1 Background

This defined contribution governance statement has been prepared by the Trustees of the Origin UK Pension Scheme ('the Scheme'), in connection with the following arrangements within the Main Section of the Scheme:

- Defined contribution assets held with Prudential Assurance ('Prudential');
- Assets in respect of Additional Voluntary Contributions ('AVCs') held with Aviva Life & Pensions UK ('Aviva');
- Assets in respect of AVCs held with Utmost Life & Pensions ('Utmost'); and
- Assets in respect of AVCs held with Royal London Mutual Insurance Society ('Royal London').

The different defined contribution arrangements above were held by former pension schemes that merged to form the Scheme in 2014.

During the year, the AVCs previously held with Equitable Life Assurance Society ('Equitable Life') were transferred to Utmost on 1 January 2020, following the wind-up of Equitable Life and the transfer of all assets and liabilities to Utmost. Members who held AVCs with Equitable Life were notified of this transfer to Utmost, and have provided details of the new arrangements with Utmost.

This statement covers the period 1 April 2019 to 31 March 2020, and is the Trustees' fifth defined contribution governance statement. This statement should be read in conjunction with the Statement of Investment Principles for the Scheme, dated 27 February 2020, which covers the whole Scheme, and which is provided in **Appendix A**.

The UAP Section of the Scheme does not hold any defined contribution assets or assets in respect of AVCs, and has therefore not been included as part of this governance statement.

2 Default Arrangements

The funds below are used as default arrangements in the Scheme, for each of the defined contribution arrangements confirmed above. A default arrangement is an investment provided where members do not or cannot make their own investment choice from a range of options.

Provider	Default Fund
Prudential	Prudential With Profits Fund
Aviva	Aviva With Profits Fund
Utmost	Utmost Investing by Age*
Royal London	Royal London Deposit Account Fund

*Held in a cash account until 30 June 2020, and then gradually switched into the Utmost Investing by Age approach by 31 December 2020 following the transfer of AVCs from Equitable Life to Utmost in January 2020.

The above funds provided by Aviva and Royal London are the only funds available to members who have assets invested with those insurers. For those members who have AVCs invested with Utmost, members have access to a range of other fund options. In addition, some members within the Main Section hold investments in the Prudential Discretionary Fund.

3 Review of Arrangements

The Trustees last fully reviewed the Scheme's defined contribution assets, and assets in respect of AVCs, including any default arrangements, at their meeting on 20 January 2016. This review covered performance of the default arrangements, the fund options available to members and the presence of any guarantees in place.

During the year that this Statement relates to, the Trustees also reviewed the performance of the Scheme's defined contribution assets, and assets in respect of AVCs (including the default arrangements) in October 2019.

The Trustees concluded from each review that the existing arrangements were reasonable and appropriate in the context of the Scheme's defined contribution provision, allowing for the proposed transfer of AVCs from Equitable Life to Utmost at the time of the review in October 2019. In reaching this conclusion, the Trustees considered the performance of the default arrangements and funds, the membership profile of the Scheme, the needs of members, the presence of any investment or benefit guarantees, and the aims and objectives of the default arrangements as part of these reviews.

The Trustees concluded that no changes were required in light of each review, given the presence of guarantees for some of the default arrangements that may be of value to members, and the limited options available to the Trustees to either put in place a different arrangement with the existing providers or to move members to an alternative arrangement.

The Trustees carried out a value for members assessment in September 2019, and concluded that the defined contribution arrangements provided overall good value for members of the Scheme. Further details are provided in Section 6 of this Chair's Statement.

The Trustees will continue to review the defined contribution arrangements on a periodic basis.

In addition, the Trustees consider any changes to the arrangements that arise on an ad hoc basis, and will notify members of these changes where they are material or notable, either via a member newsletter or a separate member communication.

4 Core Financial Transactions

Core financial transactions will typically include the following:

- Investment of AVCs paid to Aviva by members.
- A switch of funds for those members who have AVCs invested with Equitable Life (up to 31 December 2019) and Utmost (from 1 January 2020), and for some members who have defined contribution assets invested with Prudential, where requested by the member.
- Settlement payments to members on transfer, retirement or death.

