

# Origin UK Pension Scheme

## Statement of Investment Principles – Implementation Statement

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The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statements of Investment Principles (SIPs) dated November 2023 and January 2025, which reflects the Scheme's investment strategy in place as at the end of the Scheme year, have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 1 April 2024 to 31 March 2025.

### Investment objectives of the Scheme

The Trustees' objectives for setting the investment strategy of the Scheme have been set broadly with regard to the Scheme's Statutory Funding Objective set out in the Statement of Funding Principles. However, in the UAP Section, given 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 a bulk annuity contract is the assessment of Section funding that is of most importance to the Trustees and members.

The Trustees' primary objectives for the Main Section of the Scheme as at the Scheme year end are set out on page 4 of the January 2025 SIP and are as follows:

- To ensure that the assets are of a nature to enable the Trustees to meet the Section'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.

The Trustees' primary objectives for the UAP Section of the Scheme as at the Scheme year end are set out on page 4 of the January 2025 SIP and 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 appreciate that these objectives are not necessarily mutually exclusive.

The Trustees also recognise that it is currently necessary to accept some risk in the investment strategies to achieve the long-term funding objectives.

### Review of the SIPs

The SIP was last reviewed in January 2025. The Trustees updated the SIP to reflect changes in the investment strategy of the Main Section of the Scheme that were made during the Scheme year.

Prior to this, the SIP had last been updated in November 2023 to take account of previous changes made to the investment strategies of both the Main and UAP Sections of the Scheme during the previous Scheme year.

The Trustees have a policy on financially material considerations relating to Environmental, Social, and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out later in this Statement and are detailed in the Trustees' latest SIP.

The Trustees' policy on financially material considerations was not updated in the revised SIP coming into force during the Scheme year, with the exception that the Trustees' views on how ESG considerations should be accounted for in different asset classes were revised to reflect the asset classes used at the Scheme year end. The Trustees' policies on non-financially material considerations, as well as engagement and voting activities, were not updated in the revised SIP that came into force during the Scheme year and are shown later in this Statement.

## Investment managers and funds in use

### Main Section

The Trustees' investment strategy for the Main Section as at the start of the year was as shown in the below table, which is reflected in the November 2023 SIP.

Asset Class	Fund	Target Asset Allocation
<b>Multi-asset income</b>	L&G Retirement Income Multi-Asset Fund	20.0%
<b>Multi-asset credit</b>	Apollo Total Return Fund	40.0%
	Royal London Multi Asset Credit Fund	
<b>Liability Driven Investment ("LDI") solution</b>	L&G Matching Core Funds	40.0%
	L&G Absolute Return Bond Fund	
<b>Total</b>		<b>100.0%</b>

During the year, the Trustees revised the Main Section's investment strategy to reduce risk. In doing so, the asset allocation was revised by removing holdings in multi-asset income funds whilst reducing holdings in multi-asset credit funds, and increasing holdings in the LDI solution (inclusive of absolute return bonds to provide collateral).

The Trustees' investment strategy in place as at the end of the year is as shown in the table below, and is reflected in the January 2025 SIP.

Asset Class	Fund	Target Asset Allocation
<b>Multi-asset credit</b>	Royal London Multi Asset Credit Fund	30.0%
<b>LDI Solution</b>	L&G Matching Core Funds	70.0%
	L&G Absolute Return Bond Fund	
<b>Total</b>		<b>100.0%</b>

## **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.

There have been no changes to either the Investment Manager used or the Target Asset Allocation for the UAP Section's invested assets over the year.

However, Legal & General Investment Management ('LGIM') rebranded to Legal & General – Asset Management ('L&G') towards the end of the Scheme year. This change is not reflected in the SIPs, but is reflected in this Statement and will be reflected in the SIP when the Trustees next revise it.

Additionally, the L&G Absolute Return Bond Fund changed name to the L&G Global Unconstrained Bond Fund after the end of the Scheme year to better reflect the fund's strategy.

## **Investment governance**

The Trustee Board is responsible for making investment decisions, and seeks advice as appropriate from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. Additionally, the Trustees' primary objective is to meet the benefits of the Scheme as they fall due, and the current investment strategy in place is intended to meet this objective. However, members are able to provide their views and feedback directly to the Trustees (where required).

