

DC Governance Statement

The Default Arrangement

The Plan is a Qualifying Plan for auto-enrolment purposes.

Requirement

Members' funds are invested on Aon's delegated investment platform, through which funds are managed by Aon Investments Limited (AIL), formerly known as Hewitt Risk Management Services Limited (HRMSL). The Trustees have designated the Aon Managed Retirement Pathway Fund as the default arrangement for the Plan. The default arrangement is provided for new members who have not made an active choice with regards to their choice of investment.

The Trustees are required to design the default arrangement in members' interests and keep it under review. The Trustees need to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Plan's membership.

The default arrangement is structured as a series of target date funds designed to provide members with an appropriate balance between risk and return over their lifetime, accessed through a single investment fund which provides exposure to a diversified mix of assets at retirement. The default arrangement aims to provide members with the potential for good levels of growth during the accumulation of their retirement savings through exposure to equities, and then to gradually diversify their investments from 15 years before their target retirement date. This is achieved by automatically moving members' funds from return-seeking assets, which aim for long-term growth in excess of inflation, to a more broad-based and lower risk asset mix as members approach their target retirement date.

Details of the objectives and the Trustees' policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' (SIP). The Plan's SIP is attached however the aim is set out here for ease of reference:

The aim of the default arrangement is to provide members with the potential for good levels of growth during the accumulation of their retirement savings through exposure to equities, and then to gradually diversify their investments in the years approaching retirement, to reduce volatility and provide a broad base of assets from which members can choose the type of benefits they wish to take.

Investment strategy review

The default arrangement was not formally reviewed during the period covered by this statement.

The last review was completed on 13th May 2019. The Trustees undertake a formal review of the default arrangement every three years. The next formal review is due to take place by 13th May 2022. Changes have been made to the default arrangement following the last review. As investment decisions have been delegated to the investment manager, it is within the remit of AIL to make these changes without the Trustees' approval. However, the Trustees reviewed the changes made by the investment manager to the underlying asset allocation and managers used within the default arrangement and wider fund options available. Relevant information was provided on a quarterly basis through investment reports provided by AIL and discussed at each quarterly Trustee meeting.

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Investment strategy review (continued)

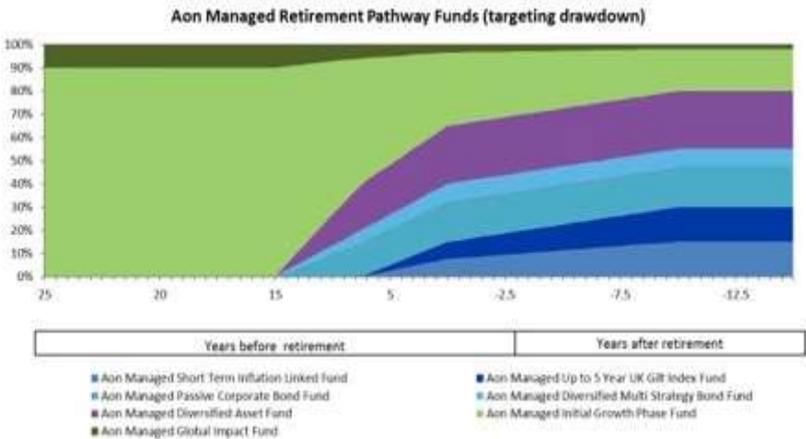
The updated design of the asset allocation strategy for the Aon Managed Retirement Pathway Funds is focused on achieving a return in excess of inflation, as measured by the Consumer Price Index (CPI). The target varies as members approach retirement and is reviewed regularly by the investment manager. This approach enables past performance, either positive or negative, to influence future investment strategy. This can be achieved by:

- Amending the asset allocation at particular times as a member approaches retirement.
- Adjusting the de-risking period if past performance has been better or worse than expected.

Following this review, AIL are in the process of implementing a number of changes to the investment strategy over the first six months of 2021. These changes include reducing the allocation to government bonds as the Aon Managed Retirement Pathway Funds approaches their target date, alongside removing the exposure to long dated index-linked government bonds and introducing shorter dated fixed interest government bonds. Additionally, and reflecting strong market performance since the Fund's inception, AIL also took the opportunity to bring forward some of the planned de-risking to reduce risk as the Aon Managed Retirement Pathway Funds approach their target date and we will continue to monitor this going forward. The first investment switch took place in January and the revised investment strategy is expected to be fully in place by 30 June 2021.