The Trustees ensure these core financial transactions are processed promptly and accurately under their service level agreement with Mercer, and under the agreement with each defined contribution arrangement, where these arrangements provide administration services. The service level agreement with Mercer requires them to provide a report to the Trustees confirming statistics on the level of service that is provided in comparison to agreed targets, as well as requiring that benefit statements continue to be produced or distributed promptly following the end of the Scheme year.

The Trustees receive updates on these core financial transactions on a quarterly basis under their service level agreement with Mercer. These updates are received via administration reports prepared by Mercer on a quarterly basis, and are considered at each Trustees meeting. The agreement covers the accuracy and timeliness of all core financial transactions, as well as regular monitoring of the Trustees' bank account.

The Trustees also rely on externally audited internal controls put in place by the providers and Mercer, together with the Scheme's own audit procedures, as well as receiving quarterly updates on the service level agreement with Mercer, to ensure any core financial transactions have been appropriately implemented and processed in a timely way.

Where core financial transactions are not processed promptly and accurately, the Trustees have put in place an internal dispute resolution process, and receive regular updates from Mercer.

Overall, the Trustees are satisfied that the main core financial transactions of the Scheme have been processed promptly and accurately during the year. However, during the year, there was a slight delay in the settlement of AVCs in respect of one member. This was followed up with the defined contribution arrangement provider to ensure the AVCs were settled. The Trustees are satisfied that this delay was an exception, and that core financial transactions will be processed promptly and accurately in future years.

5 Investment Charges

The investment charges of the arrangements used by the Scheme are provided in the table overleaf. These include both charges for the range of funds available to members, as well as the default fund choice confirmed in Section 2. In addition, any other charges met directly by members of the Scheme are included.

The charges that related to Equitable Life up to and including 31 December 2019 are also included for completeness.

In preparing this table, the Trustees have taken account of statutory guidance in setting out the charges and transaction costs borne directly by members of the Scheme.

Charge	Prudential	Aviva	Equitable Life*	Utmost**	Royal London
Management charge for range of funds available to members***	0.75% - 1.25% per annum	0.875% per annum	0.50% - 1.50% per annum	0.50% - 1.00% per annum	0.95% per annum
Management charge for default fund***	1.25% per annum	0.875% per annum	1.50% per annum	0.50% per annum until 30 June 2020, then 0.50% - 0.75% per annum (dependent on age)	0.95% per annum
Total charges for funds available to members****	0.83% - 1.29% per annum	N/A	0.51% - 1.62% per annum	0.51% - 1.65% per annum	N/A
Total **charges** for default fund****	1.29% per annum	N/A	1.54% per annum	0.55% per annum until 30 June 2020, then 0.70% - 1.05% per annum (dependent on age)	N/A
Surrender penalties	May be applied at provider's discretion	A surrender penalty of 5% - 7.5% was introduced with effect from 31 March 2020	May be applied at provider's discretion on any AVCs invested in their With Profits Fund	None	May be applied at provider's discretion
Switch charges	Surrender penalties (where applicable)	N/A	None other than surrender penalties (where applicable)	None	N/A
Regular contribution charges	N/A	£0.50 per month on contributions made	N/A	N/A	N/A

*For AVCs held with Equitable Life up to 31 December 2019.

*For AVCs held with Utmost from 1 January 2020.

***Investment management charges from with-profits funds are deducted from these funds and included in investment performance, and not deducted via a disinvestment of a member's unit holdings. Actual investment charges applied within the with-profits funds can vary over time, and may differ from indicative charges confirmed above. Otherwise charges are applied directly to individual members' fund holdings.

****Total charges include annual management charges together with any underlying costs and stock lending charges.

The Trustees note that they have been unable to obtain underlying transaction costs over the period covered by this statement for the AVC arrangements managed by Aviva and Royal London. The Trustees and their investment adviser have asked both insurers to provide this information, or provide a reason as to why this information cannot be provided to the Trustees.

An illustration of the impact of these charges (where known) on the pension pot of a notional member of the Scheme's defined contribution arrangements is provided in **Appendices B and C**.

The members of the Scheme bear no other costs associated with the defined contribution arrangements of the Scheme, such as Trustee remuneration, governance or administration.

