



BASF Ireland Limited Defined Benefit Plan

Trustees' Annual Report for the Plan Year ended 31 December
2023

Prepared for The Trustees of the BASF Ireland Limited Defined Benefit Plan

Prepared by Aon

Pensions
Authority
Number PB 1522

Aon Solutions Ireland Limited trading as Aon is regulated by the Central Bank of Ireland.
Registered in Ireland No. 356441
Registered office: Block D | Iveagh Court | Harcourt Road | Dublin 2 | Ireland.
Directors: Mairead O'Mahony, Rachael Ingle, Ken Murphy, Paul Schultz (US), Patrick Wall.
aon.com

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Trustees and Advisors

Principal Employer	BASF Ireland Limited
Trustees	Myles Cogan Leandro Ortolan Ger Holland Mark Kelly (retired with effect from 15 February 2024) Alison Wilkins (retired with effect from 1 February 2023) James Blackman (appointed with effect from 1 February 2023) Aineen Akhund Rishi (appointed with effect from 15 February 2024)
Key Function Holders	<u>Risk Management Key Function Holder:</u> Seamus O'Shea, Risk Management Consultant, Aon. Email: seamus.oshea@aon.com <u>Internal Audit Key Function Holder:</u> Rav Vithaldas, Director, Ernst Young. Email: rav.vithaldas@ie.ey.com
Consultant & Registered Administrator	Aon Solutions Ireland Limited (t/a Aon), Hibernian House, Building 5200, Cork Airport Business Park, Co. Cork.
Investment Managers of Pension Fund	Irish Life Investment Managers Limited (ILIM), Beresford Court, Beresford Place, Dublin 1. Insight Investment, 160 Queen Victoria Street, London, EC4V 4LA (appointed with effect from 20 December 2023) BNY Mellon Global Funds Plc (BNY), Wexford Business Park, Rochestown, Druagh, Co. Wexford. (removed with effect from 31 May 2023) PIMCO Global Advisors (Ireland) Ltd (PIMCO), 3rd Floor, Harcourt Building, 57B Harcourt St, Dublin 2. (removed with effect from 30 March 2023)
Actuary	Kieran Manning FSAI, Mercer (Ireland) Limited, 23/25 South Terrace, Cork.
Auditor	Forvis Mazars, Chartered Accountants, Block 3, Harcourt Centre, Harcourt Road, Dublin 2.

Pensions Authority Verschoyle House,
28-30 Lower Mount Street, Dublin 2.

**Pensions Authority
Reference No.** PB 1522

If you have any queries on this annual report or on any aspect of the Plan you should refer them, in the first instance, to:

James Blackman,
BASF plc,
4th & 5th Floors,
2 Stockport Exchange,
Railway Road,
SK1 3GG Stockport,
United Kingdom.
Email: james.blackman@basf.com

Trustees' Report

Introduction

The Trustees are pleased to present here with the annual report to members of the BASF Ireland Limited Defined Benefit Plan (“the Plan”) for the year ended 31 December 2023. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act 1990. The report outlines the constitution and structure of the Plan together with details of financial developments for the year, investment matters and membership movements.

The Plan, which operates on a defined benefit basis, was established on 1 August 1976 to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, BASF Ireland Limited. Membership has been closed to new entrants since 1 September 2003. In addition, the Plan has ceased to accrue benefits since 31 December 2010.

The Plan is governed by a definitive Trust Deed and Rules which members are entitled to inspect or receive a copy thereof. Details of members’ benefits are also provided in the explanatory booklet which has been distributed to all members.

The Plan has been approved by the Revenue Commissioners as an “exempt approved scheme” under Section 774 of the Taxes Consolidation Act, 1997, and as such its assets are generally allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer contributions to the Plan and certain lump sum payments to members can be paid free of tax. The Plan has also been registered with the Pensions Authority and its registration number is PB 1522.

The Plan is financed by contributions from the employer. Details of contributions are set out in note 4 to the Financial Statements.

Changes to the Plan

There have been no changes since the previous Plan year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

Trustees and Advisors

Stewardship of Plan assets is in the hands of its Trustees, as outlined on page 1. The right of members to select or approve the selection of trustees to the Plan is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996, (S.I. No. 376 of 1996).

