Capita

ACNielsen (UK) Pension Plan

Plan Registration Number: 10226893

Trustee's Annual Report and Financial Statements For the Year Ended 5 April 2021

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Plan Advisers and Principal Employer

Plan Actuary:	S Aries FIA Towers Watson Limited
Independent Auditor:	Grant Thornton UK LLP
Investment Managers:	Willis Towers Watson Insight Investment Management (Global) Limited State Street Global Advisors Legal & General Investment Management Limited (DC section) Aviva (DC section)
Additional Voluntary Contributions (AVC) Providers:	Utmost Life and Pensions (ceased July 2020) Aviva
Legal Adviser:	Baker & McKenzie LLP
Plan Administrator:	Capita Pension Solutions
Plan Consultants:	Willis Towers Watson
Investment Custodians:	Northern Trust The Bank of New York Mellon (International) Limited Willis Towers Watson
Bank:	The Royal Bank of Scotland Plc
Life Assurance Company:	Unum Limited
Principal Employer:	AC Nielsen Company Limited
Contact for further information:	Trustee of the ACNielsen (UK) Pension Plan c/o Sue Kettle Capita Pension Solutions Hartshead House 2 Cutlers Gate Sheffield S4 7TL

Trustee's Report

The Trustee of the ACNielsen (UK) Pension Plan is pleased to present its report together with the financial statements for the year ended 5 April 2021.

The Plan has a defined benefits section and two defined contribution sections. The defined benefits section was closed to new entrants on 1 January 2004, except in respect of certain members of the old defined contribution section who remained eligible to transfer to the defined benefits section if relevant criteria were met. The old defined contribution section of the Plan was also closed to new joiners from 1 January 2004. With effect from 1 April 2011 the defined benefits section was changed so that all benefits earned from that date were provided on a "Career Average Revalued Earnings" ("CARE") basis i.e. benefits were based on each year's pay rather than final pay.

The new defined contribution category (known as "the new Money Purchase Section") was established from 1 January 2005. This section was closed to new joiners and further contributions from existing members with effect from 1 October 2011.

The Plan was closed to the accrual of future benefits with effect from 1 April 2016.

In November 2019 Nielsen Holdings plc announced that following a strategic review their intention was to split the global business into Global Media and Global Connect with the spin-off due to be finalised during Q1 2021. In light of this announcement, the Trustee established a sub-committee and appointed an independent covenant adviser, RSM Restructuring Advisory LLP, to carry out an independent assessment of the impact of the transaction on the covenant and to advise whether this would be materially detrimental to the Plan. Negotiations had commenced with the Company but then on 1 November 2020 the sale of Global Connect (now known as NielsenIQ) to Advent International was announced. Subsequent to this, the Trustee held several meetings with its advisers and RSM and with Company representatives. A deal was reached in February 2021 in relation to the Plan which included a one-off additional contribution of £42m.

Following the completion of the triennial actuarial valuation of the Plan as at 5 April 2018, a new schedule of contributions was put in place covering the period 1 April 2019 to 31 May 2026. This was certified by the Actuary on 3 July 2019.

Plan Management

Under the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, scheme trustees are required to ensure that at least one third of trustees, or directors of a trustee company, is nominated and selected by the members. The Plan meets this requirement. During the year under review the Trustee of the Plan has been ACNielsen (UK) Pension Plan Trust Limited which has six Directors, two of whom are Member Nominated Directors. The Directors during the year under review are as follows:

Rosalind Allison-Calvert	Company appointed (resigned 31 March 2021)
Richard Cowdrey	Member nominated
Michael Watkins	Member nominated
Maxine Slater	Company appointed (resigned 17 September 2020)
Alison Timman	Company appointed
Ian Campbell	Company appointed (resigned 16 September 2020)
Robert Clayton	Company appointed (appointed 23 September 2020)
Jocelyn Colyer	Company appointed (appointed 2 November 2020)
Independent Trustee Services Limited	Company appointed (appointed 21 May 2021)

Trustee's Report

Plan Management (continued)

As a consequence of the Plan closing to the accrual of future benefits with effect from 1 April 2016, the Trustee reviewed the arrangements in place for the nomination and selection of Member Nominated Directors (MNDs) to remove reference to "Active" members. At the same time, the Trustee introduced a new provision to enable an MND to continue in office for a limited period if they cease to be a member of the Plan, subject to the approval of the other Trustee Directors and the Company. This ensures that the Trustee Board and the members continue to benefit from the knowledge and experience gained by an MND rather than the MND immediately having to be replaced.

Further information about the Plan is given in the online explanatory booklet which is available to all members.

Four normal quarterly Trustee meetings were held during the year on 23 June 2020, 15 September 2020, 8 December 2020 and 9 March 2021. A further six additional meetings were held during the year to assess the impact on the Plan of the sale of Nielsen's former Global Connect business, now known as NielsenIQ, to affiliates of Advent International and to negotiate a satisfactory outcome for the Plan. In addition, the GMP sub-committee held three meetings during the year to consider the actions required in relation to the reconciliation, rectification and equalisation of GMPs under the Plan and to make appropriate recommendations to the Trustee with regard to any decisions required.

Principal Employer

The Principal Employer is A.C. Nielsen Company Limited whose registered address is Nielsen House, John Smith Drive, Oxford, OX4 2WB.

Governance and Risk Management

The Trustee has in place a risk register which it uses to evaluate and manage the risks associated with managing the Plan. The Trustee also produced a business plan for the Plan year which sets out the objectives and aims of the Trustee for the year.

The Pensions Regulator has responsibility for the promotion of high governance standards in trust-based defined contribution (DC) schemes. Due to the impact of automatic enrolment and its increased focus on raising DC standards on governance and administration, the Regulator has introduced a governance statement which it expects trustees to complete to demonstrate that they have complied with the DC code and regulatory guidance.

The Trustee Directors of the ACNielsen (UK) Pension Plan Trust Limited confirm that the systems, processes and controls across key governance functions are consistent with those set out in:

- Code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits, and
- Regulatory guidance for defined contribution schemes.

These are underpinned by the DC quality features.

Based on the Trustee's assessment, and subject to the explanations set out below, the Trustee believes that it has adopted the standards of practice set out in the DC code and DC regulatory guidance.

- Where the Trustee has adopted a different approach to that set out in the DC code and DC regulatory guidance, the reason for this is explained in the governance checklist.
- Where the Trustee does not have systems and processes in place to demonstrate particular features, it has explained why in the governance checklist.
- Where the Trustee is seeking to achieve or maintain 'best practice' level, this is explained in the governance checklist.

Trustee's Report

Plan Management (continued)

Financial developments

The financial statements on pages 73 to 89 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the net assets of the fund increased from £239,518,851 at 5 April 2020 to £297,076,497 at 5 April 2021.

The most recent actuarial valuation of the Plan was carried out as at 5 April 2018. Further details from the valuation are included in the Actuarial Certificates on pages 64 and 65 of the Annual Report.

A Summary Funding Statement covering the year ended 5 April 2020 was issued to all members during the year.

GMP Equalisation

As disclosed in note 21, the Trustees do not consider there will be a material impact on the financial statements of potential liabilities that may arise in respect of amendments required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The Trustees continue to monitor the issue as, under a legal ruling dated 26 October 2018, the Plan will be required to backdate benefit adjustments in relation to GMP equalisation and provide interest thereon. A GMP sub-committee was established during the previous Plan year to consider the actions required in relation to the reconciliation, rectification and equalisation of GMPs under the Plan and to make appropriate recommendations to the Trustee with regard to any decisions required.

A supplemental judgement has been issued regarding the impact of GMP equalisation on historic transfers out. The Trustee is aware that the issue will affect historic transfers made from the Plan and is working with its advisers and administrators to identify the impacted transfers and consider the next steps.

Trustee's Report

Plan Management (continued)

Membership

Details of the current membership of the Plan are given below:

	CARE Section	Defined Contribution Section	Total 5 April 2021	Total 5 April 2020
Pensioners				
Pensioners at start of year	786	-	786	762
Members with deferred benefits retiring	47	-	47	38
Spouses and children who started receiving pensions	4	-	4	4
Pensioners who died	(20)	-	(20)	(17)
Commutation of benefits	-	-	-	(1)
Pensioners at end of year	**817**	**-**	**817**	**786**
Members with deferred benefits				
Members with deferred benefits at start of year	725	746	1,471	1,523
Adjustments*	(2)	(1)	(3)	(6)
Deferred members becoming pensioners	(47)	-	(47)	(38)
Transfers out	(4)	(16)	(20)	(5)
Commutation of benefits	(2)	(1)	(3)	(3)
Members with deferred benefits at end of year	**670**	**728**	**1,398**	**1,471**
Total membership at end of year	**1,487**	**728**	**2,215**	**2,257**

***** In respect of late update of database where status changes occurred between 6 April 2020 and 5 April 2021.

Pensioners include individuals receiving a pension upon the death of their spouse.

