

1 Background

Purpose of Statement	This Statement sets out the principles governing decisions relating to the investment of the assets of the Louis Dreyfus and Company Pension Scheme ('the Scheme'), as well as the practical strategy used.
Nature of Scheme	The Scheme is a defined benefit arrangement set up under trust and registered with HM Revenue and Customs ('HMRC').
Wholly Insured Status	The Scheme is a wholly insured arrangement via a policy held with Clerical Medical Investment Group Limited ('the Insurer').
Compliance with Legislation	<p>This Statement has been prepared to comply with Section 35 of the Pensions Act 1995, Section 244 of the Pensions Act 2004, the Occupational Pension Schemes (Investment) Regulations 2005, the Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.</p> <p>The format and wording used for this Statement reflects the Scheme's status as a wholly insured arrangement.</p>
Availability to Members	A copy of this Statement will be made available to Scheme members on request to the Trustees, via Punter Southall Governance Services, Forbury Works, 37-43 Blagrove Street, Reading, RG1 1PZ.
Investment Advice	<p>The Trustees have obtained and considered professional advice on the content of this Statement from Broadstone, their appointed investment adviser. Broadstone have confirmed to the Trustees that it has the appropriate knowledge and experience to give the advice required under legislation.</p> <p>The Trustees will obtain such advice as they consider appropriate and necessary whenever they intend to review or revise this Statement.</p>
Consultation with the Principal Employer	<p>The Trustees have consulted the Principal Employer, Louis Dreyfus & Company Limited, in setting their investment objectives and strategy, and in the preparation of this Statement.</p> <p>Responsibility for maintaining the Statement and determining the Scheme's investment strategy rests solely with the Trustees.</p>
Investment Powers	The Scheme is governed by the Trust Deed and Rules dated 8 February 2000, as amended. The power to invest the Scheme's assets is set out in Clause 4 of the Trust Deed and Rules and gives the Trustees wide scope to select and use investments.

2 Investment Objectives

Strength of Employer Covenant	<p>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, together with the guarantee provided by Louis Dreyfus Company Suisse SA. The Trustees take the view that the employer covenant is such that it permits them to take a long-term view in setting their investment strategy.</p>
Key Funding Measure	<p>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.</p> <p>In determining their investment objectives and strategy, the Trustees have agreed that the funding plan with respect to the SFO is the aspect of scheme funding that is of most importance to the Trustees and Principal Employer, as it determines the Scheme's contribution requirements and members' long-term benefit security.</p>
Investment Objectives	<p>The Trustees' investment objectives are as follows:</p> <ul style="list-style-type: none">• 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 vehicles that provide access to an appropriately diverse and liquid range of investments.• To invest in a way that is consistent with the Scheme's Statement of Funding Principles, i.e. to invest so that the investment return assumptions used to determine the Trustees' funding plan with respect to the SFO have a reasonable chance of being achieved in practice.
Paying Regard to the Principal Employer's Views	<p>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.</p>

3 Setting and Implementing the Scheme's Investment Strategy

Selection of Investments	<p>The Scheme is a wholly insured arrangement via a policy with the Insurer.</p> <p>Under the policy, the Scheme's assets are invested in the Clerical Medical With-Profits Fund ('the With-Profits Fund') and the selection of the Scheme's investments is delegated to the manager of the With-Profits Fund.</p>
Reasons for the Scheme Being Wholly Insured	<p>The reasons for using a wholly insured arrangement of this form is that it provides:</p> <ul style="list-style-type: none">• Access to a diversified range of investments including equities, government bonds, corporate bonds, property, alternatives and cash.• Full delegation of asset allocation to a professional fund manager.• A smoothed investment return over time, mitigating the impact of shorter term volatility in returns to which the Scheme would otherwise be exposed.• Potentially valuable guaranteed levels of investment return.• Potentially valuable guaranteed annuity rates that can be used to secure members' pension benefits via an insurance policy when they retire.• Other services, e.g. actuarial and administration services, within a single product and cost structure.
Review of Wholly Insured Arrangement	<p>The Trustees and the Principal Employer jointly reviewed the wholly insured arrangement with the Insurer in 2019.</p> <p>The Trustees will, in any case, continue to periodically, review whether the above reasons for using a wholly insured arrangement remain valid and will consider other options for the Scheme, as necessary.</p>
Employer-Related Investment	<p>Neither the Trustees nor the With-Profits Fund currently hold any employer-related investments. The Trustees will monitor the ability of the With-Profits Fund to hold any employer-related investments.</p>
Additional Voluntary Contributions (AVCs)	<p>The Scheme holds funds accumulated in respect of AVCs separately from the assets backing defined benefits. These assets are held in an AVC policy provided by Clerical Medical.</p> <p>From time to time the Trustees review the choice of investments available to members to ensure that they remain appropriate to the members' needs. In addition, the Trustees regularly remind the members of the Scheme to review their AVCs.</p>