Under the Trust Deed the Principal Employer has the power by Deed to appoint or remove trustees or amend the number of trustees.

The Trustees have access to appropriate training on their duties and responsibilities as Trustees. Section 59AA of the Pensions Act 1990, which requires trustees of pension plans to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009.

We confirm that the Trustees have received appropriate trustee training as required by the Pensions Act 1990, within the time limits set out therein.

**Trustees and Advisors
(continued)**

No costs or expenses were incurred by the Plan during the year in relation to the provision of trustee training.

The Trustees and registered administrator have access at all times to guidelines, guidance notes and codes of practice issued by the Pensions Authority in accordance with Section 10 of the Pensions Act, 1990.

The Trustees and registered administrator have appropriate procedures in place to ensure that:

- Contributions payable during the Plan year are received by the Trustees in accordance with the timetable set out in Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the Plan year end, and
 - Contributions payable have been paid in accordance with the rules of the Plan and the recommendations of the Actuary.
-

**Internal Dispute
Resolution (IDR)
Procedures**

The Trustees have drawn up a set of procedures for dealing with complaints from actual or potential beneficiaries under the Plan, as required under Section 55 of the Financial Services and Pensions Ombudsman Act 2017 (No. 22 of 2017).

Members/beneficiaries may make a complaint in writing to the Trustees of the Plan. The Trustees will review the complaint and make a decision on the matter. If the member/beneficiary is unhappy with the Trustees' decision, they may make an appeal to the Financial Services and Pensions Ombudsman. Further information about these IDR Procedures is available from the HR Manager.

Members may also contact the Pensions Authority which was established under the terms of the Pensions Act 1990 to safeguard the pension rights of members of pension plans. It has extensive powers to enforce compliance with the legislation, including those of investigating and prosecutions. The address and registration number are provided on page 1 of this report.

Pension Increases

Pensions in payment may be increased at the discretion of the Trustees with the consent of the Company. No increases in pensions were granted during the year from 1 January 2023 to 31 December 2023.

The statutory revaluation percentage is declared annually by the Minister for Social Protection and is the lesser of 4% per annum or the increase/decrease in the Consumer Price Index over the previous year. The statutory revaluation percentage applied to deferred pensions for the year ended 31 December 2023 was 4% (2022: 4%).

There are no pensions or pension increases being paid by or at the request of the Trustees for which the Plan would not have a liability on winding up.

Financial Developments

The financial development of the Plan during the year is shown below:

	€
Opening Value as at 31 December 2022	29,744,332
Net Additions from Dealings with Members	425,552
Investment Returns	<u>2,075,742</u>
Closing Value as at 31 December 2023	<u><u>32,245,626</u></u>

All contributions were received within 30 days of the Plan year end, and in accordance with the Plan Rules and the recommendations of the Actuary.

Self Investment

There were no employer related investments at any time during the year.

Condition of the Plan

The financial condition of the Plan is dealt with in the Actuarial Position and Investment Management sections of this report.

The Plan is funded by contributions paid by the employer. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the Plan will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the Plan may have to be reduced. If the Plan is wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

Further information on this statement can be obtained from the Trustees.

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), the Trustees are required to describe the risks associated with the Plan and disclose these to members. A Statement of Risks adopted by the Trustees is set out on page 24 of this report.

Actuarial Position

Ongoing funding position

The development of the Plan is monitored by the Scheme Actuary by means of an actuarial valuation which is carried out every three years. The most recent valuation was carried out as at 1 January 2021. The next valuation is due at 1 January 2024 and work on this valuation is currently ongoing.

Based on that valuation the Actuary recommended the future contributions to be paid by the employer such that, if the valuation projections reflected the actual experience, the recommended rate would suffice to meet the future benefit payments from the Plan as they fall due.

In line with guidelines set out in the Statement of Recommended Practice-Financial Reports of Pension Schemes (Revised November 2014) ("SORP") a Report on Actuarial Liabilities is also included in the appendices to this report.