Trustee's Report

Plan Management (continued)

Summary of Contributions

During the year ended 5 April 2021, the contributions payable to the Plan by the Employer were as follows:

	Defined Benefit section £	Defined Contribution Section £	5 April 2021 Total £
Contributions from employer:			
Deficit funding	5,122,603	-	5,122,603
Additional	1,480,000	-	1,480,000
Contributions payable under the Schedule	**6,602,603**	**-**	**6,602,603**

Reconciliation of Contributions

Reconciliation of contributions payable under the Schedule to contributions reported in the financial statements in respect of the year.

	Defined Benefit section £	Defined Contribution Section £	5 April 2021 Total £
Contributions payable under the Schedule as above	**6,602,603**	**-**	**6,602,603**
Additional	42.000,000	-	42,000,000
Contributions payable under the Schedule (as reported by the Scheme Auditor)	**48,602,603**	**-**	**48,602,603**

Signed on behalf of ACNielsen (UK) Pension Plan Trust Limited on 26/10/2021

Chris Martin

Trustee Director

Trustee Director

Trustee's Report

Investment Matters

Overview

The Trustee, with the assistance of its appointed investment adviser, determines the overall investment strategy for the Plan and sets out the broad policy to be adopted by each of the appointed fund managers.

Investment managers

The names of those who have managed the Plan's investments during the year are listed on page 2. The Trustee has delegated the day-to-day management of investment to its appointed fund managers. A written agreement between the Trustee and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Plan's assets. The Trustee has reviewed each of the investment managers' policies on these issues. The Trustee believes that the policies adopted by the managers are consistent with their own views.

Investment principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles which includes the Trustee's policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment manager or consultants.

Departures from investment principles

To the best of its knowledge, the Trustee can report that there has not been any departure from the SIP by the Plan's investment managers during the year ended 5 April 2021.

Custodial arrangement

The assets are invested in pooled investment vehicles; the investment managers have the responsibility for selecting and monitoring the custodians. The custodians in respect of the DB section investments, as at the year-end, are shown below:

Manager	**Custodian**
Willis Towers Watson	Bank of New York Mellon
Insight Investment	Northern Trust
State Street Global Advisers	Willis Towers Watson

Employer-related investments

There were no employer-related investments at any time during the year.

Trustee's Report

Investment Matters (continued)

Asset allocation

The allocation of the Plan's Final Salary Section assets as at 31 March 2021, along with the Plan's benchmark allocation, is given in the table below:

Asset class	Plan weight (%)	Benchmark weight (%)	Difference (%)
Multi-asset funds (return-seeking assets)	42.4	42.0	0.4
Downside Risk Hedge	0.2	0.2	0.0
LDI & cash (matching assets)	57.4	57.8	-0.4
	100.0	100.0	0.0

Source: State Street Global Services Performance Services

Note: The Trustee agreed during Q1 2021 to reduce the target return of the portfolio from 2.6% pa above gilt based liabilities to 2.0%, which involved rebalancing to the new position on 1 April 2021. This involved a reduction in weight to multi-asset funds and a corresponding increase to LDI & cash.

As at 31 March 2021, the Plan's asset allocation was approximately 42.4% invested in return-seeking assets, 0.2% in the Downside Risk Hedge and 57.4% invested in matching assets (liability driven investments (LDI) and cash). The benchmark allocation for the Plan was documented in the latest SIP, this target allocation is as at 30 September 2019.

In relation to the Old Money Purchase Section, member's assets are invested in the ACNielsen LGIM Lifestyle Strategy. This initially invests entirely in the LGIM Global Equity Market Weights (30:70) Index Fund until the member reaches age 60, at which point investment gradually switches to the LGIM Pre-Retirement Inflation Linked Fund so that by the time the member reaches age 65, they are entirely invested in this Fund.

Review of investment performance

Towers Watson Investment Management, Insight Investment and State Street Global Advisor managed the Plan's DB Section assets throughout the year to 31 March 2021. The table below compares the Plan return against the benchmark return since the inception of the fiduciary portfolio.

Period to 31 March 2021	Plan (% pa)	Benchmark (% pa)
Q1 2021	-6.6	-8.7
1 year	5.4	-4.9
Since inception (Sept 2016)	4.4	1.1

Source: State Street Global Services Performance Services

Legal & General Investment Management managed all of the Plan's Old Money Purchase Section assets over the period. The table below compares the Plan's gross of charges return against the benchmark return for periods to 31 March 2021:

Period to 31 March 2021	Plan (% pa)	Benchmark (% pa)
1 year performance		
LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged	41.3	41.3
LGIM Pre-Retirement Inflation Linked Fund	4.2	4.3
3 year performance		
LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged	9.8	9.8
LGIM Pre-Retirement Inflation Linked Fund	4.3	4.2

Source: Legal & General Investment Management

Trustee's Report

Investment Matters (continued)

Review of investment performance (continued)

Aviva managed all of the Plan's New Money Purchase Section assets over the period. In addition, it managed some AVC assets for the Final Salary Section. The table below compares each fund's return (gross of fees) against the relevant benchmark return for periods to 31 March 2021:

Period to 31 March 2021	1 year (%)	3 years (% pa)
Aviva BlackRock (30:70) Currency Hedged Global Equity (Aquila HP)	**-41.8**	**9.7**
Aviva BlackRock (30:70) Global Equity Index Tracker	*43.5*	*9.6*
Aviva BlackRock Over 15 Year Corporate Bond Index (Aquila HP)	**9.1**	**6.3**
Markit IBOXX Sterling Non Gilts 15+ Yr	*9.2*	*6.1*
Aviva BlackRock UK Equity Index (Aquila HP)	**28.4**	**3.3**
*FTSE All Share**	*28.8*	*3.3*
Aviva BlackRock Over 5 Year Index-Linked Gilt Index (Aquila HP)	**-1.2**	**3.9**
FTSE Actuaries UK Index-Linked Over 5 Yr	*-1.5*	*3.8*
Aviva BlackRock World (Ex-UK) Equity Index (Aquila HP)	**38.6**	**14.8**
FTSE Developed Ex UK	*38.8*	*14.9*
Aviva BlackRock Over 15 Year Gilt Index (Aquila HP)	**-10.2**	**3.8**
FTSE Actuaries UK Conventional Gilts Over 15 Yrs	*-10.6*	*3.6*
Aviva Stewardship NGP	**27.9**	**6.5**
*FTSE All Share**	*26.7*	*3.2*
Aviva Cash NGP	**0.1**	**0.5**
LIBID 7 Day Returns GBP	*-0.1*	*0.3*

Source: Morningstar

* Different FTSE All Share data is provided – this is because the Aviva BlackRock UK Equity Fund and the Aviva Stewardship Fund are priced at different points and so the benchmark performance is set to these different points.

In July 2020, the AVC arrangement with Utmost Life and Pensions ("Utmost"), which held assets previously moved across from Equitable Life, was transferred into the current Aviva fund range. The Utmost policy was then closed, and the Plan's AVC assets are now held wholly with Aviva.

Market Update

Over the first quarter in 2020, COVID 19 morphed into a global pandemic, central banks eased aggressively to provide liquidity and mitigate the demand shock. As economies opened over the second quarter in 2020, governments continued monetary stimulus programmes to help economic recovery. European Central Bank announced a stimulus package of €750 billion (c.4.7% of EU GDP) for the "next generation EU" fund as part of their COVID-19 recovery package. €360 billion of which is funded by borrowing through bonds by member states, with the EU acting on their behalf and the rest will be distributed as grants. The Bank of England increased their target stock of UK government bonds by an additional £100 billion. Bank of Japan also increased their quantitative easing programme through buying of Japanese government bonds. Similarly, the US Federal Reserve in the US increased their purchases of Treasury and mortgage-backed securities and corporate bonds. Over the second quarter of 2020, central banks around the world injected more than twice the liquidity of previous easing period. In the UK, Rishi Sunak's 'Plan for Jobs' statement on 8 July set out the government's policy response to help the economy recover from the COVID-19 crisis. The government estimated that the policies could cost up to £30 billion.

Trustee's Report

Investment Matters (continued)

Market Update (continued)

Beyond the monetary stimulus of quantitative easing programmes, the US and UK central banks kept interest rates at their record low over the last 12 months. The interest rate in the UK, US and the EU have remained unchanged since March 2020.

In November 2020, Joe Biden won the US election with 306 electoral college votes, 36 more than the 270 required, and is set to become the 46th president of the United States. Trump's campaign filed for a post-election lawsuit in five states – Nevada, Arizona, Michigan, Georgia and Pennsylvania – reporting voting fraud but was not successful in overturning any of the state results.

A trade deal was struck on 24 December 2020 between the UK and the EU, allowing trading in goods without tariffs or quotas. However, customs costs and non-tariff barriers will increase trading costs. The deal is thin on trade in services, which makes up 80% of the UK economy. In financial services, for example, the EU has granted only a temporary equivalence in specific areas for British regulatory standards. Additional discussions will determine the details on topics such as trade in services, passporting of financial services, and data sharing and protection laws.