Additionally, a 10% allocation to the Aon Managed Global Impact Fund was introduced into the growth phase of the Aon Managed Retirement Pathway Funds in January 2021. This Fund provides exposure to companies that are making a positive and meaningful impact to our planet and society and helping to solve some of the challenges we are facing today, such as climate change.

The updated glidepath that will be in place when the revised investment strategy is fully in place (by 30 June 2021) is shown below:



The Trustees remain comfortable that the default arrangement is performing in line with its stated objectives.

Performance Monitoring

The Trustees have monitored the performance of the default arrangement against agreed benchmarks on a quarterly basis during the period. In broad terms, performance was deemed to be consistent with the aims and objectives for the funds.

The performance of the default arrangement is also now reviewed quarterly against inflation targets, the strategy can then be amended by either adjusting the de-risking period or amending the asset allocation at particular times depending on the relative performance.

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Processing of Core Financial Transactions

The core financial transactions are undertaken on behalf of the Trustees by the Plan administrator, Capita and the Company is responsible for ensuring that contributions are paid to the Plan promptly. The timing of such payments is monitored by the Trustees from quarterly administration reports provided by Capita.

In order to determine how well the administrator is performing, the Trustees have service level agreements (SLA's) in place with Capita. The SLA's detail a number of key administration processes to be performed and the target timescales which each of these processes needs to be completed. There are targets in place for all core financial transactions. Under the current SLA, Capita aims to accurately complete all financial transactions within 5 working days, which includes investment of contributions. Over the period 95% of core financial transactions were achieved within the target SLA.

The Trustees have also reviewed the key processes adopted by the administrator and output in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

Monthly unit reconciliations are carried out by Capita to reconcile fund manager holdings with the administration system records.

Flowcharts that outline the steps and checks in place for each of the core financial transactions, including key dates to be met.

Effective management is evidenced through the quarterly stewardship report provided by Capita, which includes details of the core financial transactions over the period, including: Membership movements, investment of contributions, cashflow management and settlements from the Plan.

All work processes are documented and subject to a peer review process. Work undertaken by Capita is calculated and independently checked by another member of the team.

Capita's pensions administration staff are actively encouraged to obtain formal qualifications in relevant areas. Many hold formal pensions-related qualifications from e.g. the Pensions Management Institute. All staff members complete annual regulatory training.

An annual unit reconciliation is undertaken at a Plan level by Capita and audited at the year-end by JW Hinks.

In addition, the Trustees meets with Capita on a quarterly basis at Trustee meetings to discuss the administration of the DC Section of the Plan. These meetings provide an opportunity to discuss any issues that might arise. There were four member complaints over the period, which were discussed with the Trustees. The Trustees are satisfied that these complaints were fully dealt with.

Requirement

The Trustees have a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members/beneficiaries.

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Processing of Core Financial Transactions (continued)

Capita completed a review of the common data (basic member information e.g. name, address, national insurance number etc) in 2020. The Pensions Regulator sets out benchmark standards and pass rate percentages of 95% for 'legacy' data (data pre-June 2010), and 100% for New Data (data post-June 2010). The common data report gives the Plan a score of 91% ('C' rating) for Legacy data and 95% ('B' rating for New data). The main issues with the common data were errors with national insurance numbers and address data.

Capita have recommended to the Trustees that the missing data is resolved using their electronic tracing service.

The Trustees are satisfied that over the period:

- the administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately during the Plan year.

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Member Borne Charges and Transaction Costs

The member borne costs and charges consist of the following:

Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;

Transaction costs: these are not explicit and are incurred when the Plan's fund manager buys and sells assets within investment funds (but are exclusive of any costs incurred when members invest in or sell out of funds).

The Trustees have set out the costs and charges that are incurred by members, rather than the company, over the statement year in respect of each investment fund available to members. These comprise the Total Expense Ratio and insofar as we are able to, transaction costs.

