

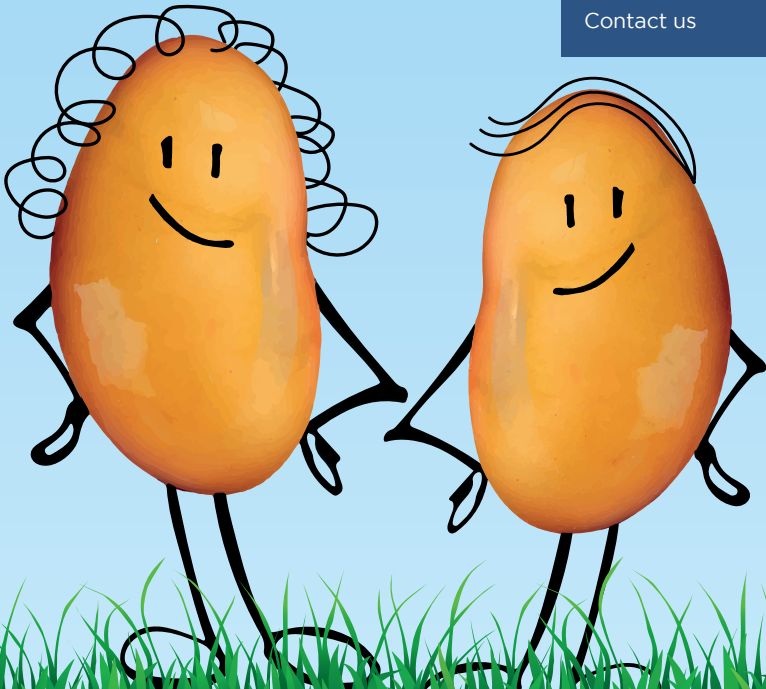
SPOTLIGHT

For members of the Heinz UK Pension Plan (the Plan)

January 2020

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Chair's statement

Welcome to your annual Heinz UK Pension Plan newsletter.

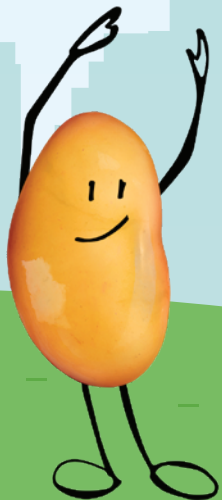
In this edition we provide you with an overview of the latest Plan updates, a summary of the current financial status of the Plan and an introduction to your improved pensions website which hosts a wealth of information to help you understand and prepare for life after Heinz.

In addition, the following changes have occurred in the last few months:

- We have **increased the number of funds** available for self-selection, should you wish to take a more active part in your investment choices.
- We have conducted a **survey** and share the feedback and results on page 3.
- There has been an **increase in the number of members** in the auto enrolment section switching to salary sacrifice.
- The Chair's Governance Statement and Statement of Investment Principles have been produced and are available on our website for the first time.

We welcome any feedback you have on this newsletter and we are happy for you to submit ideas of articles you would like to see in future editions. You can contact the Trustees via Capita, the Plan administrator using the details on the back page.

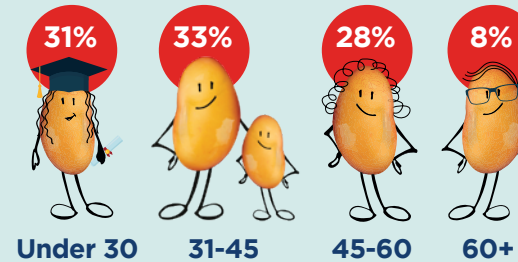
Phil Ashton
Chair of the Trustees



Member survey

We recently sent a survey to active members of the Plan and deferred and pensioner members for whom we held an email address, to ask for their views on our communications and gauge the level of understanding around pensions and investments.

Age of participants:



Plan membership:

Main section:	49%
Auto-enrolment section:	13%
Don't know:	38%

- The results of the survey showed that fewer than 40% of members have ever visited the 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.
- There is a clear appetite for more guidance around investments. 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 majority of respondents stated they have no specific financial goal but have made a conscious choice to save for retirement.
- Around 80% of postal survey respondents indicated little or no understanding of their retirement options or potential value of their pension at retirement compared to around 50% of digital respondents.
- Just over 75% of members stated they would like more regular communications updates.