The Trustees have put in place strategic objectives for Broadstone, as the Trustees' investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, which were last reviewed by the Trustees in December 2022. These objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, support with scheme management, compliance, and service standards.

## **Monitoring of investment arrangements**

In addition to any reviews of Investment Managers or approaches, and direct engagement with the Investment Managers (as detailed below), the Trustees receive performance reports on a quarterly basis from L&G and Royal London, together with performance reports from Broadstone on a quarterly basis to ensure the investment objectives set out in its SIP are being met.

## Trustees' policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's November 2023 SIP, in force during the year, and January 2025 SIP, reflecting the Scheme's investment strategy as at the year end, as applicable, have been followed:

Requirement	Policy	Implementation of Policy
<b>Selection of Investments</b>	<p>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.</p> <p>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.</p> <p>The Trustees may:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Scheme.</li> </ul>	No deviation from this policy over the year to 31 March 2025.
<b>Target Asset Allocation</b>	<p>The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives.</p> <p>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.</p> <p>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 enough to allow easy adjustment between the funds as the Trustees' risk appetite changes and the Scheme matures.</p>	<p>No deviation from this policy over the year to 31 March 2025.</p> <p>The Trustees' target investment strategy allocations as at the year end are reflected in the latest SIP.</p>
<b>Delegation to Investment Managers</b>	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.	No deviation from this policy over the year to 31 March 2025.

Requirement	Policy	Implementation of Policy
<b>Maintaining the Target Asset Allocation and Target Hedging Ratios</b>	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 Hedging Ratios will take precedence over maintaining the Target Asset Allocation.	<p>No deviation from this policy over the year to 31 March 2025.</p> <p>The asset allocation and level of hedging exposure provided by the assets at the year end were broadly in line with their targets and are reflected in the January 2025 SIP.</p>
<b>Realising Investments</b>	The Trustees make disinvestments from the Investment Managers with the assistance of their administrator, Broadstone, as necessary, to meet the Scheme's cashflow requirements.	No deviation from this policy over the year to 31 March 2025.
<b>Performance Benchmarks and Objectives</b>	<p>The multi-asset income fund, multi-asset credit funds, and absolute return bond fund used during the year are actively managed, and the Investment Managers have been set performance objectives to achieve returns in line with, or in excess of, a benchmark. The multi-asset income fund and multi-asset credit funds had the additional objective to provide a sustainable level of annual income to the Main Section to help support benefit outgo.</p> <p>The self-sufficiency credit and leveraged LDI funds have an objective to provide a prescribed level of hedging against changes in the value of liabilities for a typical defined benefit pension scheme caused by interest rate risk and inflation risk. The practical method of implementing this level of hedging is delegated to the LDI manager, with the expectation that L&amp;G will choose the most cost-effective method.</p> <p>The self-sufficiency credit funds have an additional objective to generate quarterly cashflows to pay the benefits of a notional pension scheme with liabilities of a similar nature and duration to the UAP Section of the Scheme, as they fall due.</p> <p>The buy-in policy has the sole objective of providing cashflow to match the benefits payable to members of the UAP Section of the Scheme.</p>	<p>The funds' performance benchmarks and objectives were reviewed on a quarterly basis over the year to 31 March 2025.</p> <p>There were no changes to the funds' performance benchmarks and objectives over the year.</p>