Over Q1 2021, Rishi Sunak announced a favourable budget for businesses. Support for businesses was evident in the budget with upkeep of grants, cheap loans; tax offsets for loss making companies; continuation of decreased VAT for hospitality industry and a "super-deduction" to incentivise business investment which could reduce taxable income by 130% of investment. The furlough scheme and the Self Employed Income Support Scheme were extended until September. Mr Sunak is relying on taxes to balance the budget. Corporation tax is set to increase from 19% to 25% by 2023. Income-tax thresholds will be frozen in cash terms from 2023, generating more tax revenue as incomes grow. These future tax increases are helped by OBR's forecast of 7.3% economic growth by 2022.

In the US, over the first quarter of 2021, Biden's $1.9tn spending package was passed by the Senate. This stimulus package brings the total pandemic-related spending to $6tn (28% pre-crisis GDP). Inflationary expectation has been rising as the stimulus is estimated to boost the accumulated excess saving of c.$1.6tn of consumers. In reaction to upward inflation expectation, US 10-year nominal bond yield has risen c.70bps. Nevertheless, the Fed has maintained an accommodative tone: bond purchases will continue over the foreseeable future with no change in forward guidance on their first rate hike.

Over the 12 months to 31 March 2021 sterling has appreciated against the US dollar, the Euro and the Yen by 11.3%, 3.9% and 13.9% respectively.

Equity markets

Equity market returned double digit positive growth over the 12 month period across all regions. The FTSE World Index returned 39.6% in sterling terms. Asia Pacific (excluding Japan) was the best performing region, returning 50.6% in sterling terms. North American equities and Emerging Market equities were also worth of note as FTSE North America returned 42.8% and FTSE All-World All Emerging Index returned 40.8%. Worst performing region was Japan, with FTSE Japan Index returning 26.3% over the year in sterling terms.

Bond markets

UK government bond yields (which move inversely to bond price) have increased over the 12 month period. Long maturity UK gilts have returned -10.4% over the period (as measured by FTSE-A Gilts Over 15 Years Index). Inflation-linked gilt yields decreased over the 12 month period with FTSE-A Index-Linked Gilts Over 15 Years Index returning 2.3%.

Over the past year, local currency emerging market debt underperformed hard currency emerging market debt returning -7.5% and -4.6% respectively.

Trustee’s Report

Investment Matters (continued)

Market Update (continued)

Alternative investment markets

Crude oil returned 159.6% (West Texas Intermediate Crude Oil) in sterling terms over the 12 months to 31 March 2021. Over the second quarter, oil prices doubled from US $20.5 to US $41.3 per barrel due to OPEC and Russia reaching an agreement to make temporary cuts in production and due to increased demand as economies came out of COVID-19 lockdown. The price of oil did not move significantly over Q3 due to ongoing market uncertainty surrounding COVID-19 and concerns of demand not recovering fast enough to call upon the inventories built up during the global lockdown earlier in the year. Towards the end of the 2020, oil prices made a steady comeback due to increased demands from China and India, and news of the vaccine. Over the first quarter of 2021, oil price continued to increase reaching a 1-year high (in mid-March) of US$65 per barrel. However, due to a container ship blocking Suez canal, the oil price tumbled to US$59.2 on concerns supply would be restricted.

Commercial UK property (as measured by the IPD Monthly Index) has returned 2.8% over the 12 month period.

Investment risk disclosures

Investment risks are disclosed in note 16 to the Financial Statements.

Trustee's Report

Compliance Matters

Constitution

The Plan was established on 6 April 1997 and is currently governed by the Third Definitive Trust Deed and Rules dated 24 July 2008, as amended by subsequent deeds.

Taxation status

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Plan became a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 with effect from 6 April 2006.

Pension increases

For GMP earned between 6 April 1988 and 5 April 1997, post 5 April 1997 and post 5 April 2005 member benefits, the Plan Rules state that pensions in payment are increased on 6 April each year by reference to the increase in the Consumer Prices Index (CPI) at the previous September. The September 2019 CPI was 1.7% so the pensions in payment were increased by 1.7% for GMP benefits and 1.7% for post 5 April 1997 and post 5 April post 2005 benefits.

For all other members, the Plan Rules include provisions which allow the Company to award discretionary increases on certain elements of pensions in payment, typically elements that do not receive statutory increases. No discretionary pension increases were awarded in the year to 5 April 2021.

Deferred pensions were increased in accordance with statutory requirements.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner prescribed by regulations under Section 94(1) of the Pension Schemes Act 1993. No allowance is made in the calculation of transfer values for discretionary pension increases.

Refunds to the employer

No refunds have been made to the employer during the year.

The Pensions Regulator

The statutory body that regulates occupational pension schemes is the Pensions Regulator ("TPR"). TPR can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Telephone: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

Trustee's Report

Compliance Matters (continued)

The Money and Pensions Service ("MaPS")

The Money and Pensions Service (MaPS) brings together three respected financial guidance bodies: The Pensions Advisory Service (TPAS), the Money Advice Service and Pension Wise providing information to the public on matters relating to workplace and personal pensions.

120 Holborn

London

EC1N 2TD

Telephone: 0115 965 9570

Email: contact@maps.org.uk

Website: www.moneyandpensionsservice.org.uk

Internal Dispute Resolution Procedures (IDRP)

It is a requirement of the Pensions Act 1995 that the Trustees of all occupational pension schemes must have Internal Dispute Resolution Procedures (IDRP) in place for dealings with any disputes between the trustees and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the Secretary to the Trustee of the ACNielsen (UK) Pension Plan, c/o Mrs Sue Kettle, Capita, 65 Gresham Street, London, EC2V 7NQ.

Pensions Ombudsman

The Pensions Ombudsman is an independent voluntary organisation which gives free help and advice to members and beneficiaries of occupational pension schemes in resolving difficulties with scheme trustees or administrators. The Pensions Ombudsman can be contacted at:

10 South Colonnade

Canary Wharf

London E14 4PU

Telephone: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Pension Protection Fund

The Pension Protection Fund ("PPF") was set up with effect from 6 April 2005. The PPF's main function is to provide compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer, and where there are insufficient assets in the pension scheme to cover the PPF level of compensation. The PPF is funded by annual levies on all eligible defined benefit schemes.

The PPF levy consists of two parts: a Plan based levy based on the Plan's PPF liabilities and a risk based levy based on the level of underfunding in the Plan and the risk of the sponsoring employer becoming insolvent. The total levy which the PPF expects to raise in respect of UK pension schemes in the 2020/21 levy year is estimated at £620 million.

Trustee's Report

DC Governance Statement

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Administration Regulations"). It describes how the Trustee has met the statutory governance standards applicable to the ACNielsen Pension Plan ('the Plan') in relation to:

- The investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds)
- Requirements for processing core financial transactions
- Assessment of charges and transaction costs
- An illustration of the cumulative effect of these costs and charges
- Value for members
- The requirement for trustee's knowledge and understanding (TKU)

The statement relates to the reporting period between 6 April 2020 and 5 April 2021. It has been prepared in accordance with relevant statutory guidance.

The Plan's defined contribution arrangements, which are under the remit of this statement, are as follows:

- The old Money Purchase section (also known as 'Section A'), which was closed to new joiners on 1 January 2004. This section was closed to new contributions on 1 April 2016. Members are invested in the ACNielsen Lifestyle strategy invested in Legal & General Investment Management (LGIM) funds.
- The Additional Voluntary Contribution (AVC) arrangement within the Defined Benefit section of the Plan was open to contributions at the same time as Section A was open. The AVC arrangement is held with Aviva.
- The new Money Purchase section (also known as 'Section C') was open between 1 January 2005 and 1 October 2011. This section is held in a policy with Aviva.

Default arrangement

For the purposes of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ('the Charges and Governance Regulations'), as at 5 April 2021 the Plan's "default arrangement" was the ACNielsen Lifestyle strategy.

The ACNielsen Lifestyle strategy is the only available investment option within the old Money Purchase section of the Plan ('Section A'). The ACNielsen Lifestyle strategy is made up of two LGIM investment funds, and invests in the LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged, until five years before the member's 65th birthday when the funds are gradually switched into the LGIM Pre-retirement Inflation Linked Fund.

The other Plan sections where money purchase benefits are held did not provide or require a default arrangement.

No sections of the Plan are used as a qualifying scheme for automatic enrolment purposes.

Trustee's Report

DC Governance Statement (continued)

Statement of investment principles

Appended to this statement is a copy of the Plan's latest Statement of Investment Principles ("SIP") governing decisions about investments for the purposes of the default arrangements, prepared in accordance with legislation. A copy of the Plan's SIP is also available to view at the following website: https://www.acnielsenpensionplan.co.uk/. This existence of the SIP, and its availability for viewing, is drawn to the attention of members in their annual benefit statement.

The objective specifically relevant to the default arrangement is to provide capital growth for members over the long term and then de-risk into annuity-targeting funds that provide greater protection against volatility as members approach retirement, in expectation that the majority or all of the Section's benefits will be required to purchase an annuity through the Defined Benefit (DB) section.