The charges and transaction costs have been supplied by Aegon who is the Plan's investment platform provider. Where transaction costs have been provided as a negative cost (profit), a floor of 0% has been used by the Trustees to avoid potentially understating the overall level of costs and charges.

The transaction costs shown below are calculated using the standardised method set by the Financial Conduct Authority.

(i) Default arrangement – Aon Managed Retirement Pathway Fund

The Aon Managed Retirement Pathway Fund asset allocation changes as members approach retirement.

The TER that a member paid over the year therefore depended on their term to retirement. The TER ranged from **0.30% p.a.** to **0.32% p.a.**, which was within the **0.75% p.a.** charge cap for plans that are used for auto-enrolment. A full list of the charges on the various vintages of the Aon Managed Retirement Pathway Fund are shown in the appendix to this statement.

Transaction costs ranged between **0.02% p.a.** and **0.13% p.a.**, meaning that the total cost associated with the Aon Managed Retirement Pathway Fund was between **0.32% p.a.** and **0.44% p.a.** The full list of TER's for the Aon Managed Retirement Pathway Funds are shown in appendix 1.

Requirement

The Trustees should regularly monitor the level of charges borne by members through the investment funds.

The Trustees are also required to confirm that the charges on the default arrangement have not exceeded 0.75% p.a., (the charge cap) and produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

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Member Borne Charges and Transaction Costs (continued)

(ii) Self-select investment funds

In addition to the Aon Managed Retirement Pathway Fund members also have the option to invest in a further 2 series of target date funds targeting annuity or cash at retirement, and 17 individual funds.

The TERs and transaction costs for each of these are shown in the following tables:

Aon Managed Retirement Pathway Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Aon Managed Retirement Pathway Fund (default – targeting income drawdown)	0.30 to 0.32	0.02 to 0.13	0.32 to 0.44
Aon Managed Retirement Pathway to Annuity Fund	0.29 to 0.31	0.02 to 0.12	0.31 to 0.43
Aon Managed Retirement Pathway to Cash Fund	0.31	0.01 to 0.12	0.32 to 0.43

* The full list of TER's for the Aon Managed Retirement Pathway Funds are shown in Appendix 1. The maximum total costs figure is 0.44% (not 0.45% as implied by the maximum TER and maximum transaction costs), as it is not the same fund that has a TER of 0.32% and transaction costs of 0.13%.

Objective Based Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Aon Managed Pre-Retirement Bond Fund	0.32	0.03	0.35
Aon Managed Liquidity Fund	0.23	0.01	0.24
Aon Managed Initial Growth Phase Fund	0.30	0.02	0.32
Aon Managed Core Initial Growth Phase Fund	0.22	0.02	0.24
Aon Managed Core Diversified Asset Fund	0.22	0.05	0.27
Aon Managed Bond Phase Fund	0.40	0.31	0.71
Aon Managed Long Term Inflation Linked Fund	0.20	0.00	0.20
Aon Managed Short Term Inflation Linked Fund	0.20	0.02	0.22

Asset Class Based Funds	TER % p.a.	Transaction Costs % p.a.	Total costs % p.a.
Aon Managed Global Equity Fund	0.27	0.00	0.27
Aon Managed Property and Infrastructure Fund	0.49	0.22	0.71
Aon Managed Diversified Multi Asset Fund	0.40	0.23	0.63
Aon Managed Active Global Equity Fund	0.79	0.09	0.88
Aon Managed Passive Corporate Bond Fund	0.21	0.07	0.28
Aon Managed Diversified Multi Strategy Bond Fund	0.57	0.54	1.11
Aegon BlackRock UK Equity Index Fund	0.06	0.05	0.11
Aegon BlackRock World (ex UK) Equity Index Fund	0.06	0.03	0.09
Aegon BlackRock Emerging Markets Equity Index Fund	0.26	0.00	0.26

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Member Borne Charges and Transaction Costs (continued)

(iii) Illustrations of the cumulative effect of cost and charges

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustees have provided three illustrations of their cumulative effect on the value of typical plan members savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members, and are based on a number of assumptions about the future which are set out following the illustrations.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Plan, they are not a substitute for the individual and personalised illustrations which are provided to members in their Annual Benefit Statements.