Requirement	Policy	Implementation of Policy
<b>Investment Management Charges</b>	<p>The annual investment management charges of the funds used during the Scheme year are set out in the Appendices of the SIPS and are as follows:</p> <ul style="list-style-type: none"> <li>L&amp;G Retirement Income Multi-Asset Fund: 0.35% p.a.</li> <li>Apollo Total Return Fund: 0.90% p.a.</li> <li>Royal London Multi Asset Credit Fund: 0.35% p.a.</li> <li>L&amp;G Self-Sufficiency Credit Funds: 0.20% p.a.</li> <li>L&amp;G Absolute Return Bond Fund: 0.25% p.a.</li> <li>L&amp;G Matching Core Funds: 0.24% p.a.</li> </ul> <p>In addition, L&amp;G charge a flat administration fee of £1,000 per annum when the total assets held with them for both Sections are above £10 million, and apply no charge when total assets are above £25 million.</p> <p>There are no explicit management charges applied within the Just buy-in policy.</p>	<p>There were no changes to the funds' investment management charges over the year to 31 March 2025.</p> <p>However, over the year, L&amp;G changed the flat fee to cover both Sections of the Scheme.</p> <p>The Scheme's charges as at the year end were in line with the SIP dated January 2025.</p>
<b>Financially and Non-Financially Material Considerations</b>	<p>The Trustees' policy on financially and non-financially material considerations is set out on pages 8-9 of the November 2023 SIP and pages 9-10 of the January 2025 SIP, and in full below.</p>	<p>No deviation from this policy over the year to 31 March 2025 (see below).</p>
<b>Engagement and Voting Rights</b>	<p>The Trustees' voting and engagement policy is to use their investments to improve the ESG 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.</p> <p>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 Investment Managers.</p>	<p>No deviation from this policy over the year to 31 March 2025 (see below).</p>
<b>Additional Voluntary Contributions ('AVCs')</b>	<p>The Scheme holds AVCs separately from the assets backing defined benefits via investments held with Aviva Life &amp; Pensions UK, Utmost Life &amp; Pensions, and Royal London Mutual Insurance Society.</p>	<p>No deviation from this policy over the year to 31 March 2025.</p>

## Financially and non-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 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 the associated assets.

The Trustees' views on how ESG issues are taken account of in each asset class used during the Scheme year are set out below.

Asset Class	Active/Passive	Trustees' Views
<b>Multi-asset income</b>	Active	The Trustees expect the Investment Manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk-adjusted returns. The Trustees also expect their Investment Manager to engage with the underlying investee companies, where possible, although they appreciate that fixed income assets within the portfolio do not typically attract voting rights.
<b>Multi-asset credit / self-sufficiency hedging assets / absolute return bonds / buy-in policy</b>	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.
<b>LDI funds</b>	Active	The underlying assets of the LDI funds 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 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 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.

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.

## Voting rights

During the year, the Trustees invested in pooled investment funds with the Investment Managers, and they acknowledge that this limited their ability to directly influence the Investment Managers. In particular, all voting activities have been delegated to the Investment Managers, as the Trustees are unable to vote on the underlying holdings, given the pooled nature of the Scheme's investments.

However, the Trustees periodically meet with their Investment Managers, to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf



of the Trustees. As part of this, the Trustees will seek to challenge their Investment Managers on these matters where they think this is in the best interests of members.

Out of the funds held by the Trustees over the year, only the L&G Retirement Income Multi-Asset Fund contained publicly listed equity holdings. The fund had voting rights attached to the underlying equities held within the fund, and the Trustees have delegated these voting rights to L&G, where L&G sets its own voting policy.

A summary of the votes made by L&G from 1 April 2024 to 31 March 2025 on behalf of the Trustees for the L&G Retirement Income Multi-Asset Fund used by the Scheme during the year was requested from L&G. It was requested that L&G provide voting data broken down into Environmental, Social, and Governance categories. However, L&G advised that the data is not yet available in this format. The breakdown of this data will continue to be requested in future periods. The data in the table below is therefore provided at total fund level.

Manager	Fund	Resolutions Voted On	Resolutions Voted:		
			For	Against	Abstained
L&G	Retirement Income Multi-Asset Fund	105,952	77%	22%	1%

At the year end, all of the Scheme's assets were invested in pooled funds. Regarding proxy voting, L&G do not use a proxy voting service to determine their voting policy, which is formed in-house. L&G do, however, use Institutional Shareholders' Service's (ISS's) Proxy Exchange voting platform to vote on resolutions electronically.

## Significant votes

The Trustees have requested details of the significant votes made on behalf of the Trustees by the manager of the fund the Scheme invested in that has voting rights. In determining significant votes, the manager's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile votes which have such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at the manager's annual Stakeholder roundtable event, or where the manager notes a significant increase in requests from clients on a particular vote;
- Sanction votes as a result of a direct or collaborative engagement;
- Votes linked to any manager engagement campaign, for example in line with L&G Investment Stewardship's 5-year ESG priority engagement themes.

