ICL Group Pension Plan

Statement of Investment Principles – November 2023

1. Introduction

The Trustee Board of the ICL Group Pension Plan ("the Plan"), ICL Pension Trust Limited, in its capacity as Trustee of the Plan ("Plan Trustee") has drawn up this Statement of Investment Principles ("the Statement") to comply with the requirements of the Pensions Act 1995 ("the Act") and subsequent legislation. The Statement is intended to affirm the investment principles that govern decisions about the Plan's investments. A separate document detailing the specifics of the Plan's investment arrangements is available upon request.

In preparing this Statement the Plan Trustee has consulted the Sponsoring Company ("Fujitsu Services Limited") to ascertain whether there are any material issues of which the Plan Trustee should be aware in agreeing the Plan's investment arrangements. However, the ultimate power and responsibility for deciding investment policy lies with the Plan Trustee.

2. Plan Details

The Plan is a Defined Benefit arrangement and operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.

The majority of investment activity is carried out through the medium of a Common Investment Fund ("CIF") under which assets of the Plan and the Fujitsu Comparable Pension Scheme ("the Scheme") are pooled for investment purposes.

The assets of the CIF are subdivided between the Plan and the Scheme via a unitisation process. Each participating plan has secured a number of units and the value of assets for each plan is determined as the product of unit price and the number of units held.

A portion of the Plan assets are held outside of the CIF arrangements to facilitate the collateral requirements for the longevity swap to hedge the longevity risk associated with the pensioner and dependant population.

ICL Pension Trust Limited is also Trustee of the CIF; the "CIF Trustee". Further details on the responsibilities of the CIF Trustee are outlined in the Section below and in the Appendix to this document.

3. Fund Governance

The Plan Trustee is responsible for the overall investment arrangements and has delegated specific responsibilities to a Joint Investment Committee ("JIC"). The JIC shall consist of up to four members. The directors of the Plan Trustee and the Scheme Trustee may select and appoint up to two members of the JIC from their number. The Plan Trustee and Scheme Trustee may agree to select and appoint (and subsequently remove) an individual, who is not a director of either of those Trustees, as a fifth (or additional) member of the JIC. In addition, a representative of the Sponsoring Company also attends JIC meetings in a non-voting capacity.

The CIF Trustee is responsible for the CIF and also delegates certain responsibilities to the JIC. The Terms of Reference for the JIC specifies details of the terms of delegation to the JIC by both the Plan Trustee and the CIF Trustee. The JIC delegates a number of pre-defined activities to the Investment Executive.

The duties and responsibilities of each party mentioned in this Statement including the JIC are detailed in the Appendix.

The Plan Trustee is satisfied that (taking into account the experience of its professional advisors) it has sufficient expertise, information and resources to carry out its role effectively.

The JIC (as a delegate of the Plan Trustee) has a documented business plan which covers investment and other issues. This sets out the expected activities and aspirations for the year and is updated regularly.

4. Process For Choosing Investments

The process for choosing investments is as follows:

- Identify appropriate investment objectives;
- Agree the level of risk and expected return consistent with meeting the objectives set; and
- Construct a portfolio of investments that is expected to meet the return objective (net of all costs) given the targeted level of risk.

In considering the appropriate investments for the Plan, the Plan Trustee has obtained and considered the written advice of Momentum Investment Solutions & Consulting in their capacity as the outsourced Investment Executive, whom the Plan Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Plan Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

5. Investment Objective

The Plan Trustee's objective is to invest the Plan's assets in the best interest of the members and beneficiaries, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. In order to achieve this objective, the Plan Trustee targets an expected return that balances the level of risk, which covers a range of operational, technical and covenant related risks, with the desire to achieve full funding as soon as possible. Within this framework the Plan Trustee has agreed specific financial objectives to help guide them in their strategic management of the assets and control of the various risks to which the Plan is exposed. The Plan Trustee's financial objective is to target an expected return that is sufficient to support the requirements of the Technical Provisions and the current Deficit Recovery Plan.

The Plan Trustee has entered into a Memorandum of Understanding with the sponsor which covers matters such as the sponsor's investment risk tolerance.

