used within the DC Section lifestyle strategy and the funds offered on a self-select basis. The assessment showed that the funds used within the lifestyle strategy had over the reporting period all broadly performed in line with their respective benchmarks over the longer term.

AVCs

- The assessment considered the performance of the component funds used within the AVC lifestyle strategy and the funds offered on a self-select basis. The assessment showed that the majority of funds had either matched or outperformed their benchmarks over the longer term.
- The assessment showed that the one remaining fund with Utmost had underperformed its benchmark over all reporting periods considered. The Trustee had previously agreed that this fund should close and members moved to a more appropriate option within the open AVC fund range. This change was not completed due to the ongoing master trust but the outcome of this review (as set out below) is expected to address this value concern.

3. *Plan services*

This element of the assessment considered whether the DC Section and AVCs offered services that are seen across best practice DC arrangements. The assessment showed that the Plan's DC Section and AVCs offered some of these services but identified a number of areas where improved value could be provided. This included:

- Providing access to a broad range of investment options covering different asset classes and considering enhanced solutions for certain fund types that are now available in the market.
- Consideration around the integration of environmental, social and governance factors into the investment design.
- An increased focus on DC matters as part of the ongoing monitoring undertaken by the Trustee of the Plan.
- Review the approach to supporting members with their key decision with a focus around member retirement decisions. This would include both the approach to communicating with members and the potential retirement solutions that could be offered. This was a particular value issue for the DC Section members.
- Reviewing the at-retirement choices provided to members due to the limited options currently available within the Plan.
- Improved administration performance for the AVC population reflecting the service provided by Aviva has been below expectation over the current and previous reporting periods.

Value assessment summary

The overall conclusion of the assessment was that the Plan was providing good to fair value to members in terms of the costs and charges incurred and the net investment returns experienced over the reporting period. However, in terms of the Plan services the outcome was that members are receiving poor value. This reflects that members would be expected to receive an improved range, and quality of services via a larger scheme such as a master trust.

As noted previously, the Trustee over 2021 and 2022 has been undertaking a project to consider how best to provide value to members both now and in the future. The outcome of this review was that transferring benefits held in the DC Section and the AVC assets to a larger master trust arrangement would overall deliver improved value to members compared to the current Plan offering. The Trustee undertook a review of the market to select the most appropriate provider and selected the Fidelity Master Trust as this arrangement was expected to best meet the needs of members under the DC Section and AVCs and provide improved value in terms of the issues identified as part of the latest value assessment. The Trustee is in the process of completing this transfer over 2022 and members will be communicated around this change in advance of this taking place.

Trustee knowledge and understanding (TKU)

The law requires the Trustee board to possess, or have access to, sufficient knowledge and understanding to run the Plan effectively. The Trustee Board includes individuals who have a long and broad experience of the pensions industry, and individuals who, outside of their Trustee role, work or used to work, in a variety of business areas. The Trustee Board consults with its professional advisers as and when required, for example on investment, governance and legal matters. The Trustee's principal advisors:

WTW – Actuarial and DC advisor
Gowlings – Legal advisor
Momentum – Investment advisor

The Trustee's approach to meeting its TKU requirements over the reporting period included:

- Maintaining a rolling programme of Trustee training which forms part of the Trustee's regular business planning and is provided by its professional advisers. Training is delivered both as part of the Trustee's quarterly board meetings and at dedicated training events.
- The Trustee undertook an extensive knowledge assessment during the fourth quarter of 2021 via a self-assessment questionnaire being completed by each Trustee Director. The results of the assessment were considered at the Trustee's 15 March 2022 meeting. The assessment showed that the Trustee had overall a good level of knowledge in most areas. The Trustee agreed that additional training around DC related matters to address gaps in this area would take place in the event that the proposed transfer of DC and AVC funds to Fidelity Master Trust did not take place (post year-end note: this transfer is in progress), although the Trustee would develop knowledge through specific advice being obtained on this project. Refresher training on pensions law and key Plan documents would be addressed over the Plan year ending 31 March 2023. Trustee Directors are also invited to attend Committee meetings where they were not a member as an observer to aid their knowledge and understanding.
- The Trustee received regular training and relevant updates over the reporting period including:
    - An overview of the Pension Scheme Act 2021 explaining the five key areas of the Act.
    - Pensions dashboards.
    - Climate change risk and the TCFD requirements.
    - Changes to the statutory requirements around member transfers.
    - Regulatory developments in relation to Environmental, Social and Governance (ESG) investing and stewardship (with particular focus on the government consultation on mandatory climate change-related governance and disclosure).
    - Sustainable investment updates focussed on the areas of regulation, peer practice and climate change.
    - Update on The Pensions Regulator's consultation on, and requirements of, the Single Code of Practice.
    - Developments at the Trustee's DC and AVC providers.
- Recording all training and attendance at appropriate seminars in the Trustee training log to support this statement.
- All Trustee Directors have previously completed the Pensions Regulator's trustee toolkit prior to the reporting period but Trustee Directors are encouraged to review the toolkit as required with four Trustee Directors undertaking refresher modules during the reporting period. During the reporting period a new module was added to the trustee toolkit covering pensions scams

with the majority of Trustee Directors completing this before the end of the reporting period. The remaining members of the Board will complete this over the Plan year ending 31 March 2023.