Each illustration (A, B and C) is shown for a different type of member invested in the Aon Managed Retirement Pathway Fund, as this is the arrangement that most of members of the Plan have their retirement savings in. Each illustration is shown as a chart and a table as follows:

The chart shows a projection of the member's retirement savings at retirement age, with and without costs and charges applied.

As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have also included some comparison figures with other funds in the tables. For comparison purposes, we also show the projected retirement savings if the typical member were invested in the highest cost fund – the Aon Managed Active Global Equity Fund and the lowest cost fund – the Aegon BlackRock World (ex UK) Equity Index Fund.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of expected future inflation.

The new glidepath for the Aon Managed Retirement Pathway Fund, shown in 'The Default Arrangement' section and that will be fully implemented by the end of June 2021, has been used in the below illustrations.

Requirement

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant plan. These changes are intended to improve transparency on costs.

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Member Borne Charges and Transaction Costs (continued)

(iii) Illustrations of the cumulative effect of cost and charges (continued)

Illustration A: is based on an active Plan member who has 48 years to go until their retirement at age 65. The member has a current salary of **£15,000**, current fund value of **£2,500** and future contributions of **12%** of salary. The member is invested in the **Aon Managed Retirement Pathway Fund 2067-2069**.



Projected Pension Account in today's money

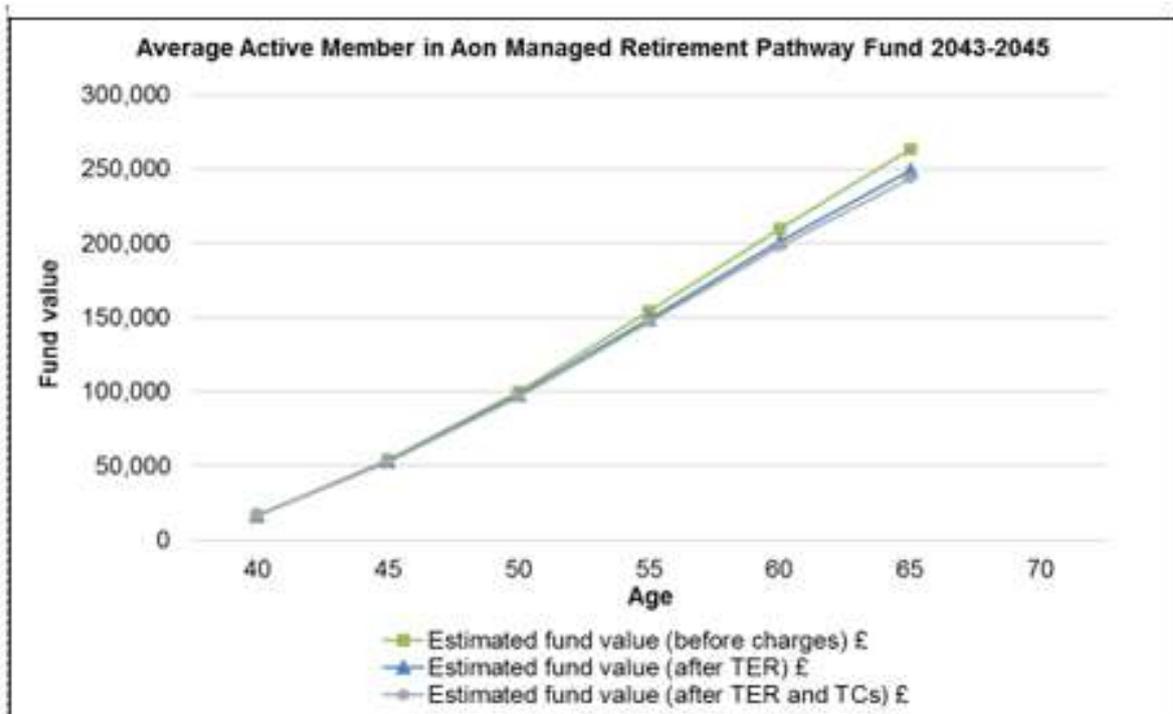
Age	Aon Managed Retirement Pathway Fund			Aon Managed Active Global Equity Fund			BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
17	2,500	2,500	0	2,500	2,500	0	2,500	2,500	0
20	8,540	8,460	80	8,710	8,540	170	8,550	8,540	10
25	20,540	20,080	460	21,530	20,500	1,030	20,570	20,500	70
30	35,430	34,180	1,250	38,240	35,330	2,910	35,520	35,330	190
35	53,930	51,300	2,630	60,020	53,710	6,310	54,110	53,710	400
40	76,910	72,080	4,830	88,410	76,500	11,910	77,250	76,500	750
45	105,450	97,300	8,150	125,420	104,740	20,680	106,030	104,740	1,290
50	140,900	127,910	12,990	173,650	139,760	33,890	141,820	139,760	2,060
55	181,260	161,750	19,510	236,510	183,170	53,340	186,350	183,170	3,180
60	219,310	192,130	27,180	318,450	236,980	81,470	241,740	236,980	4,760
65	252,000	216,700	35,300	425,250	303,690	121,560	310,640	303,690	6,950