All members who completed the survey and provided their details were entered into a draw to win one of ten £25 Amazon vouchers. The winners will be contacted separately.

Thank you to all of our members who took the time to take part in the survey. We look forward to sharing new communications with you going forward that continue to meet our members' needs.

Get online

We have lots of online resources to help you better understand your pension.

Our website at www.kraftheinzpension.co.uk contains lots of useful, general information about the Plan. You can read about the different types of investments available, how to take your benefits at retirement, ways to pay extra contributions and meet our characters who may be in similar life circumstances! You can also let us know if you'd like to move to paperless communications.

As a member of the Plan you have access to the Plan's online portal at www.hartlinkonline.co.uk/heinzpensions which gives you personalised information about your Heinz pension.

On the portal, you can see your pension record and all the information you need to manage your account. You can:

- update your personal details
- find out how much your pension might be worth at retirement
- get an estimate for transferring your pension to another arrangement

Don't forget to register your personal email address via the website for up-to-date communications and log in to HartLink to help with planning for your future.

Other contact details

www.pensionwise.gov.uk

A government site for retirement information. You can book a free appointment to speak to an adviser over the phone or face to face (if you are 50 or over).

www.pensionsadvisoryservice.org.uk

The Pensions Advisory Service (TPAS) has developed an online annuity (a guaranteed income for life) planner for members to provide them with information on annuities. The site also has lots of useful information about pensions and how they work.

www.thepensionsregulator.gov.uk

Information about pensions and the laws surrounding them. The site also provides useful articles and advice when it comes to your pension rights.

www.moneyadvice.service.gov.uk/en/tools/annuities

Provides help and guidance on what an annuity is and allows you to compare annuity packages online.

www.moneyadvice.service.gov.uk/en

Advice and guides on anything from pensions to debt and mortgages to insurance. Plus information on finding a financial adviser.

www.gov.uk/find-pension-contact-details

A free dedicated site to help you track down any lost pension benefits from previous schemes.

How is the Plan doing?

Fund information for the year ended 31 December 2018

	2018 £ (000)
Net assets of the Plan at the start of the year	51,762
Contributions and benefits	
Employer normal contributions	1,864
Salary sacrifice contributions	1,218
Employee contributions	604
Transfers in	23
Other income	99
Total paid in	3,808
Paid out	
Benefits paid or payable	(289)
Leaver benefits	(1,204)
Total paid out	(1,493)
Investments	
Net return on investments	5,452
Net assets of the Plan at the end of the year	59,529

137 The number of new members joining the Plan during the year

The number of active members paying into the Plan as at 31 December 2018

791

1,593

the total number of members in the Plan

798

The number of deferred members in the Plan

Responsible investment update

What is responsible investment?

Responsible investing is an investment strategy that seeks to consider both financial returns and social good.

Responsible investing aims to combine better risk management with improved asset returns by including environmental, social and governance (ESG) factors in the way that the investment decisions are made and in how fund managers engage with the companies they invest in. In a world where there is increasing focus on sustainability, those managers who incorporate responsible investing into their processes may be able to generate better investment returns in the longer term.

What impact do the new requirements have on the Plan?

The Trustees recognise that incorporating responsible investment principles can mitigate various risks that your investments face, such as the risk that asset values will be negatively impacted by climate change for example.

Over the last 12 months, the Trustees have taken advice from their investment consultant (Aon), and formalised their policy on considering non-financially material factors including climate change. The Trustees receive quarterly ESG ratings from Hewitt Risk Management Services Limited (HRMSL, the Plan's delegated fund manager) on the Plan's investment funds to assist with monitoring. These ratings provide the Trustees with a score from 1 to 4 on the funds available to members in the Plan. HRMSL engages with fund managers on how they integrate ESG factors into their process and will consider replacing managers that do not engage meaningfully on ESG.

The Trustees are at the early stages of implementing their overall responsible investment plan, which will continue to change and evolve over the coming years.

Details of the Trustees' Statement of Investment Principles, including their approach to responsible investment can be found at www.kraftheinzpension.co.uk/useful-documents

New Aon Retirement Service

The Trustees are pleased to announce the launch of a new retirement support service now available to members that are five years away from their selected retirement age, the Aon Retirement Service.

The website is free to use and offers you access to a wealth of support to help you plan for your retirement – you can access valuable information at different stages on your journey to retirement. There is also a telephone and email helpline to answer any questions you may have, either about using the site or about your retirement options in general. Information regarding the site, the link to access it and how to use it will be sent to you as you approach age 60.