- The Trustee has in place a formal training programme for any new Trustee Directors appointed requiring new Trustee Directors to complete the Pensions Regulator's trustee toolkit within 6 months of appointment. All Trustee Directors also receive induction training from the Plan Secretary and key advisers, covering knowledge areas specific to their roles and Plan documentation such as the Trust Deed & Rules and SIP. No new Trustee Directors were appointed during the reporting period.
- All Plan documents are available on the dedicated Trustee site. Key Plan documents are referred to and reviewed if required to ensure these are being adhered to correctly when making decisions. The Trustee is conversant with the Plan's SIP and Trust Deed and Rules and periodically engages with its advisers to review these documents. Examples of reviewing the key Plan documents over the reporting period included:
  - The legal adviser reviewing the Plan Rules to support the DC market review. This was considered at the 25 May 2021 Trustee meeting and focused on whether the Trustee has the power to use Plan assets to cover certain transfer costs and highlighting potential changes required to the Plan Rules to facilitate a bulk transfer out of the Plan without member consent.
  - Updating the Plan's SIP at the September 2021 Trustee meeting including:
    - To reflect the Trustee developing views and policies around climate change risk.
    - Updates to reflect the new TCFD requirements on the Plan.
  - Updating the risk register and Joint Investment Committee's Terms of Reference to reflect the developments around climate change risk and the TCFD requirements.
  - Ratifying the review of the Joint Funding Committee's Terms of Reference to ensure this was appropriately maintained at the September 2021 Trustee meeting.
  - Reviewing the Trustee's conflicts of interest policy and business plan at each Trustee Board meeting.
  - Reviewing the Directors' interests and related matters policy at the December 2021 Trustee meeting.
  - The Audit Risk Management and Administration Committee undertook a detailed review of the Plan's risk register at the 26 May 2021 meeting.
  - Reviewing the Member Nominated Director Policy at the September 2021 Trustee meeting, ahead of the nomination and selection exercise.
  - Reviewing the Terms of Reference for the Audit, Risk and Administration Committee to ensure appropriate oversight of administration services.
- Each individual Trustee Director undertakes a programme of Continuous Professional Development (CPD) which includes attendance at adviser, industry and professional body seminars, webinars and other events as well as private study. These are all recorded via the Trustee's training logs. The majority of individual Trustee Director training during the reporting period has been conducted by webinar due to the Covid-19 pandemic. Examples of the Trustee Directors individual training undertaken over the reporting period included:
  - PMI seminar on Diversity and Inclusion for Trustee Boards.
  - PMI webinar on TPR's Climate Change Guidance.
  - Barnett Waddingham Seminar on The Pension Regulator's Combined Code of Practice.
  - East Midlands Pensions and Lifetime Savings Association webinar on the Pension Schemes Act 2021.
  - The Pension Regulator's Pensions Scam training.
  - Gowling webinar on Changing a pensions administration.
  - General reading of various pension and investment publications.
  - Insight DB portfolio strategy.
  - Insight Annual Investment update.
  - Insight Investment Training seminar.
  - WTW Behind the Scenes webinar.
  - WTW Pensions Dashboard webinar.

    - WTW webinar on Pensions Dashboards.
    - WTW's Pensions and Savings conference.
    - PMI webinar on digital transformation of Trustee Boards.
- The Trustee's DC advisor and legal advisor attend Trustee Board meetings to provide advice and updates relevant to the Plan. The Trustee reviews the quality of the service received and their ongoing suitability of its advisors annually.

Based on the above, the Trustee Directors consider they are conversant with:

- The Trust Deed and Rules of the Plan.
- The Statement of Investment Principles.
- Other documents recording Plan policies.

Each Trustee Director also considers that they have sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of pension schemes. The Trustee was able to demonstrate this knowledge through:

- The overall extensive experience of the Trustee Directors with the majority having been Trustee Directors for many years.
- Completion of the Pensions Regulator's trustee toolkit by all Trustee Directors other than the one new module requiring completion by some Directors.
- The regular updates and training provided by the Plan's adviser at both the Joint Investment Committee meetings and Full Board meetings.
- The individual training undertaken by the Board covering a wide range of topics.
- The knowledge assessment undertaken by the Board to identify where additional training is needed.

As a result of the training activities which have been completed by the Trustee individually and collectively as a Board, the professional advice available to the Trustee and the combined knowledge, experience and understanding of the Board enables it to exercise properly its functions as the Trustee of the Plan and demonstrates that the Trustee has met the relevant legislative requirements.

During the Plan Year ending 31 March 2020, an independent effectiveness review of the Trustee was undertaken by an external agency which focused on the behavioural effectiveness of the Board to support the objectives set out in the Trustee's business plan.