Review of the default arrangement

The last full review of the default arrangement (the ACNielsen LGIM Lifestyle Strategy) was completed on 11 February 2019. There were no changes made to the default arrangement following this review. The Trustee regularly monitors the performance of the default arrangement and will formally review both this and the strategy at least every three years.

During the reporting period, an ad hoc review of the default arrangement was undertaken by the Trustee in September 2020, following questions raised with its advisers about the 2019 SMPI projections for the component funds within the Lifestyle. The projections were found to be lower than the previous year's, which raised the question about the performance and outlook of these funds. The review found that the current funds remain appropriate in meeting the needs of the members in Section A, where it is expected that funds will be used to fund an annuity, and that there is not enough evidence available to presume that an alteration to the lifestyle design would be necessary. The next full investment strategy review is scheduled for February 2022.

Utmost AVC arrangement

In July 2020, following advice from its investment adviser, the Trustee arranged for a transfer of all members in the Utmost AVC arrangement to be transferred into the AVC policy held with Aviva. This was following the previous move from the Equitable Life With-profits Fund into the Secure Cash Fund with Utmost. Members were transferred to Aviva and invested either:

- In line with their current investment instructions, where an AVC policy was already held for the member; or

Into the Aviva Cash Fund, where the member did not previously hold an Aviva record. The decision to use a low-risk fund was due to investment market volatility during the early months of the COVID-19 pandemic. This would mitigate any capital risk to ensure that members' transferred in assets from Utmost would not decrease in value.

Requirements for processing financial transactions

The Trustee has a specific duty to ensure that core financial transactions relating to the Plan are processed promptly and accurately and must describe to members how this obligation is met. The Trustee has appointed Capita to provide administration services for Section A of the Plan. The Trustee has received assurance from Capita and has taken steps to try and ensure that there are adequate internal controls to ensure that core financial transactions relating to the Plan were processed promptly and accurately during the reporting period.

Trustee’s Report

DC Governance Statement (continued)

Within Capita the Plan has a dedicated administration team and all administration tasks are logged and automatically monitored by a workflow system that is managed by a senior member of the dedicated team. The Trustee has appointed Aviva to administer Section C of the Plan.

Core financial transactions are identified and prioritised, for example, investment and banking transactions are checked and fully reconciled. For this purpose, ‘Core financial transactions’ includes (but is not limited to):

- Investment of contributions in the scheme (although this is no longer relevant under the Plan)
- Transfers of assets relating to members into and out of the Plan
- Transfers of assets relating to members between different investments within the Plan, and
- Payments from the Plan to, or in respect of members.

The Trustee has a Service Level Agreement (SLA) in place which covers the accuracy and timeliness of all core financial transactions.

Regular quarterly reporting is received from Capita for Section A (and Aviva for Section C and the AVC policy), including performance against the service level agreements (SLAs) that are in place. As at 31 March 2021, the SLA rate for the sections of the Plan administered by Capita (including the DB section) was 96%. Any complaints or issues that arise are referred to the Trustee as and when they arise. The Administration Sub-committee (composed of two Trustee Directors and a representative from the Capita administration team) holds monthly meetings to consider administration complaints or issues. There were generally no issues which arose within the reporting period in relation to core financial transactions.

Capita’s Finance team monitors the bank accounts daily and all investment and banking transactions are checked and sanctioned separately before they are actioned.

Aviva proactively monitors customer experience via research and feedback across its platform. For Q1 2021, 64.29% of tasks in Section C were completed (end to end) in 5 days or less (55.56% within the AVC arrangement for the same period). During that period there were no member complaints. Willis Towers Watson benchmarks Aviva’s administration performance against the rest of the bundled provider market to support the Trustee in its view of Aviva. Willis Towers Watson found that Aviva had completed 92% of its tasks within SLA during Q1 2021, performance had been lower during Q2, Q3, and Q4 of 2020 (ranging from 87% to 83%) as Aviva adapted to remote working following the impact of the COVID-19 pandemic.

The Plan’s accounts are also audited annually by Grant Thornton UK LLP.

The administrators regularly undertake common data and conditional data checking exercises.

During the reporting period there were no material administration errors, therefore, the Trustee is satisfied that the Plan’s core financial transactions have been processed promptly and accurately during the 6 April 2020 to 5 April 2021 governance period.

Trustee's Report

DC Governance Statement (continued)

Charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the "charges" borne by members of the Plan for the 2020 governance period, and considered whether it could obtain "transaction costs".

For these purposes:

- "transaction costs" means the costs incurred as a result of the buying, selling, lending or borrowing of investments.
- "charges" means, broadly, administration charges other than:
  - transaction costs;
  - costs the court determines the Trustee can recover;
  - certain pension sharing on divorce costs;
  - winding-up costs; and
  - costs solely associated with the provision of death benefits.

Charges - Section A

During the Plan year, there were no charges applicable to the default arrangements that were borne by members. The fund charges (which includes the cost of investment and administration) for the ACNielsen Lifestyle Strategy are met by the Plan. The default arrangement is set up as a Lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means the level of transaction costs will vary depending on how close members are to their target retirement date. For the reporting period covered by this statement, the transaction costs are set out in the table below.

Fund name	**Total fund charges (pa)**	**Transaction costs ***
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	0.00%	0.04%
LGIM Pre-Retirement Inflation Linked	0.00%	0.04%

Charges - Section B AVCs and Section C

The fund charges for the remaining money purchase funds within the Plan (of which none are default arrangements) are shown below. The Aviva funds have an Annual Management Charge of 0.48% pa; where the total fund charge is higher, the difference is in respect of any Additional Expenses.

Fund name	**Total fund charges (pa)**	**Transaction costs****
Aviva BlackRock 30:70 Currency Hedged Global Equity Index	0.48%	0.28%
Aviva BlackRock Over 15 Year Corporate Bond Index	0.48%	0.10%
Aviva BlackRock Over 15 Year Gilt Index	0.48%	0.01%
Aviva BlackRock Over 5 Year Index-Linked Gilt Index	0.48%	0.00%
Aviva BlackRock UK Equity Index	0.48%	0.38%
Aviva BlackRock World (Ex UK) Equity Index	0.48%	0.06%
Aviva Cash	0.48%	0.00%
Aviva Stewardship	0.48%	0.09%
Utmost Secure Cash Fund (now closed)	0.50%	0.00%

Trustee's Report

DC Governance Statement (continued)

* LGIM has provided transaction costs incurred by members at a fund level (based on the fund values at 31 March 2021). LGIM has calculated the transaction costs as the average cost incurred over the last financial year (1 April 2020 to 31 March 2021) as a necessary part of buying and selling each of the fund's underlying investments in order to achieve the investment objective.

** Transaction costs in the Aviva fund range is calculated using the slippage cost methodology except for the Cash fund, for which the basis used for the calculation is a combination with the spread.

The Trustee confirms that, taking account of the charges applicable and circumstances of the Plan, the funds made available to members during the year were suitable.

Transaction costs

Transaction costs are typically categorised as:

- Explicit costs which are directly observable and include broker commissions and taxes, or
- Implicit costs which cannot be observed in the same way but can also result in a reduction in the value of capital invested. Implicit costs include market impact or delay costs which can also result in a gain for the fund (i.e. negative transaction cost).

From 6 April 2015, trustee boards have been required (insofar as they are able) to assess transaction costs and report on them in the Chair's statement. LGIM and Aviva have provided the transaction costs in the table above as the Plan's fund managers and platform providers. Both providers have confirmed that no transaction costs are missing for this year's statement.

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 requires the Trustee to produce an illustration showing the compounding effect of costs and charges on DC funds and to include this in the annual Chair's statement. As a result the Trustee has set out an illustration in the appendix which shows the projected values based on two example members of the Plan (these are not actual members). The two examples show members at different ages, with different average pension savings and investing in a range of different investment options. The projections compare what the investments could grow to at age 65 before and after charges have been deducted.

Value for members assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustee undertook a value for members (VfM) assessment exercise in June 2021 which analysed the extent to which the charges and transaction costs set out above represent good value to members (i.e. the extent to which the charges and transaction costs provide good value in relation to the benefits and services provided). The Trustee undertook this exercise with assistance from its advisers.

In terms of the cost sharing between members and the employers:

- Members pay investment and administration related charges levied by Aviva (i.e. the annual management charges summarised above).
- The Employer or the Trustee pay for all other costs and charges incurred by the Plan (i.e. governance, management).
- The Employer/Trustee covers the fund charges for the LGIM funds within Section A.

Trustee’s Report

DC Governance Statement (continued)

The assessment process considered:

- The value of the charges members were paying in comparison to relevant market comparators.
- The value to members of services/benefits which are paid by members and the broader value of those solely paid for by the Employer and the Trustee.
- The perceived and actual member need for the different services offered by the Plan in comparison to the performance of these services in terms of both quality and whether these meet members’ needs.