DC Governance Statement

Member Borne Charges and Transaction Costs (continued)

(iii) Illustrations of the cumulative effect of cost and charges (continued)

Illustration B: is based on an active Plan member who has 25 years to go until their retirement at age 65. The member has a current salary of **£50,000** and has future contributions of **12%** of salary. The member has a current fund value of **£16,500** and is invested in the **Aon Managed Retirement Pathway 2043-2045**.



Projected Pension Account in today's money.

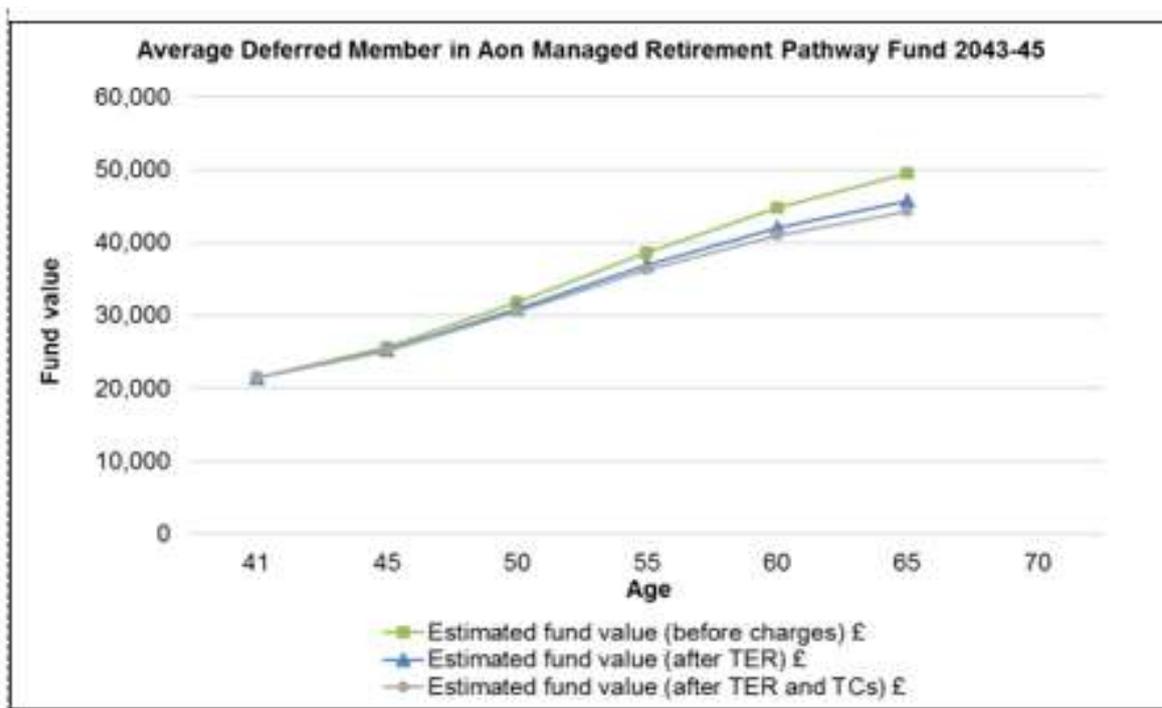
Age	Aon Managed Retirement Pathway Fund			Aon Managed Active Global Equity Fund			BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
40	16,500	16,500	0	16,500	16,500	0	16,500	16,500	0
45	53,580	52,720	860	55,430	53,510	1,920	53,640	53,510	130
50	99,630	96,690	2,940	106,170	99,380	6,790	99,830	99,380	450
55	153,870	147,180	6,690	172,310	156,250	16,060	157,300	156,250	1,050
60	209,850	197,650	12,200	258,520	226,750	31,770	228,780	226,750	2,030
65	263,280	244,140	19,140	370,890	314,150	56,740	317,700	314,150	3,550