6. Risk Management and Measurement

There are various risks to which the Plan is exposed. In establishing the investment objectives, the Plan Trustee has considered the following risks:

- The risk that there is a mismatch between the Plan's assets and its liabilities. The Plan Trustee recognises that whilst increasing risk relative to the Plan's liabilities increases potential returns over a long period, it also produces more short-term volatility in the Plan's funding position. The Plan Trustee has taken advice on the matter and (in light of the objectives noted previously) considered carefully the implications of adopting different levels of risk.

- The risks that may arise from a lack of diversification of investments. Subject to managing the risk from a mismatch of assets and liabilities, the Plan Trustee aims to ensure the asset allocation policy in place results in an adequately diversified portfolio.
- The risk that the day to day management of the assets will not achieve the rate of investment return expected by the Plan Trustee. The Plan Trustee recognises that the use of active management involves such a risk. The Plan Trustee attaches a high degree of significance to this risk and ensures that, where appropriate, diversified manager structures are in place to reduce this risk, provided that any associated increase in costs is justified by the risk reduction achieved.
- The risk associated with the non-Sterling denominated assets fluctuating in value due to currency movements. To protect against this risk currency hedging is employed.
- The risk that there is insufficient cashflow to meet ongoing requirements, including benefit payments and transfer values. An income sweep is in place whereby the income from each mandate is swept to the Plan's LDI arrangements or Trustee bank account to help meet ongoing cashflow requirements. In addition, the majority of assets are invested in bonds (and bond-like investments) that provide predictable cashflows which help to reduce the likelihood of having insufficient cashflow and becoming a forced seller of assets to meet ongoing requirements.
- The risk that pensioners and dependants live longer than assumed. The Plan Trustee has taken advice on the matter and a longevity swap is in place to hedge the longevity risk of the pensioners and dependants.
- The documents governing the manager appointments include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan. The managers are prevented from investing in asset classes outside of their mandate without the prior consent of the JIC (as a delegate of the Plan Trustee).
- Arrangements are in place to monitor the Plan's investments to help the Plan Trustee check that nothing has occurred that would bring into question the continuing suitability of the current investments. To facilitate this, the JIC (as a delegate of the Plan Trustee) meets regularly with the Plan's managers and receives regular reports from all the investment managers and the Investment Executive. As part of the quarterly monitoring the JIC (as a delegate of the Plan Trustee) monitors the overall funding level of the Plan, to ensure the risks taken and returns achieved are consistent with those expected.
- The safe custody of the Plan's assets is delegated to professional custodians (either directly or via the use of pooled vehicles).

Should there be a material change in the Plan's circumstances, the Plan Trustee will review whether and to what extent the investment arrangements should be altered; in particular whether the current risk profile remains appropriate.

7. Portfolio Construction

The Plan Trustee has adopted the following control framework in structuring the Plan's investments subject to the overriding constraint that at the total Plan level the expected level of risk and return is consistent with meeting its investment objectives detailed in Section 5:

- To help diversify manager-specific risk, multiple manager appointments within a single asset class are preferred where practical and subject to appropriate cost benefit analysis.

- At the total Plan level and within individual manager appointments, investments should be broadly diversified to ensure there is not a concentration of investment with any one issuer. This restriction does not apply to investment in UK Government debt.
- Illiquid investments, such as property and infrastructure, may be held as long as the Plan Trustee judges that the lack of liquidity will not prevent the Plan from achieving the investment objectives set out in Section 5.
- Investment in derivatives is permitted either directly or within pooled funds as long as they contribute to a reduction in risk or facilitate efficient portfolio management. Derivatives are used in the Plan's liability hedging portfolio to reduce both the interest rate and inflation risk relative to the Plan's liabilities.
- Investment may be made in securities that are not traded on regulated markets. Recognising the risks (in particular liquidity and counterparty exposure) such investments will normally only be made with the purpose of reducing the Plan's mismatch risk relative to its liabilities or to facilitate efficient portfolio management. In any event the JIC (as a delegate of the Plan Trustee) will ensure that the assets of the Plan are predominantly invested in regulated markets.
- The Plan shall not invest in securities issued by the Plan's Sponsoring Employer or affiliated companies (other than any such securities held within a pooled fund in which the Plan invests).
- No appointed investment manager shall invest in the securities issued by the relevant manager's company or any affiliated companies (other than any such securities held within a pooled fund in which the Plan invests).

