Origin UK Pension Scheme

Statement of Investment Principles

November 2023

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1 Introduction

This Statement sets out the principles governing decisions relating to the investment of the assets of the Origin UK Pension Scheme (the Scheme).

The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs (HMRC). The Scheme is sectionalised, and the Scheme's investments are attributable to the Main Section and the UAP Section in this Statement.

The Scheme is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustees' Statement of Funding Principles.

This Statement has been prepared in line with the following legislation and regulations:

- Section 35 of the Pensions Act 1995
- Section 244 of the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018
- The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019

A copy of this Statement will be made available to Scheme members on request to the Trustees and can also be found online.

2 Investment Decision Making

The investment of the Scheme's assets is the responsibility of the Trustees. The Trustees' investment powers are set out in Rule 17 of the Scheme's Trust Deed & Rules, dated 16 April 2014, as amended. The powers granted to the Trustees under this Rule are wide and this Statement is consistent with those powers.

The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone Corporate Benefits Limited (Broadstone), their appointed investment adviser. Broadstone is authorised and regulated by the Financial Conduct Authority. Broadstone has confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation. Broadstone is remunerated a fee for its advice and its appointment is reviewed from time to time by the Trustees.

The Trustees have also consulted the Principal Employer, Agrii Holdings UK Limited, when setting their investment objectives and strategy, and in the preparation of this Statement.

Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustees. The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.

3 Investment Objectives

In determining their investment objectives and strategy, the Trustees have considered the strength of the Principal Employer's willingness and ability to support the Scheme. The investment objectives for each Section of the Scheme are set out below:

Investment Objectives	
Main Section	The Trustees have determined that it is reasonable to take a long-term view in determining their investment objectives and strategy. The Trustees have also agreed that the funding position, measured on a SFO or Technical Provisions funding basis is the assessment of scheme funding that is of most importance to the Trustees, the Principal Employer, and members, as it determines the Section's funding requirements and members' long-term benefit security. The Trustees' investment objectives for the Section are as follows: • To ensure that the assets are of a nature to enable the Trustees to meet the Scheme's benefits as they fall due; • To invest the Section's assets in an appropriately diverse and liquid range of investments; • To invest in a way that is consistent with the Section's funding objectives, i.e. to invest so that the investment return assumptions used to determine the Trustees' funding plans have a reasonable chance of being achieved in practice; • To consider implementing further measures to control volatility in the Section's funding position, as appropriate, if and when the funding position improves over time.
UAP Section	The Trustees and Principal Employer have adopted a funding and investment approach that focuses on the cost of securing the Section's liabilities with an insurer. This approach places very little assumed reliance on the employer covenant. The Trustees are satisfied that the Principal Employer has the resources to enable the liabilities to be secured in the short term, given that the Trustees have secured the liabilities of the Section in full by purchasing a bulk annuity contract with an insurer, and the Section has resources in place that are expected to be sufficient to meet the majority of the additional expenses to finalise the purchase process. The Section is subject to the Statutory Funding Objective (SFO) introduced by the Pensions Act 2004, i.e. that it should have sufficient and appropriate assets to cover its Technical Provisions, as calculated in accordance with the Trustee's Statement of Funding Principles. However, given the fact that the Trustees have secured the Section's liabilities with an insurer, the Trustees have agreed that the funding position measured relative to the cost of the bulk annuity contract is the assessment of scheme funding that is of most importance to the Trustees and members. The Trustees' investment objectives for the Section are as follows: • To invest sufficient assets in a bulk annuity contract that backs all the liabilities of the Section and enables the Trustees to meet all benefits of the Section as they fall due; • To invest the Section's residual assets in a range of investments that either protects their capital value or broadly matches the value of any uninsured benefits on a buy-out valuation basis pending completion of the buy-out process.

The Trustees will also have regard to the Principal Employer's views on the potential costs and risks associated with the investment objectives set and their implementation through the practical strategy.

4 Setting the Investment Strategy

The Trustees have appointed Apollo Global Management, Aviva UK Life & Pensions, Aegon Asset Management, Just Retirement (Just), Legal & General Investment Management (LGIM), and Royal London Asset Management (RLAM) to undertake day-to-day investment management of the Scheme's assets backing defined benefits (collectively referred to as the 'Investment Managers').