The website includes useful links, for example, to help you estimate the amount you could receive in State pension, or to find pensions you have had with previous employers.

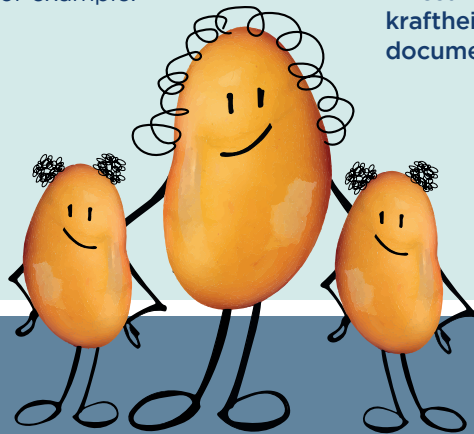
The site brings all the information together in one place and is easy to navigate. To help you make informed choices you have access to our unique personalised Retirement Options Report. This is an ideal starting point as you are approaching retirement.

The Retirement Options Report illustrates the different options available to you within a clear and simple report which you can print and save.

At a glance, the other key features include interactive tools such as:

- a budget planner so you can have a clear idea as to how much money is required in retirement
- an enhanced annuity indicator which illustrates how much income you would get if you want to purchase a guaranteed income for life via an annuity
- a tax calculator which can help you understand your tax position in the current financial year when taking a cash lump sum from your pension
- a drawdown risk calculator which can show the risk of running out of money during your retirement if you want to keep your money invested rather than purchase an annuity.

Aon will be in contact as you approach retirement with a reminder of these services and details of your unique login details.



Progressive Growth Phase Fund (PGPF) changes

Why are these changes being made now?

These changes are being made to reflect changes in Aon's preferred approach to achieving diversification and provide a better structure for delivering long-term investment performance. The changes follow an in-depth review of the Fund by the investment manager and disappointing longer term performance.

What interest rate is currently used to measure the PGPF's performance and is it changing?

The PGPF's performance is currently measured against the three month LIBOR interest rate. LIBOR is the London Inter-Bank Offered Rate.

The Fund's new objective will be measured against the SONIA interest rate. SONIA is the Sterling Over Night Interest Average.

LIBOR and SONIA are the rate of return that banks can get in cash. They are very similar, although each is measured slightly differently.

Why is the name of the Fund changing?

The name of the Fund is changing to the 'Aon Managed Diversified Multi Asset Fund' as the manager believes the revised name provides a better description for the Fund and the underlying assets in which it will invest.

Will the Plan meet any transaction costs resulting from the change to the PGPF?

These changes are being made by the investment manager (HRMSL) as part of their ongoing management of the Fund. The cost of making these changes will be covered by the members investing in the Fund and will be reflected in the unit price of the Fund.

As the investment manager's performance is judged on the unit price, it is in the investment manager's interests to make the changes in a cost-efficient way as possible.

Remember that the changes are expected to improve returns over the longer term - they are being done with members' best interests in mind.

The Trustees are here to act in the best interests of all members of the Plan.

If you have any questions for the Trustees, you can contact them via Capita, whose details can be found on the back page.

The Trustees of the Plan are as follows:



Phil Ashton
(Chair, Company Nominated)



Chris Page
(Company Nominated)



Chris Burgoyne
(Member Nominated)



Brian Steer
(Member Nominated)

The Trustee Directors' advisers

To help them manage the Plan effectively, the Trustees appoint specialist advisers.

The Trustees' advisers during the year were:

Plan auditor	JW Hinks LLP
Legal adviser	Eversheds LLP
Investment adviser	Aon Hewitt Limited
Investment manager	BlackRock Investment Management (UK) Ltd
Plan secretary	Capita Employee Solutions
Plan administrator	Capita Employee Solutions
Banker	Lloyds Bank Plc

The new Money and Pensions Service (MAPS)

The government consultation has now ended on merging three of its current pension advice services:

- The Pensions Advisory Service
- The Money Advice Service
- Pension Wise

Merging the three organisations aims to reduce duplication between the services and to bring together expertise across all financial areas for the benefit of those using the service.