Statutory funding position

**Actuarial Position
(continued)**

Section 44 of the Pensions Act, 1990 (the Act) sets out a statutory funding test that the Plan must comply with. It comprises of a basic Funding Standard test which compares the value of the Fund with a prescribed valuation of the Scheme's liabilities and a Funding Standard Reserve test which considers whether the Scheme has sufficient additional assets (i.e. a risk reserve) to ensure that it would continue to satisfy the Funding Standard if a prescribed adverse economic scenario were to come to pass. If the Plan failed to satisfy either aspect of the statutory test then a Funding Proposal would have to be prepared to address the shortfall.

The Plan satisfied both aspects of the statutory test as at 1 January 2024. An Actuarial Funding Certificate (AFC) and a Funding Standard Reserve Certificate (FSRC) confirming this outcome have been prepared by the Scheme Actuary and submitted to the Pensions Authority. Copies of these certificates are included in the appendices to this report.

**Investment
Management**

The Trustees have delegated responsibility for the investment and day to day administration of the pension Plan's assets to the Investment Managers. Irish Life Investment Managers Limited and Insight Investment are currently responsible for the management of the Plan's investments and their reports are contained in the Investment Reports as set out in the appendices of this report.

The investment managers have their own appointed custodians which have systems of internal control to ensure the safe custody of assets.

The fees payable to the Investment Managers are based on the average value for the year of the assets under management. These fees are deducted from the funds at source, prior to valuing the assets.

Overall responsibility for investments and their performance lies with the Trustees of the Plan. The Trustees hold regular meetings with the Investment Managers to discuss investment policy. The Trustees' Statement of Investment Policy Principles is set out in the appendices of this report.

All consulting fees are paid by the Principal Employer. All investment manager fees are borne by the Plan. Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland requires the disclosure of the nature and extent of credit and market risks the investments are subject to and the risk management processes in place to manage these risks.

These details are included in the Investment Risk note in the Financial Statements.

IORP II

The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – “IORP II” – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.

The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, was 31 December 2022. The Trustees met all deadlines set and worked with their professional advisors to achieve full compliance ahead of time.

Sustainable Finance Disclosure Regulations (SFDR)

All of the Funds available under the Plan have been classified under Article 6 as defined under the SFDR. The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustees continue to review the Plan’s approach to sustainability considerations and its current approach is documented in the Statement of Investment Policy Principles of this report.

Significant Global Events

On 24 February 2022, Russia began a military invasion of Ukraine. In addition to causing intense human suffering, the conflict in Ukraine continues to be a key driver of global markets with commodity markets remaining volatile. The Trustees will continue to monitor the position in conjunction with their investment advisors.

Events Subsequent to the Balance Sheet Date

There are no events post period end that would require amendments to or disclosure in this report.

Summary of Membership

Membership Movements

The following is a summary of the membership movements in respect of the Plan year ended 31 December 2023.

	Active Members	Pensioners	Deferred Members
Membership @ 31/12/2022	-	45	80
Retirements	-	1	(1)
Leavers	-	(1)	-
Membership @ 31/12/2023	-	45	79

No members were covered for death benefits only at the year-end (2022: *Nil*).

Signed by and on behalf of the Trustees

Trustee: _____

Trustee: _____

Date: _____

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Plan year the annual report of the Plan, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”), of the financial transactions for the Plan year and of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Plan year and include a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes (Revised 2018) (“SORP”), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustees must ensure that in the preparation of the Plan financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- they have assessed the Plan’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Plan or to cease operations, or have no realistic alternative but to do so; and
- the SORP is followed, or particulars of any material departures have been disclosed and explained.

The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Plan year are receivable by the Trustees in accordance with the timetable set out in Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the Plan year end; and
- contributions payable are paid in accordance with the rules of the Plan and the recommendations of the Actuary.

The Trustees are responsible for making available certain other information about the Plan in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Plan containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) including financial statements which show a true and fair view of the financial transactions of the Plan in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. The Trustees are also responsible for safeguarding the assets of the pension Plan and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of appropriate internal controls.