8. Investment Strategy

The Plan Trustee adopts an investment strategy which is consistent with the investment objectives set out in section 5.

A detailed description of the investment policy can be found in a separate document produced by the JIC entitled "Investment Policy Implementation Document", which is available to members upon request.

9. Day–to-Day Management of the Assets

The JIC (as a delegate of the CIF Trustee & the Plan Trustee) delegates the day to day management of the Plan's assets to a number of investment managers and is responsible for the monitoring of the managers. The JIC (as a delegate of the CIF Trustee & the Plan Trustee) has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Plan's investments and that they are carrying out their work competently.

The JIC (on behalf of the CIF Trustee & the Plan Trustee) regularly reviews the continuing suitability of the appointed managers and the balance between active and passive management, which may be adjusted from time to time. However, any such adjustments would be done with the aim of ensuring the overall level of expected return and risk is consistent with meeting its investment objectives as set out in Section 5.

The JIC monitors the performance of the appointed managers against the investment strategies and objectives of the Plan on a quarterly basis, and formally meets with each manager at least annually.

The JIC seek long-term, ongoing partnerships with their investment managers to incentivise medium to long-term financial performance. The JIC does not set duration expectations for its partnerships but monitors their suitability on an ongoing basis. Some of the Plan's investments are invested in strategies where there is a duration expectation due to the fixed term nature of the underlying investment and/or investment vehicle. The JIC monitor the suitability of these arrangements on an ongoing basis and any decision to increase (or reduce) the allocation to these fixed term investments would be based on an assessment of their ongoing suitability.

To incentivise medium to long-term financial performance, the JIC assesses investment manager performance over various periods including 3-year, 5-year and since inception of the mandate. It heavily biases its review of ongoing suitability of the investment manager on the assessment of the future performance expectations and the portfolio's role in supporting the overall investment objectives.

Managers are incentivised by the fees received for managing the Plan's assets and equally from the risk of termination of their mandate should they not perform. If there is a consistent lack of alignment, managers will be required to account for this to the JIC.

The JIC undertake the governance and reporting requirements relating to climate related risks and the Task Force on Climate-Related Financial Disclosures ("TCFD").

The JIC reviews the turnover and ongoing investment costs on an annual basis and has appointed a specialist provider to report on these costs using current industry standard templates. This includes the costs of buying and selling securities and the frequency of trading relative to expectations for the mandate. Where an investment manager is unable to provide the information using the current industry standard template, information in the format provided by the investment manager is reviewed. Based on the guidance from the Investment Executive, each portfolio has an expected investment turnover range. Deviations from that range are reviewed with the investment manager.

Details of the appointed managers can be found in the "Investment Policy Implementation Document".

The CIF employs a global custodian ("the Custodian"). The Custodian's responsibilities are defined in its agreement. A separate agreement is also in place with the Custodian regarding the Plan only assets held outside of the CIF arrangements.

10. Expected Return

The Plan Trustee expects the investment policy to generate a return, over the long term, that is sufficient to support the assumptions underpinning the current Deficit Recovery Plan. It is recognised that over the short-term performance may deviate from the long-term target.

11. Realisation of Investments

The investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments within parameters stipulated in the relevant appointment documentation and pooled fund prospectuses.

12. Additional Voluntary Contributions ("AVCs")

The Plan previously provided a facility for Plan members to pay AVCs into the Plan to enhance their benefits at retirement. These arrangements were previously invested with Utmost and Aviva in a variety of funds. These assets were transferred to the Fidelity Master Trust in November 2022 and no AVC related assets remain under the Plan.