The Trustee had intended to undertake a new effectiveness assessment during the reporting period. However, due to a need to focus on other critical Plan activities (primarily the transition of the in-house team to an outsourced provision with WTW), it was agreed this will now be undertaken in H2 2022 in conjunction with the assessment against the requirements of the Pensions Regulator's new Single Code of Practice, particularly around succession planning. The results of this assessment will be reported in the Plan's next Governance Statement. To support the overall effectiveness of the Board the Trustee undertook a number of other activities during the reporting period:

- Undertaking reviews of selected advisors and service providers. The Trustee also reviewed its approach to how to undertakes these reviews at the same time.
- Peer review discussion at Trustee meetings around the operation of the Board and the Trustee decision making process.
- Ensuring the Terms of Reference for each of the Committees were up-to-date.

David Sillitoe
Chair of ICL Group Pension Plan
September 2022

Appendix 1 - illustrative example of effect of charges and transaction costs.

The illustrations shown are for the most popular investment options in terms of number of members invested (i.e. the Plan DC Section Lifestyle Strategy). In addition, illustrations have been included for two self-select funds (the Fidelity L&G Multi Asset Fund and the Fidelity BlackRock Cash Fund). These funds have been selected both to demonstrate the effect of the DC Section fund with the highest charge (the Fidelity L&G Multi Asset Fund) compared to the fund with the lowest charge (Fidelity BlackRock Cash Fund) but also to demonstrate the impact of differing long-term return assumptions for different asset classes.

We would note that when reviewing the below illustrations, it is important to consider the assumptions used (see details below) and to bear in mind that there are other factors that impact what a member may receive on retirement. In addition, when considering what is a suitable investment choice, charges are only one aspect and other areas should be considered by members (such as potential for investment return and a member's own preferences and tolerances to various risks). It is important to highlight that lower charges do not necessarily equate to better outcomes.

The tables below show the impact of charges and transaction costs for an example member which represents an average of the Plan DC Section population over a range of different time periods to the selected target retirement date.

The statutory guidance was taken into account in preparing this section of the Statement and the Trustee has not deviated from this.

Plan DC Section Lifestyle Strategy

Fund value at end of year	**Starting fund value: £26,000 No ongoing contributions**	
	No costs	**After all costs**
1	£26,634	£26,566
3	£27,949	£27,735
5	£29,329	£28,956
10	£33,085	£32,248
20	£42,100	£39,999
30	£53,572	£49,610
40	£68,170	£61,517
50	£81,965	£72,250
	Reduction in yield: 0.3%	

Fidelity L&G Multi Asset Fund

Fund value at end of year	**Starting fund value: £26,000 Future contribution: £0.00 per month**	
	No costs	**After all costs**
1	£26,634	£26,564
3	£27,949	£27,730
5	£29,329	£28,948
10	£33,085	£32,229
20	£42,100	£39,951
30	£53,572	£49,523
40	£68,170	£61,388
50	£86,745	£76,095
	Reduction in yield: 0.3%	

Fidelity BlackRock Cash Fund

Fund value at end of year	Starting fund value: £26,000 Future contribution: £0.00 per month	
	No costs	After all costs
1	£25,772	£25,744
3	£25,321	£25,241
5	£24,878	£24,747
10	£23,805	£23,554
20	£21,796	£21,338
30	£19,956	£19,331
40	£18,271	£17,512
50	£16,729	£15,865
	Reduction in yield: 0.1%	

The Fund/Strategy investment growth rate assumptions vary according to the type of asset class the funds are (see also note 2 and 11 below):

Equity asset classes 2.44%
Bond asset classes -1.56%
Cash asset classes -0.88%

Illustration assumptions:

1. These tables illustrate the potential impact fund costs may have on the projected value of monies invested in an average member's pension plan. The total expense ratio and transaction costs used in this illustration are those set out in the 'Charges and transaction costs' section of this Statement. For the transaction costs these have been averaged over the longest period transaction costs are available.

2. For the DC Section Lifestyle Strategy, the projections take into account the changing proportion invested in the different underlying funds over time and the growth rates may be a blend of those shown above where there is a blend of different asset classes.

3. These are not projections of any specific member's own pension plan.

4. All the figures illustrated here are only examples and are not guaranteed - they are not minimum or maximum amounts.

5. A member could get back more or less than this and may also get back less than the amount that has been invested.

6. Reduction in Yield (RIY) is a way of expressing the impact of all charges on a pension policy over a period of time. It sets out the annual reduction in return that would otherwise have been provided if the fund carried no charges at all.

7. Investment return in real terms is the effective annual growth rate of the fund after adjusting for the inflation rate.

8. Projected pension fund values are shown in today's terms and do not need to be reduced further for the effect of future inflation.

9. Inflation is assumed to be 2.5% each year.

10. As the Plan is closed to future contributions, no future payments have been considered in these illustrations.

11. The starting fund value used in the projections is representative of the average for the Plan based on all members holdings in the Plan (subject to a minimum of £1,000).

12. The projections assume that no withdrawals are made prior to the selected retirement age.

13. The values and data included in the assumptions are based on the quarterly update issued by Fidelity as at 31 March 2022.