6 Value of Arrangements

The Trustees carried out a “value for members” assessment in September 2019 against the governance, administration and investment aspects of the defined contribution arrangements, and concluded the defined contribution arrangements represent good value overall. In taking this view, the Trustees have considered investment management charges for similar arrangements in the wider market, together with the quality of the member communications, scheme design, scheme administration and the practical ability to move these funds elsewhere to an alternative arrangement provided by the Scheme.

The Trustees have also considered the investment management charge cap put in place by the UK Government for the default arrangements of defined contribution schemes. The Trustees note that this charge cap is not applicable in the Scheme’s case, as the Scheme’s defined contribution arrangements are not used for auto-enrolment purposes. Furthermore, given the nature of the existing arrangements, the Trustees note that they have limited options available to put in place a lower cost, alternative arrangement.

7 Trustee & Scheme Governance

At the start of the year, the Trustee board consisted of an independent professional Trustee appointed by the Principal Employer, three individual Trustees appointed by the Principal Employer, and two Trustees nominated and appointed by the Scheme’s membership. During the year, one individual Trustee appointed by the Principal Employer left the Trustee board and has not been replaced.

The law requires that at least one third of the Trustee board must be nominated and appointed by the Scheme’s membership. The Trustees monitor those individual trustees appointed in this manner, including their length of tenure on the board, and the election of new Trustees by the Scheme’s membership. These requirements have been met over the year.

In addition, the Trustees maintain and update a conflicts of interest register for all individuals on the Trustee board.

For any members who wish to provide feedback to the Trustees on the Scheme’s defined contribution arrangements, this can be provided either to Trustees directly or via Mercer at edinburgh-ops@mercer.com.

8 Knowledge and Understanding

The Trustees undertake training on a periodic basis to demonstrate Trustee knowledge and understanding (‘TKU’) of defined contribution arrangements, as well as demonstrating they are conversant with the Scheme’s governing documents, including the Scheme’s Trust Deed and Rules and the Scheme’s Statement of Investment Principles.

During the year, the Trustees received training at trustee meetings on the following topics:

- Regular Pensions law and practice updates from CMS and Mercer;
- Investment market updates and performance;
- Data Protection;
- GMP Equalisation;
- Actuarial valuation considerations including TPR guidance;
- Member option exercises;
- RPI-CPI consultation;
- CMA market review;
- Equitable to Utmost transfer;
- Updated requirements on DC Chair Statements and Statement of Investment Principles;
- ESG factors

In addition a training log is maintained to record the training that has been undertaken by each Trustee, and this is reviewed and updated at each Trustees' meeting to identify any training needs of individual Trustees.

The Trustees also receive advice from their investment advisers, Broadstone Consultants and Actuaries ('Broadstone', formerly BBS Consultants and Actuaries), when reviewing the defined contribution arrangements of the Scheme, or where the Trustees need to be made aware of any investment regulations that govern these arrangements.

Any new Trustees appointed to the board are required to undertake initial training, to demonstrate familiarity with pensions and trust law, as well as any relevant regulations. There were no new Trustees appointed during the year, and no initial training was required.

The Trustee body includes a professional trustee, and the professional trustee undertakes its own training in addition to demonstrating knowledge and understanding of defined contribution arrangements, and that it is conversant with the Scheme's governing documents. In particular the professional trustee has attended a number of conferences and seminars run by pensions professionals which have included the following investment specific subjects: LDI, Costs transparency, CMA review, ESG, Investment solutions.

To complement this, the Trustees are of the view that the defined contribution manager and AVC providers have sufficient knowledge, understanding and expertise to manage the defined contribution assets of the Scheme.

The Trustees are satisfied that the combined knowledge and understanding allows them to properly run the Scheme.

Signed	**CLAIRE TEAGLE, HR TRUSTEES LTD**
Date	**10 SEPTEMBER 2020**

Signed by the Chair of the Trustees, on behalf of the Trustees of the Origin UK Pension Scheme

Appendix A – Statement of Investment Principles

Background

Purpose of Statement	This Statement sets out the principles governing decisions relating to the investment of the assets of the Origin UK Pension Scheme (the Scheme).
Nature of 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.
Compliance with Legislation	The Statement has been prepared to comply with Section 35 of the Pensions Act 1995, Section 244 of the Pensions Act 2004, the Occupational Pension Scheme (Investment) Regulations 2005, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
Availability to Members	A copy of this Statement will be made available to Scheme members on request to the Trustees.
Investment Advice	The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone Consultants & Actuaries Limited (Broadstone – formerly BBS), their appointed investment adviser. Broadstone has confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation. The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.
Consultation with the Principal Employer	The Trustees have 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.
Investment Powers	The Trustees' investment powers are set out in Rule 17 of the Trust Deed and Rules of the Scheme, dated 16 April 2014. The powers granted to the Trustees under this Rule are wide and this Statement is consistent with those powers.