Members of the Plan who had their AVC assets transferred to the Fidelity Master Trust may have the option to enact a ‘transfer back’ solution at the point of retirement from the Plan, to allow them to use their AVC assets held under the Fidelity Master Trust towards their Plan tax free cash allowance. A separate process document sets out the terms and requirements for the transfer back facility. Any assets transferred back would be held in the Trustee bank account for the short period until the benefits are put into payment. No assets will be directly allocated to a member account and so no investment strategy is required in relation to these assets.

13. Sustainable Investment, ESG and Stewardship

The Plan Trustee and the JIC take account of all financially material risks and opportunities in consultation with their advisers. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of the Plan’s investment time horizon and objectives. As part of those considerations the Trustee and the JIC take account of the Sponsor’s business and the Plan’s maturing liability profile. The Trustee and the JIC consider sustainable investment issues, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, and effective stewardship, in the context of this broader risk management framework.

The Plan Trustee and the JIC believe that integrating sustainable investment into its processes and decision making should lead to better outcomes for Plan members, including by helping to manage regulatory and reputational risks. In particular:

- The Plan can best implement its sustainable investment policy through its investment managers and advisers, and will therefore closely review, monitor and challenge their activities in this area.
- The Plan should look to manage risks and exploit opportunities, particularly through ESG integration, effective stewardship, identifying attractive sustainability themes, and understanding the real world impact of its investments.
- Climate change poses material financial risks to the Plan and therefore should be subject to specific attention and risk management.
- The Plan prefers a collaborative approach, leveraging its efforts through engagement, working with its investment managers, advisers, and Sponsor.

The JIC’s policy is that day-to-day decisions relating to the selection, retention and realisation of Plan assets is left to the discretion of its investment managers, noting the JIC’s increased ability to influence and control terms of these arrangements for assets invested in segregated accounts versus those held in pooled vehicles. The JIC expects the investment managers to consider ESG issues and explores these issues with its managers to understand how they exercise these duties in practice and receives reports on how these issues are addressed. When considering the appointment of new managers, and reviewing existing managers, the JIC, together with the Investment Executive, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.

The JIC delegate the day-to-day articulation of their investment policy, its monitoring and engagement to the Investment Executive. The Investment Executive provides the JIC with stewardship updates as part of its regular reports and escalates matters to them as necessary.

While the Plan's investment managers are given full discretion in exercising stewardship obligations relating to the Plan's investments, they are expected to prioritise stewardship and engagement activities in relation to the following ESG factors, which represent the

Plan's priorities in relation to stewardship:

- Climate Change with a focus on disclosures & reporting;
- Modern Slavery; and
- Diversity & Inclusion.

If a concern is identified, this will be reported to the JIC and will be considered on a case by case basis. If a manager's level of engagement was viewed to be unsatisfactory, this would be escalated in the first instance by the Investment Executive, who would feed back to the manager that their current level and/or depth of engagement was not satisfactory, and encourage them to improve this, taking into account the Plan's stewardship priorities. If this did not result in an improvement in the level of engagement, the next level of escalation would be for the JIC to voice their dissatisfaction to the manager on their level and/or depth of engagement. If this still did not result in any improvement, the JIC would consider whether the specific circumstances justified the termination of the mandate.

The JIC recognises the UK Stewardship Code as good practice and its policy is to encourage its investment managers and other stakeholders to comply with the UK Stewardship Code (or equivalent relevant code) or explain where they do not adhere to this policy.

It is the Trustee's policy at this time not to consider non-financial matters, but it continues to keep this under review.

14. Monitoring & Reporting

The appointment of the investment managers will be reviewed by the JIC (as a delegate of the CIF Trustee & the Plan Trustee) and the Plan Trustee respectively from time to time, based on the results of their monitoring of performance and process, and of compliance with the requirements in the Pensions Act concerning diversification and suitability, where relevant. The CIF Trustee and Plan's investment managers have been provided with a copy of this Statement and the JIC (as a delegate of the CIF Trustee & the Plan Trustee) will monitor the extent to which the investment managers give effect to the policies set out in it.

The Custodian is used as an external independent performance monitoring agency to consider the Plan's and managers' performance.

The JIC (as a delegate of the CIF Trustee & the Plan Trustee), hold regular meetings with the investment managers to satisfy themselves that they continue to carry out their work competently and have the appropriate knowledge and experience to manage the investments of the Plan.