The Trustees' policies in setting the investment strategy are set out below:

Policy	
Selection of Investments	The Trustees may select investments from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property, and alternative asset classes, such as hedge funds, private equity, and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustees may also: • Invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of investments. • Hold insurance policies such as deferred or immediate annuities which provide income to the Scheme, matching part or all of the future liabilities due from it. • Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.
Target Asset Allocation	The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustees' view of the Principal Employer's covenant, the nature of the Scheme's liabilities, or relevant regulations governing pension scheme investment. The Trustees have agreed the range of funds to be used in the investment strategy, taking into account the maturity of the Scheme's liabilities, and to ensure the range is sufficiently robust to allow easy adjustment between the funds as the Trustees' risk appetite changes and the Scheme matures.
Delegation to Investment Managers	The Trustees will delegate the day-to-day management of the Scheme's assets to professional investment managers and will not be involved in the buying or selling of investments.
Maintaining the Target Asset Allocation and Target Hedging Ratios	The Trustees have responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation and Target Hedging Ratios. The Trustees monitor the asset allocation on a regular basis with the assistance of their adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the Target Asset Allocation or Target Hedging Ratios. Maintaining the Target Hedge Ratios will take precedence over maintaining the Target Asset Allocation.
Employer Related Investments	The Trustee's policy is not to hold any employer related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Scheme (Investment) Regulations 2005.

Details of the investment strategy are set out in the **Appendix** to this Statement.

5 Realisation and Rebalancing of Assets

The assets of the Main Section are held in a combination of pooled funds and are fully and readily realisable (subject to any notice periods required by the Investment Managers). The Trustees make disinvestments from the Investment Managers with the assistance of their administrators, Broadstone, as necessary, to meet the Scheme's cashflow requirements. New money will also be invested (or disinvestments required for cash flow purposes) to bring the asset allocation back to the Target Asset Allocation, as far as possible.

The assets of the UAP Section are held in a buy-in policy with Just, which covers all benefits payable from the Section as they fall due. Any other disinvestments required for cash flow purposes are met from the residual assets held in addition to the buy-in policy.

6 Expected Returns

The Trustees' objective is for the Scheme's assets to produce a return in excess of the growth in the value of its Technical Provisions. The Trustees expect the assets to produce a return in excess of the long-term growth in the value of the Technical Provisions.

Over the long-term, the Trustees' expectations are to achieve the following rates of return from the asset classes they make use of:

Asset Class	Expected Returns
Multi-asset income	Comparable with the return from global equities over an economic cycle of five to seven years, with significantly reduced volatility.
With-profits	In line with the implied guaranteed rates of return under the policy.
Multi-asset credit	In excess of the return expected on cash, using a diversified range of fixed income instruments, including sub-investment grade bonds.
Self-sufficiency hedging assets	Broadly in line with changes in the value of a notional pension scheme with liabilities of a similar nature and duration to the UAP Section.
Absolute return bonds	In excess of the return expected on cash, using a diversified range of fixed income investments, with low levels of volatility.
LDI funds	In line with the sensitivity of the liabilities of the Main Section to changes in interest rates and inflation expectations, allowing for the target level of hedging specified by the Trustees from time to time.
Buy-in policy	In line with the sensitivity of the liabilities of the UAP Section covered by the buy-in policy to changes in interest rates and inflation expectations.

7 Risks

The Trustees have considered various risks the Scheme faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and consider that the Target Asset Allocation strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Principal Employer's covenant.

The Target Asset Allocation of the Main Section has been determined with due regard to the characteristics of its Technical Provisions, whilst the Target Asset Allocation of the UAP Section has been determined with due regard to the characteristics of its liabilities using assumptions consistent with the solvency funding basis.

The calculation of the Scheme's Technical Provisions and solvency funding basis uses assumptions for future investment returns and price inflation expectations that are based upon market values of financial securities such as fixed interest and index-linked government bonds. This means that the Technical Provisions and solvency liabilities are sensitive to changes in the price of these assets as market conditions vary and can have a volatile value.