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Member Borne Charges and Transaction Costs (continued)

(iii) Illustrations of the cumulative effect of cost and charges (continued)

Illustration C: is based on a deferred member (a member who is no longer making contributions into their Pension Account) who has 24 years to go until their retirement at age 65. The member has a current fund value of **£21,500** and is invested in the **Aon Managed Retirement Pathway 2043-2045**.



Projected Pension Account in today's money.

Age	Aon Managed Retirement Pathway Fund			Aon Managed Active Global Equity Fund			BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
41	21,500	21,500	0	21,500	21,500	0	21,500	21,500	0
45	25,570	25,100	470	26,580	25,530	1,050	25,600	25,530	70
50	31,760	30,470	1,290	34,640	31,650	2,990	31,850	31,650	200
55	38,650	36,230	2,420	45,150	39,240	5,910	39,620	39,240	380
60	44,730	40,930	3,800	58,850	48,640	10,210	49,280	48,640	640
65	49,500	44,200	5,300	76,710	60,290	16,420	61,300	60,290	1,010

Important

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the strategy) in making investment decisions.

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Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

Annual salary growth and inflation is assumed to be 2.5% per annum

The starting fund values and future contributions used in the projections is representative of the average for the Plan

The projected annual returns on assets and costs and charges used in the illustrations are shown in the table below. The Funds show in bold make up the Aon Managed Retirement Pathway Fund:

Fund	Projected annual return (% p.a.)	Transaction Cost (% p.a.)	TER (% p.a.)
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Underlying funds for the Aon Managed Retirement Pathway Funds:

Aon Managed Initial Growth Phase Fund	6.5	0.02	0.36
Aon Managed Global Impact Fund	7.0	0.18	0.36
Aon Managed Diversified Asset Fund	3.5	0.23	0.36
Aon Managed Diversified Multi Strategy Bond Fund	2.5	0.54	0.36
Aon Managed Passive Corporate Bond Fund	1.0	0.07	0.36
Aon Managed Short Term Inflation Linked Fund	0.1	0.02	0.36
Aon Managed Up to 5 Year UK Gilt Index Fund	0.1	0.00	0.36

Comparison funds:

Aon Managed Active Global Equity Fund	7.0	0.09	0.79
Aegon BlackRock World (ex UK) Equity Index Fund	7.0	0.03	0.06

For the Aon Managed Retirement Pathway Fund the projection takes into account the changing proportion invested in the different underlying funds.

- The transaction costs have been averaged over a 3 year period in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.
- Member data used is as at 11th March 2021.

DC Governance Statement

Value for Members Assessment

There is no legal definition of "good value" or the process of determining this for Plan members. Therefore, working in conjunction with their advisers, Aon, the Trustees have developed their cost-benefit analysis framework in order to make an assessment as to whether members receive good value from the Plan relative to the costs and charges they pay.

The costs have been identified as the TER and Transaction Costs and are set out in the "Member Borne Charges and Transaction Costs section" of this statement. The Trustees have considered the benefits of membership under the following four categories: Plan governance, investments, administration and member communications and engagement. Benchmarking relative to other pension arrangements or industry best practice guidelines is also undertaken.

The Trustees' beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

Plan governance

The Trustees believe in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members.

Plan governance covers the time spent by the Trustees to ensure the Plan is run in compliance with the law and regulation, including taking account of the interests of its members.