The JIC (as a delegate of the CIF Trustee & the Plan Trustee) believes that custodian services are a vital part of the management of the Plan's assets and recognise the importance of monitoring the custodial arrangements.

The Plan Trustee includes an implementation statement within its annual report. The implementation statement sets out how it has acted on the principles within this Statement and provides details of the stewardship, engagement and voting undertaken with regards to the Plan's investments (albeit the Plan has no exposure to listed equities with voting rights and thus no significant votes either).

15. Review of this Statement

The Plan Trustee will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Plan Trustee reasonably believes to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension plan investments.

APPENDIX

DIVISION OF DUTIES AND RESPONSIBILITIES

Duties and Responsibilities	Executed By
▪ Reviewing the investment objectives following the results of each actuarial review, in consultation with the Plan's Actuary and the Investment Executive, and recommendations made by the JIC. ▪ Reviewing regularly the content of this Statement and modifying it if deemed appropriate.	The Plan Trustee
▪ Undertake unitisation, valuation and administration duties on behalf of the CIF & the Plan.	The JIC
▪ Reviewing the investment policy following the results of each actuarial review, in consultation with the Plan's Actuary and the Investment Executive. ▪ To ensure that the CIF's and the Plan's investments are correctly and appropriately managed, in accordance with the agreements with the respective investment managers and the Statement for each participating arrangement. ▪ Appointing and reviewing the managers of the CIF & the Plan. ▪ Review investment manager guidelines and execute investment documents on behalf of the CIF and the Plan. ▪ To receive regular information on all relevant investment issues, e.g. – Quarterly Investment Managers' Reports – Consolidated Investment Reports – Funds held by Pensions Department ▪ To hold regular meetings with the investment managers to the CIF & the Plan. ▪ To undertake reviews of the investment managers to the CIF & the Plan (on behalf of the CIF Trustee & the Plan Trustee), as appropriate. ▪ To ensure the Plan Trustee's investment policies and strategies are implemented in a cost-effective manner. ▪ To set stewardship priorities for the investment mandates and ensure that sustainable investment issues, such as ESG, climate change (TCFD) and stewardship are reviewed and monitored across the investment mandates. ▪ To report on a regular basis on the discharge of the above duties.	The JIC
▪ Perform asset liability modelling exercises, as required. ▪ Advise on the strategic framework. ▪ Advise on the selection of the Investment Managers. ▪ Monitor the Investment Managers, providing both qualitative and quantitative input to the JIC. ▪ Monitor the Investment Managers' stewardship and engagement activities to ensure they align with the Trustee's stewardship priorities. ▪ Perform the pre-defined activities delegated to the Investment Executive by the JIC. These activities include: cash flow management; documentation reviews; and business as usual items.	The Investment Executive

Duties and Responsibilities	Executed By
▪ Advise on the implementation of mandates. ▪ Advise on the Statement.	
▪ At their discretion, but within any applicable guidelines, deciding on and implementing changes in the asset mix and selecting securities within each asset class having regard to the need for diversification of investments so far as is appropriate and to the suitability of the investments. ▪ Providing the Investment Executive with quarterly statements of the assets along with a quarterly report on the results of the past investment strategy and the recommended future policy. ▪ Investing cash in a suitable manner consistent with the Agreements as agreed between the Trustee and the investment managers.	The Investment Managers
▪ Arranging and safekeeping of the Plan's assets. ▪ Undertaking all appropriate administration relating to the Plan's assets normally undertaken by custodians. ▪ Processing all dividends and tax reclaims in timely manner. ▪ Providing a performance monitoring service.	The Custodian
▪ Assessing the funding position of the Plan in accordance with the Statement of Funding Principles and advising on the appropriate response to any shortfall.	The Plan Actuary
▪ Ensure there is sufficient cash available to meet benefit payments from the Plan as and when they fall due. ▪ Transferring funds not required to meet benefit payments to the Plan's manager(s) according to the Trustee's instructions. ▪ Investing cash balances required to meet benefit payments in a suitable low risk manner consistent with the Trustee's guidelines.	The Administrator