The Trustees accept that their investment strategy may result in volatility in the Scheme's funding position on both a Technical Provisions funding basis and solvency funding basis. However, given the nature of the investment strategy of the UAP Section, such volatility would be expected to be relatively constrained for the UAP Section.

Furthermore, the Trustees also accept that there is a risk that the assets will not achieve the rates of investment return assumed in the calculation of the Technical Provisions for the Main Section, or liabilities under the solvency funding basis for the UAP Section.

To reduce the risk of concentration within the portfolio of assets held by the Main Section, the Trustees will monitor the overall mix of asset classes and stocks in the investment strategy with their investment adviser, Broadstone. The Trustees invest in a wide range of asset classes through the funds and strategies they use and consider the strategy of the Main Section to be well diversified. For the UAP Section, the risk of concentration has been largely delegated to Just, who will consider the overall mix of assets backing their bulk annuity policies.

The Trustees will monitor the investment, covenant, and funding risks faced by the Scheme with the assistance of their investment advisers and the Scheme Actuary at least every three years. The Trustees will consider the appropriateness of implementing additional risk mitigation strategies as part of such reviews.

In addition, the Trustees will review wider operational risks as part of maintaining their risk register.

8 Security of Assets

The day-to-day activities that the Investment Managers carry out for the Trustees are subject to regular internal reviews and external audits by independent auditors to ensure that operating procedures and risk controls remain appropriate.

Safe-keeping of the Scheme's assets held with the Investment Managers is performed by custodians appointed by them.

The Trustees have considered the security of the Scheme's holdings with the Investment Managers, allowing for their status as reputable regulated firms, and consider the associated protection offered to be reasonable and appropriate.

9 Responsible Investment & Stewardship

The Trustees believe that to protect and enhance the value of the investments, during the period over which the benefits are paid, they must act as a responsible asset owner.

The Scheme is also comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy, both financial and non-financial.

The Trustees' policies in respect of responsible investment are set out below:

Policy	
Financially Material Considerations	The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact on the companies, governments, and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate day-to-day decisions on the selection of investments to the Investment Managers. The Trustees have an expectation that the Investment Managers will consider ESG issues in selecting investments or will otherwise engage with the issuers of the Scheme's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets. The Trustees do not currently impose any specific restrictions on the Investment Managers with regard to ESG issues but will review this position from time to time. The Trustees receive information on request from the Investment Managers on their approach to selecting investments and engaging with issuers with reference to ESG issues. With regard to the specific risk to the performance of the Scheme's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Scheme's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Scheme's funding position than other risks. The Trustees will continue to monitor market developments in this area with their investment adviser.

Policy	
Non-Financially Material Considerations	Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect the Investment Managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a reduction in the efficiency of the investment.
Engagement and Voting Rights	The Trustees' voting and engagement policy is to use their investments to improve the Environmental, Social and Governance behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Managers on their behalf and if there are significant differences from the policy detailed above, they will escalate their concerns which could ultimately lead to disinvesting their assets from the manager.
Capital Structure of Underlying Companies	Responsibility for monitoring the capital structure of investee companies is delegated to the Investment Managers. The Trustees expect the extent to which the Investment Managers monitor capital structure to be appropriate to the nature of the mandate.

The voting policies of the Investment Managers can be found at the following websites:

- **Apollo**: https://www.apollo.com/esg-corporate-social-responsibility/esg-reporting-and-policy
- **Aviva**: https://www.avivainvestors.com/en-gb/about/responsible-investment/
- **Just:** https://www.justgroupplc.co.uk/sustainability/esg-investors
- **LGIM:** https://www.lgim.com/uk/en/capabilities/investment-stewardship/
- **RLAM:** https://www.rlam.com/uk/intermediaries/responsible-investment/

The Trustees' views on how ESG issues are taken account of in each asset class used is set out below:

Asset Class	Active/Passive Managed	ESG Views
Multi-asset income / with profits	Active	The Trustees expect the asset managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk adjusted returns. The Trustees also expect the Investment Managers to engage with the underlying investee companies, where possible, although they appreciate that any fixed income assets held within the funds do not typically attract voting rights.