Investment Objectives

Strength of Employer Covenant

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. They have determined that the employer covenant is sufficiently strong to allow them to take a long-term view in determining their investment objectives and strategy.

Key Funding Measure

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.

In determining their investment objectives and strategy, the Trustees have agreed that the funding position measured under the SFO is the assessment of scheme funding that is of most importance to the Trustees, the Principal Employer and members, as it determines the Scheme's funding requirements and members' long-term benefit security.

Investment Objectives

The Trustees' investment objectives 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 Scheme's assets in an appropriately diverse and liquid range of investments;
- To invest in a way that is consistent with the Scheme's funding objectives, i.e. to invest so that the investment return assumptions used to determine the Trustees' funding plan have a reasonable chance of being achieved in practice;
- To target a level of exposure to downside equity-like risk of the assets associated with each Section of the Scheme as follows:

Section	Exposure to downside equity-like risk associated with the assets
Main Section	32%
UAP Section	22%

- To target a level of hedging of the risk to funding associated with the impact of changes in long-term interest rates and inflation expectations on the Technical Provisions for each Section of the Scheme as follows:

Section	Target level of protection against interest rate risk
Main Section*	90%
UAP Section**	100%

*Relative to the Technical Provisions covered by the Section's assets

**Relative to the Technical Provisions

- To consider implementing further measures to control volatility in the Scheme's funding position, as appropriate, if and when the funding position improves over time.

Paying Regard to the Principal Employer's Views	The Trustees will 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.

Principles for Setting the Investment Strategy

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 invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Scheme's investments.

The Trustees may 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.

The Trustees may hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.

Balance of Investments

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.

Delegation to Investment Managers

The Trustees will delegate the day-to-day management of the Scheme's assets to professional investment managers (with the exception of the directly owned commercial property holdings) and will not be involved in the buying or selling of investments.

Realising Investments

The Trustees make disinvestments from the Investment Managers with the assistance of their administrators, Mercer, as necessary, to meet the Scheme's cashflow requirements.

Setting the Strategy

Target Asset Allocation

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

Asset Class	Main	UAP
Risk-controlled multi-asset	20%	25%
Multi-asset income	20%	-
With-profits	11%	-
Commercial property	1%	-
Multi-asset credit	20%	-
Absolute returns bonds	-	25%
Liability Driven Investment (LDI) funds	28%	50%
Total	**100%**	**100%**

Investment Managers

The Trustees entered into contracts with Apollo Global Management (Apollo) in June 2019, Aviva UK Life & Pensions (Aviva) in April 2014, Kames Capital (Kames) in June 2019, Legal & General Investment Management (LGIM) in October 2014 and TwentyFour Asset Management (TwentyFour) in June 2019. These companies undertake day-to-day investment management of the Scheme's assets.

The Investment Managers are authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000.

The commercial property holdings are directly owned by the Scheme.

Strategies Used

The Trustees use the following funds operated by the Investment Managers for each Section of the Scheme, which are given together with their target allocation within the overall strategy.

Fund	Main	UAP
Risk-controlled multi-asset		
LGIM Dynamic Diversified Fund	20%	25%
Multi-asset income		
Kames Diversified Monthly Income Fund	20%	-
With-profits		
Aviva Red Plan	11%	-
Commercial property		
Direct investment	1%	-
Multi-asset credit		
Apollo Total Return Fund	20%	-
Absolute return bonds		
TwentyFour Absolute Return Credit Fund	-	25%
Liability Driven Investment (LDI) funds		
LGIM LDI Solution	28%	50%
Total	**100%**	**100%**

Details of the funds used to construct the LDI Solution for each Section of the Scheme are provided in an Appendix to this statement.