The Trustees believe the following is the most significant vote undertaken on their behalf over the Scheme year:

Significant vote	
Investment Manager	L&G
Company	Shell Plc
Date of vote	21 May 2024



Percentage of portfolio invested in Company at date of vote	L&G Retirement Income Multi-Asset Fund: 0.2%
Resolution	Approve the Shell Energy Transition Strategy
Why significant	L&G is publicly supportive of so called "Say on Climate" votes. L&G expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C temperature increase scenario. Given the high-profile nature of such votes, L&G deem such votes to be significant, particularly when L&G votes against the transition plan.
Voting decision	Voted Against
Manager comments	<p><i>"L&amp;G acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025.</i></p> <p><i>Nevertheless, in light of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and [Liquified Natural Gas] business this decade, L&amp;G expects the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. L&amp;G seeks more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation.</i></p> <p><i>Additionally, L&amp;G would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capital expenditure allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in the company's decarbonisation strategy."</i></p>
Vote outcome	Resolution Passed

## Engagement activities

The Trustees have also delegated engagement activities to the Investment Managers. A notable engagement activity of each Investment Manager the Scheme invested with during the year is provided below:

- **L&G** engaged with Colgate-Palmolive, an American multinational consumer products company, focusing on the company's deforestation approach as well as challenges and opportunities in meeting their deforestation management commitments. L&G met with the company's Chief Sustainability Officer, and explored how the company is ensuring supplier compliance and increased traceability across commodities in their supply chain, as well as the suitability of the company's escalation procedures for non-compliance.

L&G also sought to encourage increased oversight from the Board of Directors, and prioritisation of the issue of deforestation within the company's risk management agenda. L&G noted that the company have demonstrated progress in appreciating responsible sourcing as a critical issue, whilst building relationships and furthering engagement with their suppliers and ending relationships with those found to be non-compliant. L&G note that, overall, the company meets their minimum expectations on deforestation management.

L&G note that Colgate-Palmolive have introduced satellite imaging for monitoring purposes, and are undertaking the complex process of mapping palm oil derivatives. L&G also note that the frequency of Board-level updates on deforestation has increased.

L&G will further engage with the company in 2025, with a focus on traceability progress across key commodities, along with collaborative efforts with their peers to eliminate net deforestation. L&G will also look to further discuss the company's work on mapping and addressing deforestation risks in their supply chain.

- **Royal London** engaged with a global oil and gas company on best practices in supplier cyber security management. The company revealed that new suppliers undergo a rigorous process involving external and internal intelligence, with the right to audit suppliers embedded into any contracts.

Royal London made several recommendations to the company, regarding the board's oversight of cyber security risks and suggested integrating cyber risk management into broader governance performance indicators and executive remuneration.

Royal London noted that the company acknowledged its recommendations, and Royal London will follow up on progress at its next engagement with the company.

For the buy-in policy held under the UAP Section, Just have put in place targets to reduce the carbon emission across its bulk annuity policies, as well as making a positive impact in line with the United Nations' Sustainable Development Goals. These targets and policies are set out in Just's Responsible Investment Framework and reported on each year. Some of the key highlights are summarised below:

- Just have raised debt via green bonds and sustainability bonds to target investment of £825 million in green and social assets by the end of 2025.
- Carbon emissions have reduced by 90% since 2019 across the investments held by Just.
- Just have partnered with EcoTree to plant 250,000 trees since 2021.
- Just have women in 33% of senior leader positions, aiming to meet its target to have women in 40% of senior leader positions by December 2026.

Just's ESG and sustainability insight and reports can be found at the following web address

<https://www.justgroupplc.co.uk/sustainability>.

The Trustees also consider an investment manager's policies on stewardship and engagement when selecting and reviewing investment managers.

**Signed:** Claire Teagle

**Date:** 30 July 2025

**On behalf of the Trustees of the Origin UK Pension Scheme**