Asset Class	Active/Passive Managed	ESG Views
Multi-asset credit / self-sufficiency hedging assets / absolute return bonds / buy-in policy	Active	The Trustees expect the Investment Managers to take financially material ESG factors into account, given the active management style of the funds and the ability of the managers to use their discretion to generate higher risk adjusted returns. The Trustees also expect the Investment Managers to engage with the underlying investee companies, where possible.
LDI	Active	The underlying assets of the LDI solution consist of government bond funds and derivative contracts, with no underlying investee companies as such. Therefore, the Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

The Trustees will review the stewardship policies of any new investment managers appointed, as well as assessing the stewardship and engagement activity of the current Investment Managers on an ongoing basis.

10 Conflicts of Interest

The Trustees maintain a separate conflicts of interest policy and a conflicts register.

Subject to reasonable levels of materiality, these documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Managers, while also setting out a process for their management.

11 Duration of Investment Arrangements

The Trustees are long-term investors and have not set an explicit target to review the duration of their arrangement with the Investment Managers. However, the arrangements will be reviewed in conjunction with any review of the investment strategy.

12 Incentivisation of Investment Managers

The Investment Managers are primarily remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund, with the exception of Just, who are remunerated through the premium charged for their buy-in policy.

The Trustees do not directly incentivise the Investment Managers to align the approach they adopt for a particular fund with the Trustees' policies and objectives. Instead, the Investment Managers are selected so that, in aggregate, the risk-adjusted returns produced are expected to meet the Trustees' objectives.

Neither do the Trustees directly incentivise the Investment Managers to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustees expect such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Scheme.

13 Portfolio Turnover Costs

The Trustees expect the Investment Managers to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions.

The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds.

The Investment Managers provide information on portfolio turnover and associated costs to the Trustees so that this can be monitored, as appropriate.

14 Monitoring

The Trustees employ Broadstone to assist them in monitoring the performance of the Scheme's investment strategy and Investment Managers.

With the exception of Just, the Trustees receive quarterly reports from the Investment Managers and meet with their representatives periodically to review their investment performance and processes. These Investment Managers will supply the Trustees with sufficient information each quarter to enable them to monitor financial and non-financial performance. The Trustees and Broadstone will also monitor these Investment Managers' performance against their performance objectives. The appropriateness of the remuneration of these Investment Managers will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategy, and the success or otherwise a manager has had in meeting their objectives, both financial and non-financial.

The Trustees will consider on a regular basis whether or not the Investment Managers and any providers who manage the assets backing additional voluntary contributions ('AVCs') previously paid remain appropriate.

15 Review of Statement

The Trustees will review this Statement if there is a significant change in the Scheme's investment strategy or a significant change in the regulations that govern pension scheme investment.

Claire Teagle

For and on behalf of the Origin UK Pension Scheme

Date: 14 November 2023

Appendix Investment Strategy Implementation Summary

A.1 Target Asset Allocation

The Target Asset Allocation for each Section of the Scheme is set out as follows:

Main Section

Asset Class	Interim Target Asset Allocation	Long-Term Target Asset Allocation
Multi-asset income	10%	20%
With-profits	20%	-
Multi-asset credit	30%	40%
Liability Driven Investment (LDI) solution	40%	40%
Total	**100%**	**100%**

The LDI solution includes holdings in LDI funds and absolute return bonds. The balance between the LDI funds and absolute return bond funds will vary over time to maintain the target hedging levels, which protect against changes in value of the Main Section's liabilities due to changes in long-term interest rates and inflation expectations.

The Trustees have also put in place an interim target asset allocation, with the intention of fully redeeming the with-profits holdings at an appropriate time. Once these holdings have been redeemed, the long-term target asset allocation will be put in place.

UAP Section

The UAP Section holds a bulk annuity contract that provides cashflows expected to match future benefit outgo for all the Section's liabilities.

The residual assets will be held in a combination of self-sufficiency credit hedging assets and absolute return bonds, with the combination determined with advice from the Trustees' investment consultant.