Maintaining the Target Asset Allocation

The Trustees have responsibility for maintaining the overall balance of the asset allocation relative to the Target Asset Allocation. 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.

LGIM has responsibility for implementing specific levels of hedging against interest rate risk and inflation risk using the LDI solution, with an agreed level of discretion to rebalance the allocation to maintain the desired characteristics.

Performance Benchmarks and Objectives

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

Fund name	Return benchmark	Return target
LGIM Dynamic Diversified Fund	Bank of England Base Rate	To outperform the return benchmark by 4.5% p.a. (gross of fees), over the course of an investment cycle, with around two thirds of the volatility associated with developed equity markets
Kames Diversified Monthly Income Fund	The fund does not have a formal performance benchmark	To provide an income yield of 5% per annum, and to provide a total return of 7%-8% per annum (net of fees), with between one half and two thirds of the volatility associated with global equity markets
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)
TwentyFour Absolute Return Credit Fund	3-month Sterling LIBOR	To outperform the return benchmark by 2.5% per annum (net of fees), over rolling three year periods, with volatility in returns of less than 3% per annum

The LGIM LDI Solution has 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 combination of funds used is intended to meet the Trustees' target levels of hedging against the interest rate risk and inflation risk associated with the liabilities of each Section of the Scheme.

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

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 Dynamic Diversified Fund	0.50% p.a.*
Kames Monthly Diversified Income Fund	0.55% p.a.**
Apollo Total Return Fund	0.90% p.a.
TwentyFour Absolute Return Credit Fund	0.40% p.a.
LGIM LDI Solution	0.24% p.a.

*The AMC is discounted to 0.35% p.a. until further notice

*The AMC is discounted to 0.45% p.a. until further notice

Aviva do not apply any explicit annual management charges for holdings in the Red Plan, as management charges are deducted before bonuses are declared. In addition, there are no management charges incurred through the direct commercial property holdings, as these are met directly by the tenant.

Employer Related Investment

The direct commercial property held under the Main Section of the Scheme is leased to a company associated with the Principal Employer and therefore represents an employer-related investment. Given the current nature and size of this investment, the Trustees consider the risk of the value of such an investment exceeding 5% of that of the Scheme's total assets (in respect of all Sections combined) to be very small. However, the Trustees do review the position from time to time and would take action to rectify the position should a breach occur.

Additional Voluntary Contributions (AVCs) and Defined Contribution Assets	The Scheme holds AVCs separately from the assets backing defined benefits via investments held with Aviva Life & Pensions UK, Utmost Life & Pensions and Royal London Mutual Insurance Society. In addition, the Scheme holds defined contribution assets with Prudential Assurance, in respect of historical National Insurance rebates. The Trustees have prepared a separate governance statement in connection with these assets. Further details on the AVCs and defined contribution assets of the Scheme are provided in an Appendix to this Statement.

Expected Returns and Risks

Overall Return Target

The Trustees' objective is for the Scheme's assets to produce a return in excess of the growth in the value of its liabilities calculated under the SFO.

The Trustees expect the assets to produce a return in excess of the long-term growth in the value of the liabilities calculated under the SFO over an economic cycle of five to seven years as follows:

Section	Excess return in excess of the growth in the value of the liabilities
Main Section	0.8% p.a. to 1.9% p.a.
UAP Section	0.5% p.a. to 1.1% p.a.

Expected Returns

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 return
Risk-controlled multi-asset and multi-asset income	Similar 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.
Commercial property	A rate of return similar to that for equities over the long-term.
Multi-asset credit	In excess of the return expected on cash, using a diversified range of fixed income instruments, including sub-investment grade bonds
Absolute return bonds	In excess of the return expected on cash, with low levels of return volatility
Liability Driven Investment (LDI) funds	In line with the sensitivity of the SFO liabilities to changes in interest rates and inflation expectations, allowing for the target level of hedging specified by the Trustees from time to time.

Consideration of 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 and the long-term nature of the Scheme.