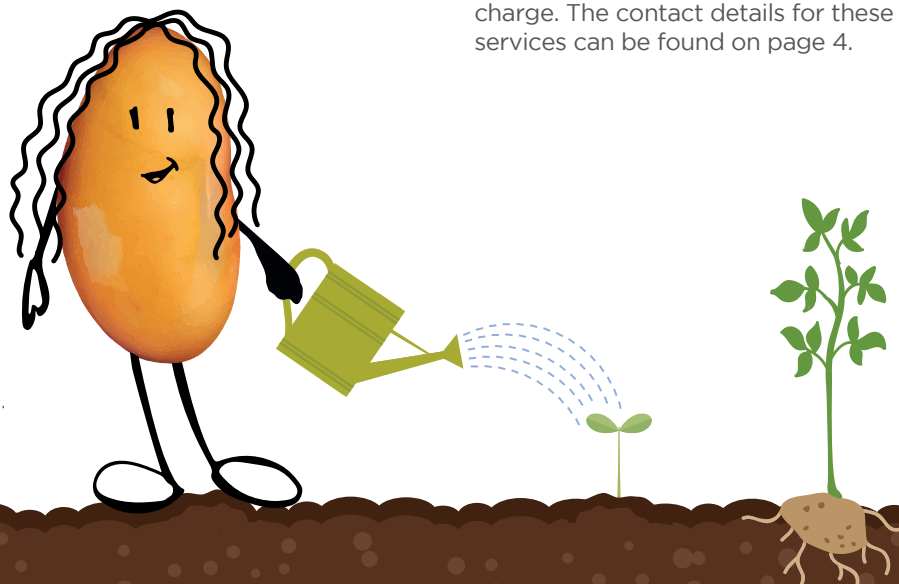
MAPS will provide:

- pensions guidance to members of the public
- debt advice and information to members of the public (England only)
- money guidance, designed to enhance people's understanding and knowledge of financial matters
- financial education to children and younger people

You can access the MAPS website at www.moneyandpensionservice.org.uk

The MAPS is still currently in transition and will hope to launch its national strategy in early 2020 so keep an eye out for more information.

In the meantime, members can still use all three services separately and free of charge. The contact details for these services can be found on page 4.



Cold calling ban

In January 2019 it was made illegal for companies to make unwanted or unsolicited phone calls to people about their pension arrangements.

This has been introduced to help reduce pension fraud which sees an average of £91,000 taken from victims each year. Some recent research has shown scam victims have even lost £1 million to fraudsters.

There are a couple of exceptions to the law, where:

- The caller is authorised by the Financial Conduct Authority (FCA), or is the trustee or manager of an occupational pension scheme; and
- The recipient of the call has previously consented to calls or has an existing relationship with the caller.

If you receive a call from anyone selling pension products, you should proceed with caution and end the call if you do not feel comfortable. If you would like any advice on your pension, you should speak to an independent financial adviser who is regulated by the FCA at the following link: register.fca.org.uk

Remember – if it sounds too good to be true, it probably is!

Lost or forgotten pensions

It is not unusual for people to regularly move jobs and houses in their lifetime. This increases the risk of a pension being lost, through missing paperwork or details not being updated with providers.

The Department for Work and Pensions (DWP) has estimated that there will be 50 million dormant pensions by 2050, containing a staggering £757 billion in unclaimed savings. Most pension providers will not let you claim a pension beyond age 75, meaning you could lose this money.

Here are three steps to help you recover pots using the government's improved service:

- List all of the jobs you've had in the past by using old paperwork (payslips, P60s and employment contracts) to work out if you were paying into a pension
- Contact the Pension Tracing Service at www.gov.uk/find-pension-contact-details to identify who the pension providers were
- Use their contact details to get in touch, including as much detail as you can (plan or scheme reference numbers, old correspondence addresses, etc).

Tracing your old pots can feel like a hassle but a couple of hours of tracing and combining forgotten pensions could be beneficial in later life.

Contact us

If you need to change your name, address or other contact details, or you would like any information about your pension with Heinz, such as retirement or transfer quotes, you can get in touch with the Plan administrator:

Heinz UK Pension Plan
Whitstable Operations Team
PO Box 555
Darlington
DL1 9YT

Telephone:
01227 773 911

Email:
heinzpensions@capita.co.uk

Website:
Public site: **www.kraftheinzpension.co.uk**

Your personal pension: **www.hartlinkonline.co.uk/heinzpensions**

Current employees can also visit My KraftHeinz Benefits:
www.kraftheinzbenefits.com