As in previous years, the Trustee considers that members receive good value in terms of the quality and scope of services where they bear the costs (administration, investment and communications) noting that “value” does not necessarily mean lower cost. This applies to Section C and the AVC policies (members in Section A of the Plan do not bear any costs).

Members receive good value for the services where they bear the cost for the following reasons:

- There is a passive fund range of predominantly BlackRock funds which are rated positively by the Trustee’s advisers. The fund range was designed with the Plan’s membership in mind.
- The fund range is monitored on a quarterly basis; the investment funds performed in line with their objectives.
- Aviva is rated positively as a provider by the Plan’s advisers. Where there are any issues with performance, Aviva is able to show it is making efforts to improve in this area. Administration performance has generally improved since this time last year during the initial months of the COVID-19 outbreak in the UK. Aviva is also increasing the headcount within its helpline by 30% to reduce waiting times.
- Members can view information about their policies via their online Pension Account where they have access to tools about their investments and retirement options.

The Trustee has also considered the broader value offered by the Plan for all services (including where the Company meets the cost), and believes that the Plan offers good value in the areas of Plan governance and management and investment.

- The oversight and governance of the Trustee, including ensuring the Plan is compliant with relevant legislation and holding regular meetings to monitor the Plan and address any material issues that may impact members;
- In-depth reviews that focus on different sections of the Plan are undertaken every three years. The default investment review within Section A took place in 2019, with a further lighter-touch review in 2020. The Trustee is continuing to monitor the default in 2021 as part of the Plan’s wider investment strategy review.
- The Trustee is currently undertaking a review of the arrangement of Section C with Aviva. An AVC review has been recommended to take place in due course.

With relation to charges, the Trustee is committed to ensuring members receive value for the services they pay for. The Trustee undertakes an annual fee benchmarking analysis to compare the Section C charges against schemes of similar sizes in similar circumstances. Due to the closed nature of the Plan, it is potentially challenging to obtain lower rates with improved services; however, the Trustee is working with its advisers and the Company to review and weigh up all of the options available (including those outside of the current Plan) for ensuring the members of Section C receive better value.

Trustee's Report

DC Governance Statement (continued)

Trustee's knowledge and understanding (TKU)

The Plan's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Each Trustee Director must:

- Be conversant with the Plan's trust deed and rules and other documentation, as well as the Plan's statement of investment principles.
- Have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding and investment of the assets of occupational pension schemes.

The Trustee has a TKU process in place which enables the Trustee Directors, with the benefit of the advice available to them (through the Plan's actuaries, investment advisers, auditors and lawyers), to properly exercise their functions as Trustee Directors of the Plan.

The Trustee Directors have a good working knowledge of the Plan's governing documentation including the Trust Deed and Rules, SIP, and other current documents and policies. For example, during the reporting period the Trustee reviewed and updated the SIP in line with ongoing changes within the Plan (for example, the closure of the Equitable Life policy).

The Trustee Directors also have sufficient knowledge and understanding of pensions law and regulation, and funding and investment principles.

There is in place an induction programme for new Trustee Directors and regular ongoing training for existing Trustee Directors.

- The induction programme includes ensuring completion of the Pensions Regulator's Trustee Toolkit within six months of appointment, access provided to Plan documents, a bespoke training session with the Trustee advisors to cover the specifics of the Plan and attendance at an introductory Trustee training course. The two new Trustee Directors who joined during the reporting period received their introductory training in November 2020.
- There is a training log in place which is set up to meet the needs of the Trustee Directors to ensure their knowledge is up to date. The training log is monitored regularly to ensure that gaps in knowledge are picked up so that external specialist training can be arranged.

Over the reporting period, the Trustee Directors met all of the TKU requirements via the following activities and processes:

- A skills matrix, which is kept updated by the Plan Secretary. This was last updated in March 2021.
- A policy of the key requirements for the Plan's Chair was approved by the Board in December 2017.
- Ad hoc training and webinars provided by the Plan's advisers and providers. For example, existing Directors attended 'Being a Trustee' sessions in June and July 2020. In addition, a number of webinars attended included investing during the Coronavirus crisis.
- Updates on DC matters on a quarterly basis by its advisers, in the form of an update document, the salient points of which are discussed quarterly. Examples of topics covered over the reporting are forthcoming changes to the Value for Members assessment, outcome from the DWP's charge cap review.
- Two recently appointed Trustee Directors are in the process of completing the Pensions Regulator's TKU toolkit. This will be completed by August 2021. All other Trustee Directors have completed the Pensions Regulator's trustee toolkit.

Trustee's Report

DC Governance Statement (continued)

A TKU analysis and Trustee effectiveness assessment is being carried out in the next reporting period, the results of which will be provided in the next Chair's statement.

A Trustee Handbook is in place which outlines the Trustee's processes and procedures and a register detailing the powers in the Trust Deed and Rules, whether the powers are vested in the Company or the Trustee and, if the Trustee, whether these powers have been delegated. These documents will be updated as and when required.

The Trustee Directors are satisfied that they have met their knowledge and understanding duties during the 6 April 2020 to 5 April 2021 governance period.

Signed on behalf of the Trustee

Chris Martin

On behalf of Independent Trustee Services Limited, Chair of the Trustee

ACNielsen (UK) Pension Plan

Date: 26/10/2021

Trustee's Report

DC Governance Statement (continued)

Appendix - Illustration of the effect of costs and charges on a member's pension pot

The illustration has been prepared in accordance with the relevant statutory guidance and reflects the impact of costs and charges for two typical examples of members within the Plan, using three funds (which were selected for broadly representing the highest and lowest investment returns and popularity with members). The example members are taken from Section C as members in this Section bear the costs and charges of their funds.

The illustrations below show the projected fund values based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values and implication of charges for an individual member are likely to differ due to personal details, investment choices and actual performance of the funds. This means that the information contained in this Appendix is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Example Member	Projection period (years)	Aviva Pension BlackRock (30:70) Currency Hedged Global Equity Index Tracker		Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker		Aviva Pension Cash	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£2,550	£2,530	£2,490	£2,470	£2,450	£2,440
	3	£2,650	£2,600	£2,460	£2,420	£2,350	£2,320
	5	£2,760	£2,670	£2,440	£2,370	£2,260	£2,210
	10	£3,050	£2,860	£2,380	£2,250	£2,040	£1,940
	15	£3,360	£3,060	£2,320	£2,130	£1,850	£1,720
	20	£3,710	£3,280	£2,260	£2,020	£1,670	£1,510
	25	£4,100	£3,500	£2,210	£1,920	£1,510	£1,330
	30	£4,530	£3,750	£2,150	£1,820	£1,360	£1,180
	33	£4,810	£3,900	£2,120	£1,760	£1,280	£1,090
Average member	1	£20,400	£20,270	£19,900	£19,790	£19,600	£19,500
	3	£21,220	£20,830	£19,700	£19,370	£18,820	£18,550
	5	£22,080	£21,400	£19,500	£18,960	£18,080	£17,640
	10	£24,380	£22,890	£19,020	£17,980	£16,340	£15,560
	15	£26,920	£24,490	£18,550	£17,050	£14,770	£13,720
	20	£29,720	£26,200	£18,090	£16,160	£13,350	£12,100
	22	£30,920	£26,920	£17,910	£15,820	£12,820	£11,510

Notes:

1. Projected pension account values are shown in today's terms.
2. Costs/charges that are shown as a monetary amount reduction are paid halfway through the year.
3. Investment returns and costs/charges as a percentage reduction per annum are assumed to be deducted at the end of the year.
4. Charges and costs are deducted before the application of investment returns.
5. Inflation is assumed to be 2.5% each year.
6. No additional contributions are assumed.
7. Values shown are estimates and not guaranteed.
8. The real projected growth rates for each fund are as follow:
   - Aviva Pension BlackRock (30:70) Currency Hedged Global Equity Index Tracker – 2.00%
   - Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker– -0.50%
   - Aviva Pension Cash – -2.00%
9. Transactions costs and other charges have been provided by Aviva and covered the period 1 April 2018 to 31 March 2021. Transaction costs have been averaged by WTW using a time-based approach.
10. Pension Plan's normal retirement age is 65.
11. Example members
   - Youngest: age 32, total contribution: nil, starting fund value: £2,500.
   - Average: age 43, total contribution: nil, starting fund value: £20,000.

Section 1: Introduction

Pensions Act

1. Under the Pensions Act 1995 (as amended), trustees are required to prepare a statement of the principles governing investment decisions. This document contains that statement, as drawn up by the trustees of the ACNielsen (UK) Pension Plan ("the Plan"), and describes the investment principles pursued by the trustees of the Plan ("the Trustee"). The Plan's Statement is divided into two sections: one (Section 3) relating to the Defined Benefit ("DB") Section and the other (Section 4) relating to the Defined Contribution ("DC") Sections.

2. The Trustee has consulted A.C.Nielsen Company Limited ("the Employer") on the principles set out in this Statement and will consult the Employer on any changes to it. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

3. Before drawing up this Statement, the Trustee has obtained and considered written advice from the Plan's DB Fiduciary Manager (Willis Towers Watson) and DC investment consultant (Willis Towers Watson). The Trustee will review the document regularly, at least every three years, and without delay following a significant change in investment policy.