The Trustees carry out an annual assessment against the DC Code of Practice and the governance framework, to ensure that they are meeting best practice. Actions are put in place following this assessment in order to address any gaps and progress is followed over the Plan year to ensure these are completed.

The Trustees also considered the impact of the COVID-19 pandemic on the Trustee board and put in place appropriate plans to ensure that the board could continue to perform effectively during this time. Specifically, the Trustees have reviewed the regularity of their Trustee meetings and the format (virtual, shorter Trustee meetings were held more regularly during this time), identified key man risks, Trustees' decision making protocols, and approvals processes and taken steps to mitigate these risks through appropriate identification of designated alternates on the Trustees board and all advisers and providers to ensure business continuity and appropriate Plan governance during the pandemic. Aon discussed with the Trustees '10 Questions to Test Your Crisis Resilience' in the wake of the COVID-19 outbreak. The Trustees updated the Plan's risk register to include COVID-19 specific risks as well as working with their advisors to implement an incident response plan.

Requirement

The Administration Regulations require the Trustees to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

DC Governance Statement

Value for Members Assessment (continued)

Investments

- The Trustees believe that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the delivery of good member outcomes.
- The Plan offers three series of target date funds, designed for members wishing to access their benefits flexibly at retirement via income drawdown, annuity purchase or by taking cash. There is also a range of self-select funds covering a range of member risk profiles and asset classes. The investment funds available have been designed, following advice from the Plan's investment advisor, with the specific needs of the Plan's members in mind.
- The structure of the default arrangement for the DC Section, the Aon Managed Retirement Pathway Fund, reflects how members are expected to access their funds at retirement i.e. drawdown. A wide range of investment options are available to members and the Trustees have a process in place to review the investment strategy on at least a triennial basis.
- The Plan provides members with an appropriate range of fund options. The investment strategy and performance are regularly monitored and reviewed by the Trustees.

Administration

- The Trustees believe that good administration and record keeping play a crucial role in ensuring that Plan members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.
- The Trustees regularly monitor the Plan's administration and over this period found that the necessary administration standards were being achieved. Capita attend the quarterly Trustee meetings, where they present their administration report.
- The Trustees are satisfied that there are processes in place to monitor standards of administration and record-keeping for the Plan.
- The Trustees reviewed the processes during the year with the Plan administrators and flowcharts were produced to help ensure timely and efficient processing of transactions.

Member communications and engagement

- The Trustees believe that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.
- The Plan provides members with clear, regular communications regarding any changes to the Plan's investments, as well as quarterly fund performance factsheets that are available to members via the website (<https://www.kraftheinzpension.co.uk>), benefit statements and 'at retirement' communications.

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Value for Members Assessment (continued)

Member communications and engagement (continued)

Members have access to the Plan website which contains all Plan booklets and investment guide information, "I am" example personas to show the impact of small changes to members funds and the use of videos to further assist members. The Plan website also has contact details for the administrator (e-mail, telephone and address).

A survey was conducted asking for members' views on communications and to gauge the level of understanding around pensions and investments. The results of the survey showed that fewer than 40% of members have ever visited the member website and closer to 30% have accessed their online account. The majority of members that have accessed the website or logged in to their online account though have found it useful. Over 60% of respondents stated they'd like to understand more, whilst still having their investments managed for them and over 25% said they'd like to take more control of their investments but need more guidance to do so. The Trustees plan to revise communications sent to members over the course of 2021.

In 2020, the Trustees announced the launch of the Aon Retirement Service, a support service for members to help them plan for their retirement. In addition to providing useful information on the website, this service includes a telephone and email helpline, a budget planner, an annuity indicator, a tax calculator and a drawdown risk calculator.

Communications were sent out to members along with an investment report and benefit statements, for members to understand the impact of COVID-19 on their statements. Furthermore, information on pension scams was added to the website, as financial regulators issued warnings of a potential surge in pension scams due to the market uncertainty caused by COVID-19.

Overall view

The Trustees' assessment concluded that the charges and transaction costs borne by Plan members represents good value for members relative to the benefits of Plan membership.

DC Governance Statement

Trustees' Knowledge and Understanding

The comments in this section relate to the Plan as a whole and not solely to the DC Section.