Risk Relative to the Value of the Scheme's Key Funding Measure	The Target Asset Allocation has been determined with due regard to the characteristics of the Scheme's Technical Provisions. The calculation of the Scheme's Technical Provisions 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 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. 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 Scheme's Technical Provisions.
Concentration of Risk and Diversification	To reduce the risk of concentration within the portfolio, 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 Scheme's strategy to be well diversified.
Manager Controls and Custodianship	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 the Investment Managers.
Manager Security	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.
Monitoring and Management of Risks	The Trustees will monitor the investment 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.

Responsible Investing, Governance and Engagement

Financially Material Considerations Related to Environmental, Social and Governance Considerations

The Trustees recognise that Environmental, Social and Governance (ESG) issues can and will have a material impact in the companies, governments and other organisations that issue or otherwise support the assets in which the Scheme invests. In turn, ESG issues can and will have a material financial impact on the returns provided by those assets.

The Trustees delegate responsibility for 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 its 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 regular information 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 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 in conjunction with their adviser.

Views of Members and Beneficiaries

The Scheme is 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.

Engagement and Voting Rights

Responsibility for engagement with the issuers of the Scheme’s underlying investment holdings and the use of voting rights is delegated to the Investment Managers. The Trustees can therefore only influence engagement and voting policy indirectly.

The Investment Managers provide, on request, information to the Trustees on their actions in relation to engagement and use of voting rights. The Trustees are therefore aware of the policies adopted by the Investment Managers.

Capital Structure of Investee Companies

Responsibility for monitoring the make up and development of 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.

Conflicts of Interest

The Trustees maintain a separate conflicts of interest policy and 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.

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.

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 and the funds are selected so that, in aggregate, the 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.

Review and Monitoring

Frequency of Review	The Trustees will review this Statement at least every three years or if there is a significant change in the Scheme's circumstances or the regulations that govern pension scheme investment.
Monitoring the Investment Strategy and Managers	The Trustees employ Broadstone to assist them in monitoring the performance of the Scheme's investment strategy and Investment Managers. The Trustees receive quarterly reports from the Investment Managers and meet with their representatives periodically to review their investment performance and processes. The Trustees and Broadstone will monitor the Investment Managers' performance against their performance objectives. The appropriateness of the Investment Managers' remuneration 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 its objectives, both financial and non-financial.
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.
Review of Investment Managers and Defined Contribution Assets	The Trustees will consider on a regular basis whether or not the Investment Managers, the AVC providers and manager of the defined contribution assets remain appropriate to continue to manage the Scheme's investments, AVCs and defined contribution assets.
Information from Investment Managers	The Investment Managers will supply the Trustees with sufficient information each quarter to enable them to monitor financial and non-financial performance.

Signed Claire Teagle

Date 27 February 2020

On behalf of the Trustees of the Origin UK Pension Scheme

LDI Solutions

The Trustees use the following funds operated by LGIM within the LDI solution of each Section:

Main Section

Fund
LGIM Matching Core Shorter Nominal Fund
LGIM Matching Core Longer Nominal Fund
LGIM Matching Core Shorter Real Fund
LGIM Matching Core Longer Nominal Fund

UAP Section

Fund
LGIM Matching Core Shorter Real Fund
LGIM 2027 Gilt Fund
LGIM 2034 Gilt Fund
LGIM 2038 Gilt Fund
LGIM 2042 Gilt Fund
LGIM 2049 Gilt Fund
LGIM 2060 Gilt Fund
LGIM 2024 Index-Linked Gilt Fund
LGIM 2027 Index-Linked Gilt Fund
LGIM 2035 Index-Linked Gilt Fund
LGIM 2040 Index-Linked Gilt Fund
LGIM 2050 Index-Linked Gilt Fund
LGIM 2055 Index-Linked Gilt Fund

Defined Contribution Assets

The Scheme currently uses the following providers to manage the defined contribution assets of the Scheme:

- Prudential Assurance (Prudential) to manage defined contribution assets accumulated in respect of former National Insurance rebates under the Main Section of the Scheme;
- Aviva Life & Pensions UK (Aviva) to manage the AVCs under the Main Section of the Scheme;
- Utmost Life & Pensions (Utmost) to manage the AVCs under the Main Section of the Scheme; and
- Royal London Mutual Insurance Society (Royal London) to manage the AVCs under the Main Section of the Scheme.