Financial Services and Markets Act 2000

4. In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for the selection of specific investments to an appointed investment manager or managers. The investment manager(s) shall provide the skill and expertise necessary to manage the investments of the Plan competently.

Plan details

5. The Plan operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries ('Members'). The Plan provides:

   a A Defined Benefit pension arrangement for members where the benefits at retirement are determined by the member's earnings history, tenure of service and age

   b A Defined Contribution pension arrangement where the benefits are determined by the accumulated assets invested on the members' behalf.

Section 2: Division of responsibilities

1. The Trustee has ultimate responsibility for decision making on investment matters. In order to ensure that investment decisions are taken only by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee and Employer delegates some of these responsibilities.

2. In particular the Trustee delegates a number of tasks relating to its DB Section to a Fiduciary Manager (the 'Fiduciary Manager'), Willis Towers Watson. The Fiduciary Manager's discretion is subject to Investment Guidelines set by the Trustee within its Fiduciary Management Agreement (the Agreement) with the Trustee dated 17.06.2016. The Fiduciary Manager considers the Agreement, the guidelines and the Trustee's policies set out within this statement when carrying out its role and responsibilities, which ensures appropriate incentivisation and alignment of decision-making with the Trustee's overall objectives, strategy and policies.

Trustee's roles and responsibilities

3. The Trustee's responsibilities include:

- The Trustee's primary investment role and responsibility is to set the overall strategic investment objectives in relation to the DB Section for the Plan, including a long-term journey plan and appropriate return target (taking advice from the Fiduciary Manager), and ensuring that these objectives remain appropriate over time.

- The Trustee delegates a number of responsibilities to a Fiduciary Manager and investments managers (as set out below). However, the Trustee reserves the right to make decisions on all such matters subject to informing managers as soon as practical after a decision has been taken.

- Appointing (and dismissing) the Fiduciary Manager in relation to the DB Section.

- Appointing (and dismissing) investment managers in relation to the DC Sections.

- Consulting with the Employer when considering any amendment to this Statement.

Fiduciary Manager responsibilities (DB Section)

4. Fiduciary Manager responsibilities include:

The Trustee has delegated investment manager selection, de-selection and the ongoing management of relationships with asset managers to the Fiduciary Manager within Investment Guidelines set by the Trustee. The Trustee considers the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustee expects the Fiduciary Manager to ensure that, the portfolio, in aggregate, is consistent with the policies set out in this statement, in particular those required under regulation 2(3)(b) of the Occupational Pension

Trustee’s Report

DC Governance Statement (continued)

Schemes (Investment) Regulations (2005). Where relevant to the mandate, the Trustee expects the Fiduciary Manager to:

- ensure that the investment objectives and guidelines of any pooled vehicle are consistent with the Trustee's policies;

- use its discretion, where appropriate, to set explicit guidelines within the Investment Management Agreement for segregated investments to ensure consistency with the Trustee's policies.

- In accordance with the Financial Services and Markets Act 2000, the selection of specific investments will be delegated to investment managers. The investment managers will provide the skill and expertise necessary to manage the investments of the Plan competently.

- The Trustee and Fiduciary Manager are not involved in the investment managers' day-to-day method of operation and do not directly seek to influence attainment of their performance targets. The Fiduciary Manager will maintain processes to ensure that performance and risk are assessed on a regular basis against measurable objectives for each investment manager, consistent with the achievement of the Plan's long-term objectives.

- The Trustee expects the Fiduciary Manager to appoint investment managers with an expectation of a long-term partnership, which encourages active ownership of the Scheme's assets. When assessing a manager's performance, the Trustee expects the Fiduciary Manager to focus on longer-term outcomes, commensurate with the Trustee's position as a long term investor. Consistent with this view, the Trustee does not expect that the Fiduciary Manager would terminate a manager's appointment based purely on short term performance but recognises that a manager may be terminated within a short timeframe due to other factors such as a significant change in business structure or the investment team. The Trustee adopts the same long term focus as part of its ongoing oversight of the Fiduciary Manager.

- For most of the Scheme's investments, the Trustee expects the Fiduciary Manager to appoint managers with a medium to long time horizon, consistent with the Scheme. In particular areas such as equity and credit, the Trustee expects the Fiduciary Manager to work with managers who will use their engagement activity to drive improved performance over medium to long term periods within the wider context of long-term sustainable investment. The Trustee notes that the Fiduciary Manager may invest in certain strategies where such engagement is not deemed appropriate or possible, due to the nature of the strategy and/or the investment time horizon underlying decision making. The Trustee expects that the appropriateness of the Scheme's allocation to such mandates is determined in the context of the Scheme's overall objectives.

- The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager and in turn to the Scheme's investment managers. However, the Trustee and Fiduciary Manager recognise that an investment's long-term financial success is influenced by a range of factors including Environmental, Social and Governance (ESG) issues.

- Consequently the Trustee (through the selection of the Fiduciary Manager and its associated approach to ESG issues, as set further below) seeks to be an active long-term investor. The Trustee's focus is explicitly on financially material considerations. The Trustee's policy at this time is not to take into account non-financially material or ethical considerations.

- The Fiduciary Manager has a dedicated Sustainable Investment resource and a network of subject matter experts. The consideration of ESG issues is fully embedded in the investment manager selection and portfolio management process, with oversight undertaken on an ongoing basis. The Trustee expects the Fiduciary Manager to assess the alignment of the Scheme's underlying managers' approach to sustainable investment (including engagement) with its own before making an investment on the Scheme's behalf. The Trustee expects the Fiduciary manager to engage with underlying managers where appropriate regarding their approach to stewardship with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings. In addition, the Trustee expects the Fiduciary Manager to review the managers' approach to sustainable investment (including engagement) on a regular basis and engage with the manager to encourage further alignment as appropriate. The Fiduciary Manager considers a range of sustainable investment factors, such as, but not limited to, those arising from ESG considerations, including climate change, in the context of a broader risk management framework. The degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which the Fiduciary Manager takes into account in the assessment. The Fiduciary Manager considers a range of sustainable investment factors, such as, but not limited to, those arising from ESG considerations, including climate change, in the context of a broader risk management framework. The degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which the Fiduciary Manager takes into account in the assessment.

- The Fiduciary Manager encourages and expects the Plan's investment managers to sign up to local or other applicable Stewardship Codes, in-keeping with good practice, subject to the extent of materiality for certain asset classes. The Fiduciary Manager itself is a signatory to the Principles for Responsible Investment (PRI) and the UK Stewardship Code and is actively involved in external collaborations and initiatives.

- The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Fiduciary Manager has appointed Hermes EOS to undertake public policy engagement on its behalf as well as company-level engagement.

- The Trustee expects the Fiduciary Manager to consider the fee structures of asset managers and the alignment of interests created by these fee structures as part of its investment decision making process, both at the appointment of an asset manager and on an ongoing basis. Asset managers are generally paid an ad valorem fee, in line with

Trustee's Report

DC Governance Statement (continued)

normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustee expects the Fiduciary Manager to review and report on the costs incurred in managing the Scheme's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee expects the Fiduciary Manager to have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

- The Fiduciary manager provides regular reporting to the Trustee on the performance of the Plan's DB assets versus its liabilities.

Underlying investment managers' responsibilities

5. Each underlying investment manager's responsibilities include:

- Discretionary management of the portfolio, including implementation (within agreed guidelines) of changes in the asset mix and selecting securities within each asset class.
- Providing regular statements of the assets they manage.
- The independent safekeeping of the assets and appropriate administration (including income collection and corporate actions) within any pooled funds used by the Plan.

Provider – Defined Contribution Section

6. The Provider's responsibilities include:

- Providing the Trustee with quarterly statements of the assets and factsheets on the underlying funds.
- Ensuring that the underlying funds are priced correctly.
- Reviewing the continued structural suitability of the underlying funds.

Global DB Custodian and Performance Measurer responsibilities

7. The Plan has also contracted with a global custodian, State Street Bank & Trust Company, whose responsibilities include:

- Registering the Plan's investment holdings.
- Providing independent transaction activity and valuation reporting on a monthly basis.
- Providing performance measurement services.

Trustee's Report

DC Governance Statement (continued)

Scheme Actuary

8. The Scheme Actuary's responsibilities include:

- Performing the triennial (or more frequently, as required) valuations of the Plan and advising on the appropriate contribution levels for the future.

- Liaising with the DB Fiduciary Manager and DC investment consultant on the suitability of the Plan's investment strategy given the financial characteristics of the Plan.

Section 3: Defined Benefit Section

Plan investment objective

1. The long-term investment objective of the Trustee is for the Plan to be 104% funded on a gilts basis by the year 2026.

2. The Trustee will review this objective regularly and amend as appropriate.

Investment strategy

3. The Trustee has received advice to determine an appropriate investment strategy for the Plan. More details on the current investment strategy can be found in Appendix A.