The Trustees have processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7); some of which are identified below:

- A structured training programme for newly appointed Trustees including completion of the Pension Regulator's Trustee toolkit, which is an online learning programme.
- Assessing training needs and identifying gaps in knowledge through annual assessments.
- Undergoing regular training during the period covered by this statement, this included training on Environmental, Social and Governance investing; Pension Law, 21st Century Trusteeship and Responsible Investment.
- Maintaining training logs for each Trustee which supports the above.

In addition, individual Trustees attended a range of virtual conferences and seminars which covered topics such as the Law relating to Pensions and received additional training from advisers through main board meetings and sub-committee meetings – four main board meetings in total were held during the year.

The Trustees have engaged with their professional advisers regularly throughout the year to ensure that they exercise their functions properly and take professional advice where needed. The Trustees are familiar with the key Plan documents such as the Trust Deed & Rules, Trustee Report & Accounts and Statement of Investment Principles, and have used this knowledge to exercise their functions. A few of the activities undertaken during the year that support this statement are set out below:

- Updates to the Statement of Investment Principles
- Production of an Implementation statement, included within this set of accounts
- Sign off of the Trustees' Report and Accounts
- Review of quarterly administration reports to monitor service delivery against agreed service levels standards and assessing the member experience
- Reviewing quarterly investment reports to assess fund performance against benchmarks, and funds against overall Plan aims and objectives, as set out in the Statement of Investment Principles
- Maintaining a regime for proper governance - reviewing and updating the Trustees' governance framework for the DC Section of the Plan

Requirement

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension plans, investment of plan assets and other matters to enable them to exercise their functions as Trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

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Trustees' Knowledge and Understanding (continued)

The Trustee board is made up of four Trustees with varying skill sets. The Trustee board incorporates a range of skills and experience and a diverse mix of backgrounds, including representatives from finance, IT, audit and production. There are currently two Employer-Nominated Trustees and two Member-Nominated Trustees.

In summary, the Trustees consider that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustees of the Plan.

Signed on behalf of the Trustees of the Heinz UK Pension Plan by the Chair of Trustees.

Name PHILIP JAMES ASHTON

Signature 
Phil Ashton (Jul 19, 2021 09:40 GMT+1)

Date Jul 19, 2021

DC Governance Statement

Appendix 1 – Aon Managed Retirement Pathway Fund Charges

Below is the full list of charges for the Aon Managed Retirement Pathway Funds.

Fund Name	TER (% p.a.)	Transaction Costs (% p.a.)	Total Costs (% p.a.)
Aon Managed Retirement Pathway Perpetual Fund	0.30	0.13	0.43
Aon Managed Retirement Pathway 2019-2021 Fund	0.31	0.13	0.44
Aon Managed Retirement Pathway 2022-2024 Fund	0.31	0.13	0.44
Aon Managed Retirement Pathway 2025-2027 Fund	0.31	0.12	0.43
Aon Managed Retirement Pathway 2028-2030 Fund	0.32	0.11	0.43
Aon Managed Retirement Pathway 2031-2033 Fund	0.32	0.08	0.40
Aon Managed Retirement Pathway 2034-2036 Fund	0.32	0.03	0.35
Aon Managed Retirement Pathway 2037-2039 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2040-2042 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2043-2045 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2046-2048 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2049-2051 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2052-2054 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2055-2057 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2058-2060 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2061-2063 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2064-2066 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2067-2069 Fund	0.32	0.02	0.34
Aon Managed Retirement Pathway 2070-2072 Fund	0.30	0.02	0.32
Aon Managed Retirement Pathway to Annuity 2019-2021 Fund	0.29	0.02	0.31
Aon Managed Retirement Pathway to Annuity 2022-2024 Fund	0.30	0.08	0.38
Aon Managed Retirement Pathway to Annuity 2025-2027 Fund	0.31	0.12	0.43
Aon Managed Retirement Pathway to Cash 2019-2021 Fund	0.31	0.01	0.32
Aon Managed Retirement Pathway to Cash 2022-2024 Fund	0.31	0.07	0.38
Aon Managed Retirement Pathway to Cash 2025-2027 Fund	0.31	0.12	0.43