**Environmental,
Social and
Governance
Considerations**

The Trustees believe that ESG factors may have a material impact on investment risk and return outcomes and that good stewardship can create and preserve value for companies and markets as a whole. A member of the current trustee board is the Head of Sustainability for Louis Dreyfus Company and the Trustees have discussed sustainability issues and the approach of Louis Dreyfus Company to sustainability.

In view of the fact that the Scheme's investments are held through a fully insured arrangement, the Trustees have no formal policy on either ESG (including climate change) or delegation of voting rights. The insurer to whom the trustees have delegated responsibility for such policies will from time to time report on their current and future actions in these areas.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have excluded non-financial matters and recognise that they cannot directly influence the environmental, social, and governance policies and practices of the companies in which the insurer invests. The Trustees will endeavour to monitor the approach of the insurer to sustainability issues and assess how it mitigates ESG risks over appropriate time horizons.

**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.

**Capital Structure of
Investee Companies**

Responsibility for monitoring the make up and development of the capital structure of investee companies is delegated to the Insurer. The Trustees expect the extent to which the Insurer monitors 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 Insurer, while also setting out a process for their management.

**Incentivisation of
the Insurer**

The Insurer is remunerated by deducting investment expenses and normal administration expenses from the returns declared by the With-Profits Fund for each calendar year.

The Trustees do not directly incentivise the Insurer to align the approach they adopt with the Trustees' policies and objectives. Instead, the Insurer and the investments are selected so that, in aggregate, the returns produced are expected to meet the Trustees' objectives.

Neither do the Trustees directly incentivise the Insurer 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 arrangement.

4 Internal Controls, Security and Monitoring

Internal Controls	The day-to-day investment activities that the Insurer carries out for the Trustees are subject to regular internal reviews and external audits by independent auditors, appointed by the Insurer, to ensure that operating procedures and risk controls remain appropriate.
Custodianship	Safe-keeping of the assets underlying the With-Profits Fund is performed using custodial arrangements determined by the Insurer.
Insurer Security	The Trustees have considered the financial security of the Scheme's arrangements with the Insurer, together with its status as a regulated firm, and consider the associated protection offered as a policyholder to be reasonable and appropriate.
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 Insurer	<p>The Trustees receive regular reporting from the Insurer and meet with their representatives periodically to review the performance of the policy.</p> <p>The appropriateness of the Insurer's remuneration will be assessed relative to market costs for similar arrangements, the skill and resources required to manage the investments, and the success or otherwise an insurer has had in meeting its objectives, both financial and non-financial.</p>
Monitoring the Duration of the Investment Arrangements	The Trustees are long-term investors and have not set an explicit target to review the duration of their arrangements with the Insurer. However, the arrangements will be reviewed in conjunction with any review of investment strategy.
Portfolio Turnover Costs	<p>The Trustees expect the Insurer to change underlying holdings only to an extent to meet their investment objectives. The reasonableness of such turnover will change according to the Insurer's view of market conditions.</p> <p>The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying investments.</p> <p>The Insurer provides information on portfolio turnover and associated costs to the Trustees so that this can be monitored, as appropriate.</p>
Review of the Policy and Holdings in Respect of AVCs	The Trustees will consider on a regular basis whether or not the policy with the Insurer and the funds used to invest AVCs remain appropriate.

**Information from
the Insurer**

The Insurer will supply the Trustees with sufficient information, as required, to enable them to monitor financial and non-financial performance of the policy.

Signed

Name

Kevin Kenneally

Date

29th September 2020

On behalf of the Trustees of the Louis Dreyfus & Company Limited Pension Fund