4. The investment strategy makes use of two key types of investments:

    a. a range of instruments that provide a broad match to changes in liability values

    b. a diversified range of return-seeking assets

5. The balance within and between these investments will be determined from time to time with regard to maximising the chance of achieving the Plan's investment objective.

6. The Plan will hold assets in cash and other money market instruments from time to time as may be deemed appropriate.

7. The Trustee will monitor the liability profile of the Plan and will regularly review, in conjunction with the Fiduciary Manager and the Scheme Actuary, the appropriateness of its investment strategy.

8. The expected return of investments will be monitored regularly and will be directly related to the Plan's investment objective.

9. The Trustee's policy is that there will be sufficient investments in liquid or readily realisable assets to meet cashflow requirements in foreseeable circumstances so that, where possible, the realisation of assets will not disrupt the Plan's overall investments. The Fiduciary Manager, in conjunction with the Plan's administrators, will ensure sufficient cash and liquid assets are available to meet benefit and other payment obligations.

Trustee's Report

DC Governance Statement (continued)

Other Investment Matters

10. The Trustee's AVC arrangement provides for benefits to be accrued on a money purchase basis. In selecting appropriate investments, the Trustee is aware of the need to provide a range of investment options which broadly satisfy the varying risk profiles of the membership.

11. The Trustee recognises a number of risks involved in the investment of the Plan's assets and, where applicable, monitors these risks in conjunction with the Fiduciary Manager:

- Solvency risk and mismatch risk:
    - are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
    - are managed through the development of a portfolio consistent with delivering the Trustee's investment objective.
- Investment manager risk:
    - is measured by the expected deviation of the prospective risk and return, as set out in the investment managers' objectives.
    - is managed through: diversification across investment managers, ongoing monitoring of the performance of the investment managers and ongoing qualitative assessments of the investment managers by the Fiduciary Manager.
- Liquidity risk:
    - is measured by the level of cashflow required by the Trustee over various periods.
    - is managed by the Fiduciary Manager assessing the Plan's cashflow requirements, in conjunction with the Trustee's administrators, and ensuring that the Plan's assets are sufficiently liquid.
- Currency risk:
    - is measured by the level of exposure to non-Sterling denominated assets.
    - is managed by the Fiduciary Manager by investing a proportion of the Plan's assets in currency hedged pooled funds.

Trustee's Report

DC Governance Statement (continued)

- Custodial risk:
    - is addressed through investment in pooled vehicles, with the investment managers responsible for selection of suitable custodians. In addition, restrictions are applied as to who can authorise transfers of cash and the accounts to which transfers can be made.
- Political risk:
    - is measured by the level of concentration in any one market.
    - is managed by the Fiduciary Manager ensuring that the assets are suitably diversified.
- Employer risk:
    - is measured by receiving regular financial updates from the Employer and periodic independent covenant assessments.
    - is managed through an agreed contribution and funding schedule.

12. These measures do not render the investment policy free of risk. Rather, the measures endeavour to balance the need for risk control and the need for assets which are likely to achieve the Plan's long-term investment objective.

13. The Trustee and Fiduciary Manager will continue to monitor these risks.

Section 4: Defined Contribution Sections

Plan objectives

1. The Trustee seeks to offer members funds that acquire assets of appropriate liquidity and diversification which will generate income and capital growth which will provide a fund at retirement with which to provide retirement benefits (be that by purchase of a pension annuity or by some other means – income drawdown for example).

2. Members' investment needs change as they progress towards retirement age. Younger members, e.g. those with more than 10 years to retirement, have a greater need for real growth to attempt to ensure their investment accounts exceed inflation and, if possible, salary escalation. Younger members will also, all other things being equal, have a greater tolerance for volatility of returns, as they have a greater time to retirement in which markets may come back in line from any temporary low. Older members, e.g. those with 10 or less years to retirement, will typically require a greater level of stability and lower level of risk in relation to their investment accounts. Different members will have differing personal preferences.

Long-term defined contribution investment policy

3. The Trustee's long-term defined contribution investment policy is:

   - To provide the members with a range of suitability diversified investment options in order to enable them to accumulate a fund at retirement with which to provide benefits (this does not apply to the old Money Purchase section).

   - To ensure the individual fund options are suitably invested and managed to maximize the return commensurate with an acceptable level of risk.

   - To obtain advice on whether the range of defined contribution funds, any default arrangements within the Plan or any other investments, chosen by the Trustee are satisfactory as required by the Pensions Act at least every three years or sooner in the event of there being consideration of any significant changes in the Trustee's investment policy and the Trustee will consider such advice accordingly.

Arrangement with Investment Managers

4. Alignment between an investment manager's management of the Plan's assets and the Trustee's policies and objectives is a fundamental part of the appointment process of a new investment manager. As the DC Sections only invests in pooled investment funds, the Trustee cannot directly influence or incentivise investment managers to align their management of the funds with the Trustee's own policies and objectives. However, the Trustee will seek to ensure that the investment objectives and guidelines of any investment fund used are consistent with its own policies and objectives. The Trustee will also seek to understand the investment manager's approach to sustainable investment (including engagement).

Trustee's Report

DC Governance Statement (continued)

5. The Trustee is responsible for monitoring the investment funds and managers. As part of this, the Trustee will provide investment managers with the most recent version of this Statement of Investment Principles on a regular basis to ensure managers are aware of the Trustee's expectations regarding how the Plan's assets are being managed.

6. Should the Trustee's monitoring processes reveal that an investment fund's objectives and guidelines, or an investment manager's approach to sustainable investment, do not appear to be sufficiently aligned with the Trustee's policies, the Trustee will, with the assistance with its advisers, engage with the investment manager to ascertain the reasons for this and whether closer alignment can be achieved. If this is not possible the Trustee may consider alternative options available in order to terminate and replace the manager.

7. The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. The Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods.

8. When assessing an investment manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate an investment manager's appointment based purely on short term performance. However, an investment manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

9. Investment managers are paid a fee expressed as a percentage of assets managed, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.

10. The Trustee reviews the costs incurred in managing the Plan's assets on a regular basis, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that type of fund.

Corporate governance and Socially Responsible Investments

4. The Trustee takes account of all known financially material risks and opportunities in consultation with its advisers. All risks and opportunities are considered for materiality and impact, which taking account of members' investment time horizons and objectives. The Trustee considers sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in this context.

5. The Trustee's policy is that day-to-day decisions relating to the investment of Plan assets is left to the discretion of its investment managers. This includes consideration of all financially materially factors, including ESG-related issues where relevant. The Trustee explores these issues with its managers to understand how they exercise these duties in practice and receives reports on how these issues are addressed.

Trustee's Report

DC Governance Statement (continued)

6. The Trustee's policy is to delegate responsibility for the exercising of ownership rights (including voting rights) attaching to investments to the investment managers. The Trustee makes available a stewardship fund through Aviva which is available through the new Money Purchase section and the AVC policy.

Risk management

7. The Trustee recognises a number of risks involved in the investment of assets of the Plan, including:

- *Capital risk* – the risk that the value of the investment will fall in value over any period of time. The Trustee has made available a cash fund for the purpose of managing this risk.
- *Inflation risk* – the risk that the contributions fail to provide an adequate amount of benefit. This could be by failing to achieve an adequate amount of return in excess of price inflation commensurate with the term of investment. The Trustee has made available equity funds for the purpose of managing this risk.
- *Manager risk* – addressed through ongoing monitoring of the managers as set out in this Statement.
- *Pension conversion risk* – the risk that the value of a member's account does not reflect how they may take their benefits at retirement. The Trustee has made available a range of investment for the purpose of enabling members to manage this risk.
- *Currency risk* – where members invest in funds with an exposure to overseas securities, there will be an element of currency risk as these securities are converted back into Sterling. The global equity funds offered by the Trustee employ currency hedging on the overseas equity allocations.
- *Liquidity risk* – the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustee has had regard to this in selecting appropriate funds and in designing the default strategies.

8. The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Trustee manages investment risks, taking into account the Plan's strategic investment objectives. These investment objectives are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

New Money Purchase section

9. This section was available for those members whose offer of employment was made after 1 January 2004, and was closed with effect from 1 October 2011. This section did not have a default arrangement in place while it was open as it was not a requirement to provide one. The investment options available through the Provider, Aviva, are as follows:

- Aviva BlackRock (30:70) Currency Hedged Global Equity Index Fund

Trustee's Report

DC Governance Statement (continued)

- Aviva BlackRock UK Equity Index Fund
- Aviva BlackRock World (Ex-UK) Equity Index (Fund
- Aviva Stewardship Fund
- Aviva BlackRock Over 15 Year Corporate Bond Index Fund
- Aviva BlackRock Over 15 Year Gilt Index Fund
- Aviva BlackRock Over 5 Year Index-Linked Gilt Index Fund
- Aviva Cash Fund

A detailed breakdown of the investment options (with corresponding performance objectives and benchmarks) is provided in Appendix B.