Signed by and on behalf of the Trustees

Trustee: _____

Trustee: _____

Date: _____

Independent Auditor's Report

Independent auditor's report to the trustees of BASF Ireland Limited Defined Benefit Plan

**Independent auditor's report to the trustees of BASF Ireland Limited Defined Benefit Plan
(continued)**

**Independent auditor's report to the trustees of BASF Ireland Limited Defined Benefit Plan
(continued)**

Fund Account

Fund account for the year ended 31 December 2023

	Notes	2023 €	2022 €
Contributions and Benefits			
Contributions	4	<u>1,268,560</u>	<u>1,243,686</u>
		1,268,560	1,243,686
Benefits payable	5	(842,208)	(743,651)
Payments to and on account of leavers	6	-	(897,482)
Other expenditure – fees		(800)	(600)
		<u>(843,008)</u>	<u>(1,641,733)</u>
Net additions/(withdrawals) from dealings with members		425,552	(398,047)
Returns on Investments			
Investment Income	7	1,034	4,259
Change in Market Value of Investments	8	<u>2,074,708</u>	<u>(7,169,882)</u>
Net returns on investments		2,075,742	(7,165,623)
Net increase/(decrease) in the Fund		2,501,294	(7,563,670)
Net Assets as at 1 January		<u>29,744,332</u>	<u>37,308,002</u>
Net Assets as at 31 December		<u>32,245,626</u>	<u>29,744,332</u>

The notes on pages 15 to 23 form part of the Financial Statements

Signed by and on behalf of the Trustees

Trustee: _____

Trustee: _____

Date: _____

Statement of Net Assets (Available for Benefits)

Statement of Net Assets as at 31 December 2023

	Notes	2023 €	2022 €
Investments			
Pooled Investment Vehicles	8	30,324,837	27,865,351
Pooled Investment Vehicles AVCs	8	1,742,409	1,798,430
Total Investments		32,067,246	29,663,781
Current Assets	9	178,380	80,551
Net Assets as at 31 December		32,245,626	29,744,332

Note: The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities, the Actuarial Funding Certificate and the Actuary's Statement included in the annual report, and these financial statements should be read in conjunction with them.

The notes on pages 15 to 23 form part of the Financial Statements

Signed by and on behalf of the Trustees

Trustee: _____

Trustee: _____

Date: _____

Notes to the Financial Statements

1. The Fund

The Plan was established as a defined benefit plan commencing on 1 August 1976 under a Definitive Trust Deed dated 1 July 1976. The Plan is established as a trust under Irish law and has been registered with the Pensions Authority. The address for enquiries to the Plan is included in the Trustees Report.

The Plan has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act, 1997 and, as such, its assets are generally allowed to accumulate free of income and capital gains taxes.

2. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) ("the Regulations"), the guidelines set out in the Statement of Recommended Practice – Financial Reports of Pension Schemes (Revised 2018) ("SORP"), published by the Pensions Research Accountants Group and Financial Reporting Standard 102– The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102").

The financial statements summarise the transactions and net assets of the Plan. Liabilities to pay pensions and other benefits which are expected to become payable in the future are not dealt with in the financial statements. The actuarial position of the fund, which does take account of such liabilities, is dealt with in the Actuarial Valuation Report, the Report on Actuarial Liabilities, the Actuarial Funding Certificate and the Funding Standard Reserve Certificate. The financial statements should be read in conjunction with these. The most recent valuation was carried out at 1 January 2021. The next valuation is due at 1 January 2024 and work on this valuation is currently ongoing.

3. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Plan's financial statements:

Accruals concept

The financial statements have been prepared on an accruals basis with the exception of individual transfers, which are recognised when received or paid.

Contribution income

Deficit funding and augmentation contributions are accounted for on the basis agreed with the Principal Employer, the Trustees and the Plan Actuary, or, if there is no agreement, they are accounted on a cash basis.

Members were permitted to make additional voluntary contributions to acquire further benefits on a money-purchase basis. Such contributions are invested separately from the main assets of the Plan and included in the Statement of Net Assets.

3. Accounting policies (continued)

Transfers to and from other plans

Individual transfer values represent the amounts received or paid during the year. All the values are based on methods and assumptions determined by the actuary for the Trustees.

Change in Market Value

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Investment income

Income is accounted for on an accruals basis. Income earned on investments in unitised funds is not distributed but is accumulated with the capital of the funds and dealt with as part of the change in market value.