A.2 Investment Managers

The Trustees entered into contracts with Apollo Global Management (Apollo) in June 2019, Aviva UK Life & Pensions (Aviva) in April 2014, Aegon Asset Management (Aegon) in June 2019, Just Retirement (Just) in June 2023, Legal & General Investment Management (LGIM) in October 2014, and Royal London Asset Management (RLAM) in July 2022.

The Investment Managers (except Just) are authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000, whilst Just is supervised by the Prudential Regulatory Authority.

In addition, AVCs previously paid by members are invested with Aviva, Utmost Life & Pensions, and Royal London Mutual Insurance Society.

A.3 Strategies and Funds

The Trustees use the following funds operated by the Investment Managers:

Asset Class	Funds
Multi-asset income	LGIM Retirement Income Multi Asset Fund
With-profits	Aviva Red Plan
Multi-asset credit	Apollo Total Return Fund RLAM Multi Asset Credit Fund
Absolute return bonds	LGIM Absolute Return Bond Fund
Liability Driven Investment (LDI) solution	LGIM Matching Core Funds LGIM Absolute Return Bond Fund
Self-sufficiency assets	LGIM Self Sufficiency Credit Funds
Buy-in policy	Just Buy-In Policy

A.4 Target Hedging Ratios

Main Section

The target hedging ratios against the interest rate risk and inflation risk associated with the Main Section's Technical Provisions, assuming the Main Section to be fully funded on a Technical Provisions basis, are summarised below:

	Target Hedging Ratio
Long-term interest rates	100%
Long-term inflation expectations	100%

UAP Section

There are no explicit target hedging ratios against the interest rate risk and inflation risk on the UAP Section. However, the Just buy-in policy has an objective to meet all benefits of the UAP Section as they fall due, and therefore provides protection against the value of the underlying liabilities of the UAP Section as interest rates and/or inflation expectations change.

A.5 Fund Performance Benchmarks and Objectives

The multi-asset income fund, multi-asset credit funds, and absolute return bond fund are actively managed, with specific risk and return objectives. Their objectives are summarised below:

Fund	Benchmark	Performance Target
LGIM Retirement Income Multi Asset Fund	Bank of England Base Rate	To outperform the benchmark by 3.5% per annum (gross of fees) over a full market cycle.
Apollo Total Return Fund	The fund does not have a formal performance benchmark	To provide a total return of 4%-6% per annum in excess of cash (net of fees, in Sterling terms)
RLAM Multi Asset Credit Fund	Sterling Overnight Index Average (SONIA)	To outperform the benchmark by 4%-6% per annum (gross of fees) over rolling three year periods
LGIM Absolute Return Bond Fund	ICE BofAML Sterling 3-month Deposit Offered Rate Constant Maturity Index	To outperform the benchmark by 1.5% per annum (gross of fees) over rolling three year periods

The LGIM Self-Sufficiency Credit Funds and LGIM Matching Core Funds have an objective to provide a level of return consistent with a target level of sensitivity to changes in long-term interest rates and inflation expectations. The LGIM Self-Sufficiency Credit Funds also have an objective to generate income to match defined profiles of benefit payments.

The Aviva with-profits fund has no explicit performance benchmark or objective. The fund has an underlying guaranteed rate of investment return that is valuable in the context of current market conditions.

The Just buy-in policy has an objective to meet all benefits of the UAP Section as they fall due.

A.6 Investment Management Charges

The annual management charges for each of the funds used, based on the assets under management at the date of this Statement, are given below:

Fund	Annual Management Charge
LGIM Retirement Income Multi Asset Fund	0.35% p.a.
Apollo Total Return Fund	0.90% p.a.
RLAM Multi Asset Credit Fund	0.35% p.a.*
LGIM Self-Sufficiency Credit Funds	0.20% p.a.
LGIM Absolute Return Bond Fund	0.25% p.a.
LGIM Matching Core Funds	0.24% p.a.

*Discounted from 0.50% p.a. until further notice.

LGIM also charge a flat fee of £1,500 per annum for each Section, which falls to £1,000 per annum should the value of the assets held with them exceed £10 million.

Aviva do not apply any explicit annual management charges for holdings in the Red Plan, as management charges are deducted before bonuses are declared. Furthermore, there are no explicit management charges applied within the Just buy-in policy.