Where members do not or cannot make their own investment choice to invest their AVCs or defined contribution assets, the default arrangements below are used for investment purposes. These are provided with the indicative management charge for the with-profits funds managed by Prudential, Aviva and Royal London, and the management charge confirmed by Utmost for its default investment approach. The management charges for the with-profits funds are deducted from the overall funds and not on an individual by individual member basis. Actual investment charges applied within the with-profits funds can vary over time.

- The Prudential With Profits Fund for those defined contribution assets invested with Prudential under the Main Section. The indicative management charge is 1.25% per annum.
- The Aviva With Profits Fund for those AVCs invested with Aviva under the Main Section. The indicative management charge is 0.875% per annum.
- The Utmost Investing By Age Fund for those AVCs invested with Utmost under the Main Section. The management charge varies between 0.50% per annum and 0.75% per annum, based on the age of member.
- The Royal London Deposit Account Fund for those AVCs invested with Royal London under the Main Section. The indicative management charge is 0.95% per annum.

For members who have invested their AVCs with Utmost, a range of fund options is available to members, and members are entitled to switch between these funds. The management charges for these fund options (excluding the default arrangement above) varies between 0.50% per annum and 0.75% per annum. For all other members, only the default arrangement is offered by the providers.

In addition to the above, Prudential also manage the assets held in respect of transferred-in money purchase benefits under the Main Section. Members who hold these benefits are able to invest in the Prudential With Profits Fund and the Prudential Discretionary Fund, the latter of which is subject to an annual management charge of 0.75% per annum.

Appendix B – Pension Pot Illustration – Defined Contribution Assets (Prudential)

The table below illustrates the expected projected pension pot in today's money at different future ages for a member who is currently aged 50 with an initial pension pot of £17,500 and a target retirement age of 65.

Projected pension pot in today's money		
Age	**Before Charges**	**After All Charges & Costs Deducted**
50	£17,500	£17,500
55	£20,263	£19,092
60	£23,463	£20,828
65	£27,168	£22,722

Important note: The above figures are intended to provide an indication of the effects of future costs and charges on the build-up of funds for a typical member, and should not be used for any other purpose. Members should seek independent financial advice if they are considering investment options and are unsure which option is most suitable for their own circumstances.

Notes and Assumptions:

- Monies are assumed to be invested in the default arrangement with Prudential.
- Overall charges are assumed to be 1.25% each year. This is based on Prudential's current charges, which could change in the future. No extra allowance is made for transaction costs.
- Investment returns are assumed to be 5.55% each year, before allowing for charges and stripping out the effects of inflation.
- The figures are based on a current 'pot' of £17,500 for the defined contribution assets held with Prudential. This is based on the average pension pot currently held by members.
- No allowance is made for any future contributions.
- Price inflation is assumed to be 2.5% each year. The projected funds are adjusted back to the current date using this assumption to strip out the effects of inflation. This is so that the values are expressed in 'today's money'.

Appendix C – Pension Pot Illustration – AVCs (Aviva, Equitable Life, Royal London)

The table below illustrates the expected projected pension pot in today's money at different future ages for a member who is currently aged 50 with an initial pension pot of £25,500 and a target retirement age of 65.

Projected pension pot in today's money		
Age	**Before Charges**	**After All Charges & Costs Deducted**
50	£25,500	£25,500
55	£26,704	£25,500
60	£27,964	£25,500
65	£29,285	£25,500

Important note: The above figures are intended to provide an indication of the effects of future costs and charges on the build-up of funds for a typical member, and should not be used for any other purpose. Members should seek independent financial advice if they are considering investment options and are unsure which option is most suitable for their own circumstances.

Notes and Assumptions:

- Monies are assumed to be invested in the default arrangement with the AVC providers.
- Overall charges are assumed to be 0.95% each year. This is based on the AVC providers' current charges, which could change in the future. No extra allowance is made for transaction costs.
- Investment returns are assumed to be 3.45% each year, before allowing for charges and stripping out the effects of inflation.
- The figures are based on a current 'pot' of £25,500 for the AVCs held. This is based on the average pension pot currently held by members.
- No allowance is made for any future contributions.
- Price inflation is assumed to be 2.5% each year. The projected funds are adjusted back to the current date using this assumption to strip out the effects of inflation. This is so that the values are expressed in 'today's money'.