Foreign currencies

The functional and presentation currency of the Plan is the Euro. Balances denominated in foreign currencies are translated into Euro at the rate ruling at the year end date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Benefits payable/Payments to leavers

Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate.

Benefits payable and payments to leavers are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Administrative expenses and investment management expenses

Administrative expenses and investment management expenses, which are borne by the Plan, are accrued as they are incurred.

Valuation and classification of investments

Investments are included at fair value. The fair value of pooled investment vehicles (including unitised funds) is taken at bid price (or single unit price where bid and offer prices are not available), as quoted by the investment manager, as at the date of the Statement of Net Assets.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on

3. Accounting policies (continued)

substantially all pricing days are included at the last price provided by the manager at or before the period end.

- The values of other pooled investment vehicles which are unquoted or not actively traded on a quoted market are estimated by the Trustees. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case an adjustment is made.

Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

Unit trusts and managed funds

Unitised securities are stated at the latest bid prices quoted by the investment managers at the year end.

4. Employer contribution

	2023	2022
	€	€
Deficit Funding	1,268,560	1,243,686
Total	1,268,560	1,243,686

Deficit funding contributions are being paid by the Employer into the Plan in accordance with the Actuarial Valuation dated 1 January 2021 and the Funding proposal dated 1 January 2013, in order to improve the Plan's funding position. The amounts to be paid are €1,219,300 in 2021 increasing annually by 2% in each subsequent year until 31 December 2023.

5. Benefits payable

	2023	2022
	€	€
Pension payments	651,142	633,943
Retirement lump sums	-	39,947
Purchase of ARF's/Annuities	191,066	69,761
Total	842,208	743,651

6. Payments to and on account of leavers

	2023	2022
	€	€
Transfers out	-	897,482
Total	-	897,482

7. Investment income

	2023	2022
	€	€
Investment fee rebates	1,034	4,259
Total	1,034	4,259

8. Investments

a. Summary of movements in investments during the year

	Value at 31-12-22	Purchases at cost	Sales proceeds	Change in market value	Value at 31-12-23
	€	€	€	€	€
Pooled Investment Vehicles	27,865,351	33,989,366	(33,469,543)	1,939,663	30,324,837
Pooled Investment Vehicles AVCs	1,798,430	-	(191,066)	135,045	1,742,409
Totals	29,663,781	33,989,366	(33,660,609)	2,074,708	32,067,246

All investments are held in unitised funds which are registered in the Republic of Ireland.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on the sales of investments during the year. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

Transaction costs include fees, commissions, stamp duties and other duties. Transaction costs are incurred by the Plan in relation to transactions in pooled investment vehicles. Such costs are captured through the bid/offer spread of the pooled investment vehicles. The amounts of transaction costs are not separately provided to the Plan.

The Investment Managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Plan.

8. Investments (continued)

b. Summary of investment as a % of net assets

	2023	% Net Assets	2022	% Net Assets
	€		€	
Irish Life Investment Managers Limited				
Irish Property Fund	741,699	2.30%	836,636	2.81%
Indexed Eurozone AAA/AA>10 Yr Bond	0	0.00%	10,617,595	35.70%
Forestry Fund	52,172	0.16%	48,177	0.16%
Indexed World Equity Hedged Fund	4,860,572	15.07%	2,648,026	8.90%
Indexed Fundamental Equity Fund	2,472,992	7.67%	1,523,502	5.12%
Minimum Volatility Equity Fund	2,412,444	7.48%	1,380,547	4.64%
Insight Investments				
LDI Euro Enhanced Nominal Fund	6,677,912	20.71%	-	-
LDI Euro Enhanced Real Fund	1,823,710	5.66%	-	-
ILF Eur Liquidity Fund	11,283,336	34.99%	-	-
PIMCO Global Advisors (Ireland) Ltd				
Dynamic Bond Fund	-	-	4,626,861	15.56%
BNY Mellon Global Funds Plc				
Global Real Return Fund	-	-	6,184,007	20.79%
	<u>30,324,837</u>		<u>27,865,351</u>	
Irish Life Investment Managers Limited AVCs				
EMPOWER Stability Fund	82,191	0.25%	34,204	0.11%
EMPOWER Growth Fund	118,552	0.37%	49,833	0.17%
EMPOWER Cautious Growth Fund	13,389	0.04%	14,384	0.00%
EMPOWER Cash	142,423	0.44%	-	-
Exempt Irish Property Fund	-	-	7,973	0.03%
Indexed Global Equity Fund Series Fund	15,404	0.05%	13,022	0.04%
Pension Stability Fund	34,448	0.11%	84,193	0.28%
Secured Performance Fund Net	277,528	0.86%	265,943	0.89%
Capital Protection Fund SX	213,364	0.66%	374,630	1.26%
Exempt Active Managed Fund	222,906	0.69%	235,146	0.79%
Consensus Fund	590,664	1.83%	637,706	2.14%
Flexible Fund	31,540	0.10%	81,396	0.27%
AVC Assets	<u>1,742,409</u>		<u>1,798,430</u>	
	32,067,246		29,663,781	

c. Pooled Investment Values by type

	2023	2022
	€	€
Pooled investment vehicles		
Multi-Asset Funds	1,584,582	7,961,442
Equity Funds	9,761,412	5,565,097
Fixed Interest Funds	8,501,622	15,244,456
Property/Forestry Funds	793,871	892,786
Cash Funds	11,425,759	-
	<u>32,067,246</u>	<u>29,663,781</u>

8. Investments (continued)

d. Concentration of Investments

Excluding investments in unit-linked funds as outlined above, there is no investment that accounts for more than 5% of the Plan's net assets as at 31 December 2023. (2022: Nil).

e. Investment Fair Value Hierarchy

The fair values of the Plan's investment assets have been determined using the following hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

At 31 December 2023	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	-	29,530,966	793,871	30,324,837
Pooled investment vehicles AVCs	-	1,742,409	-	1,742,409
	-	31,273,375	793,871	32,067,246

At 31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	-	26,980,538	884,813	27,865,351
Pooled investment vehicles AVCs	-	1,790,457	7,973	1,798,430
	-	28,770,995	892,786	29,663,781

f. Investment risks

Risk Measurement and Management

FRS 102 requires the disclosure of information in relation to certain investment risks:

Credit Risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market Risk: this risk comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or

Risk Measurement and Management (continued)

currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from their professional investment advisor. The Plan has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Investment Strategy

The investment objective of the Trustees of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the trust deed and rules as they fall due.

The Trustees set the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in the Plan's Statement of Investment Policy Principles ("SIPP").

Further information on the Trustees' approach to risk management, credit and market risks is set out below.

Credit risk

The Plan is subject to direct credit risk in relation to Irish Life Investment Managers Limited and Insight Investments as the Plan's investments are held by way of policies of assurance or investment funds managed by these investment managers. The investment managers are regulated by the Central Bank.

The Plan is subject to indirect credit risk arising from underlying investments held in the Multi Asset Funds and the Bond Funds. A portion of these underlying investments include bonds, cash and derivatives.

Credit Funds risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate and diversification of investments across a number of investment managers and funds. All investment managers are regulated by the Central Bank of Ireland. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environments of the pooled managers. Pooled investment arrangements used by the Plan comprise unit linked insurance contracts (Irish Life Investment Managers Limited) and open-ended investment funds (PIMCO Global Advisors (Ireland) Ltd and BNY Mellon Global Funds Plc).

Investment Strategy (continued)

Currency Risk

The Plan is subject to indirect currency risk as some of the underlying investments of the Plan's pooled investment vehicles are held in overseas markets. This risk applies to all of the funds apart from the Irish Property Fund, the Forestry Fund and the Indexed Eurozone AAA/AA >10 Yr Bond Fund. Currency risk is managed through investment fund diversification by the investment managers within the funds.

Interest Rate Risk

The Plan is subject to indirect interest rate risk primarily in the Bond Funds and also in the Multi Asset Funds.

Other price risk

Indirect other price risk arises principally in relation to property, equities and bonds held in the pooled investment vehicles. All of the Plan's pooled investment funds are exposed to indirect other price risk. The Plan's investment managers manage this exposure to overall price movements by holding diverse portfolios of investments across various markets within each fund depending on the strategy for the fund.

9. Current Assets

	2023	2022
	€	€
Trustee Bank Account	124,525	27,388
Pensions Prepaid	53,855	53,163
Total	178,380	80,551

10. Related Party Transactions

The Trustees

The Trustees of the Plan during the year under consideration in this report are listed on page 1 of this report. The Trustees did not receive and are not due any remuneration from the Plan in connection with the management of the Plan during the year. Myles Cogan and Ger Holland are deferred members of the Plan.

The Principal Employer

BASF Ireland Limited is the Principal Employer. Employer contributions to the Plan are disclosed in the Fund Account. Contributions are made in accordance with the Trust Deed and Rules and the recommendations of the Actuary.

The Registered Administrator

Aon provides consulting and administration services to the Plan. Fees in respect of such services were paid by the Principal Employer. The administrator operates a trustee bank account on behalf of the Plan. Cash held on behalf of the Plan at 31 December 2023 was €124,525 (2022: €27,388).

The Investment Managers

Irish Life Investment Managers Limited and Insight Investment are the investment managers. They are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and are borne by the Plan.

11. Self Investment There were no employer-related investments at any time during the year.

12. Contingent Liabilities and Contractual Commitments There were no contingent liabilities or contractual commitments (save for the liabilities to pay pensions and other benefits in the future which have not been taken into account) at 31 December 2023 (2022: Nil).

13. Events Subsequent to the Year End Date The impact of the ongoing war in Ukraine has continued post period end. The Trustees continue to monitor the situation.

There are no other events post period end that would require amendments to or disclosure in this report.

Statement of Risks

The Trustees primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Plan. In order to provide for these future benefit payments, the Trustees invest the assets of the Plan in a range of investments, and agree with the employer, on the advice of the actuary, the rate of contributions to be made to the Plan to meet the balance of the cost of benefits. The Trustees are required to provide a statement of the risks associated with the Plan to Plan members.

In a defined benefit plan, the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, a member may not get their anticipated benefit entitlements.

The main types of risks which may lead to a shortfall and the steps being taken by the Trustees to minimise these risks are as follows:

Risks

The assets may not achieve the expected return

Some of the assets may be misappropriated

The values placed on the future liabilities may prove to be an underestimate

The employer may not pay contributions as they fall due

The employer may decide to terminate its liability to contribute to the Plan

Steps being taken to minimise risk

This risk will be addressed by ongoing monitoring of investment performance. See the Statement of Investment Policy Principles as set out on pages 40 to 49 of this report.

The Trustees have appointed professional investment managers who have custodial agreements in place etc (see the Statement of Investment Policy Principles).

The Trustees discuss with the actuary the assumptions used for triennial valuations.

The Trustees are required by law to obtain an annual statement concerning the ability of the Plan to meet the funding standard.

The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority.

In this event, the Trustees are required to wind up the Plan and provide benefits for members in accordance with the Rules and the Pensions Act 1990. The Trustees endeavour to ensure that sufficient assets are available at all times to meet the liabilities on wind up, by means of the annual statement mentioned above. If, however, the Plan has insufficient assets to meet the liabilities, those already in receipt of pensions at the wind-up date are a priority class, and their pensions (subject to certain legislative limits) must be secured before assets are applied to other members. These other members, i.e. active members and deferred pensioners, are therefore more at risk of not receiving their full benefits on wind-up. Future benefit accrual will also cease in these circumstances.

In addition to the shortfall risks outlined above, there is also the risk that the records relating to Plan members may not be correct.

The Plan administration records may not be correct and may fail to comply with the Pensions Act 1990

The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities.

The Trustees receive regular administration reports from the administrator.

The Pensions Authority has powers to pursue breaches of the Pensions Act 1990 and the Financial Services and Pensions Ombudsman may investigate any complaints by members.

Appendix 1 - Investment Manager Reports

Appendix 2 - Actuarial Funding Certificate

Appendix 3 - Funding Standard Reserve Certificate

Appendix 4 - Report on Actuarial Liabilities

Appendix 5 - Statement of Investment Policy Principles