10. The new Money Purchase section offers two lifetime profiles (see Appendix B). The Trustee believes that lifetime investment options provide for members that do not want to take an active role in deciding their appropriate asset allocation. The benefit of this approach is that a member's asset allocation changes automatically over time.

11. The Trustee feels that one lifetime programme is not sufficient as this would not meet the needs of members with different levels of risk tolerance. Therefore, two lifetime approaches are offered:

    - Option 1 – this option is intended for more risk averse investors. It includes a longer switching period (ten years) which means that members start moving out of equities and into bonds ten years prior to retirement. To further reduce the risk in this option, a passive style of management is used for equity investments.
    - Option 2 – this option is intended for members looking for a more aggressive investment strategy. This option has a shorter switching period (five years) which means members start to move from equities into bonds only five years prior to retirement. Like option 1, this strategy makes use of passively managed funds for equity investments.

    The Lifetime strategies are best suited to members who expect to purchase an annuity at retirement.

Old Money Purchase section

12. This section was only available for members whose offer of employment was made prior to 1 January 2004. The section closed to new contributions from 1 April 2016.

Trustee's Report

DC Governance Statement (continued)

13. The only investment option for this Section is the ACNielsen LGIM Lifestyle Strategy, therefore also making it a default investment strategy. Further information about this Lifestyle Strategy is provided in Appendix B and below. The Lifestyle and default was designed to meet the needs of the membership of this Section, as determined by the Trustee's assessment of the likely risk tolerance, retirement objectives and overall purpose of the Section. The objective of the Lifestyle (as the default) is to provide capital growth for members over the long term and then de-risk into annuity-targeting funds that provide greater protection against volatility as members approach retirement, in expectation that the majority or all of the Section's benefits will be required to secure a pension through the Defined Benefit section.

AVC arrangements

14. AVCs are invested in the new Money Purchase section options (including the lifetime investment programmes), or in an additional 5 Year Cash Lifetime Programme (which was designed for members expecting to take all of their AVCs as cash).

15. During the reporting period a number of members had AVCs held in a legacy with-profits arrangement with Equitable Life. Equitable Life transferred its business to Utmost Life and Pensions ('Utmost') from 1 January 2020 and all assets invested in the Equitable Life With-Profits Fund were transferred to the Utmost Secure Cash Investment Fund.

16. The Trustee transferred the former Equitable Life funds into the 5 Year Cash Lifetime Investment Programme. As a result, the Trustee now treats this has a default investment option. The Trustee took advice on the fund mapping and is satisfied that the resulting default option is suitable for members. Further information about this Lifestyle Strategy is provided in Appendix B. The Lifestyle was designed to meet the needs of the AVC membership, as determined by the Trustee's assessment of the likely risk tolerance, retirement objectives and overall purpose of the Section. The objective of this Lifestyle is to provide capital growth for members over the long term and then de-risk into cash, as the expectation that the majority or all of the AVC benefits will be used towards the member's tax-free cash entitlement.

Signed for, and on behalf of the Trustee of the

ACNielsen (UK) Pension Plan

Signed:

Chris Martin

Name: Chris Martin

Date of issue 26/10/2021

Trustee's Report

DC Governance Statement (continued)

Appendix A: DB Investment Arrangements

The table below sets out the breakdown of the target asset allocation for the fiduciary portfolio as at 30 September 2019 to target a net return of 2.6% pa above gilt-based liabilities. The asset allocation and manager selection responsibilities have been delegated to the Plan's Fiduciary Manager. The actual asset allocation at any point in time will differ from the below.

Asset class	Target allocation as at 30 September 2019 (%)
Equities	19.2
Fixed Income	14.1
Diversifiers	19.6
Private Markets	5.5
Real Estate	3.2
Infrastructure	3.2
LDI pooled funds and cash	34.2

This strategy translates into the following risk and return statistics based on asset data and WTW asset class assumptions as at 30 September 2019.

Risk and return statistics	Fiduciary management portfolio
10 year expected net return relative to gilts (% pa)	2.6
1 year VaR (£m) excluding longevity	26.3
Tracking Error – expected (% pa)	6.9

Notes:

- Analysis is based on asset data and WTW asset class assumptions as at 30 September 2019
- Tracking error represents the standard deviation of the portfolio returns versus the gilt-based liabilities
- Allocations are subject to rounding

Appendix B: DC Investment Arrangements

Manager structure

A range of funds are offered. A set of objectives have been developed for each of the funds used, consistent with their benchmarks and investment approach. The funds and their objectives are as follows:

New Money Purchase section offered through a 'bundled' contract with Aviva

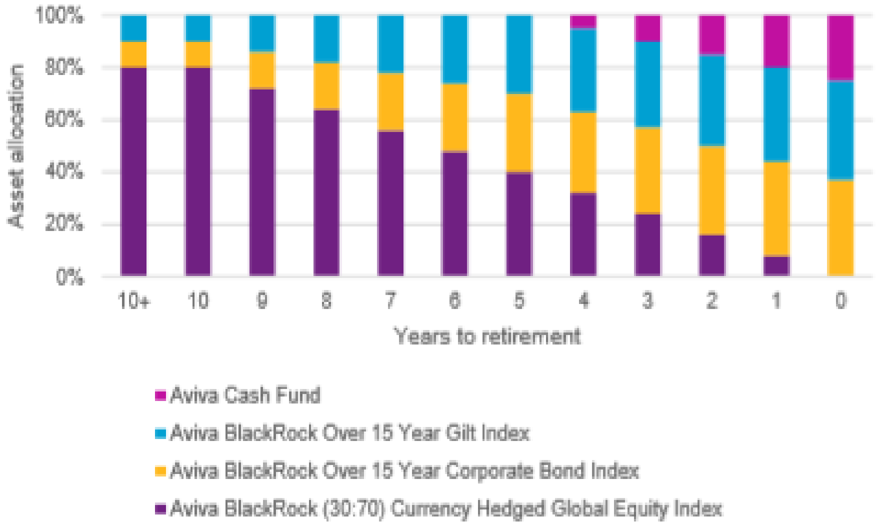
Manager	Fund	Performance objectives and benchmark
Aviva	Stewardship Fund	to generate capital growth from investing primarily in companies listed in the UK, using a set of ethical criteria
Aviva	Cash Fund	to generate returns consistent with those of the 7 Day GBP LIBID.
BlackRock	Aviva BlackRock (30:70) Currency Hedged Global Equity Index	to provide returns consistent with 30% FTSE All Share Midday Index, 60% FTSE Developed ex UK Midday Index and 10% MSCI Emerging Markets.
BlackRock	Aviva BlackRock World (Ex-UK) Equity Index	to generate returns consistent with those of the FTSE Developed ex-UK Index.
BlackRock	Aviva BlackRock UK Equity Index	to achieve a return that is consistent with the return of the FTSE All Share Index.
BlackRock	Aviva BlackRock Over 15 Year Corporate Bond Index	to achieve a return that is consistent with the return of the iBoxx £ Non-Gilts Over 15 Years Index.
BlackRock	Aviva BlackRock Over 5 Year Index-Linked Gilt Index	to achieve a return that is consistent with the return of the FTSE UK Index-Linked Gilts Over 5 Years Index.
BlackRock	Aviva BlackRock Over 15 Year Gilt Index	to achieve a return that is consistent with the return of the FTSE UK Gilts Over 15 Years Index.

There are currently two Lifetime Investment Programmes available to the new Money Purchase section through Aviva:

Trustee's Report

DC Governance Statement (continued)

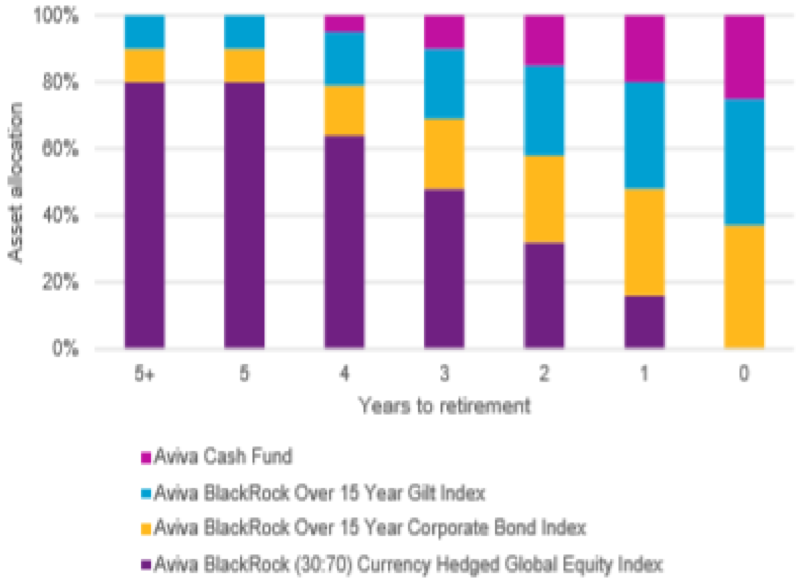
10 year programme				
Term to retirement age (years)	Aviva BlackRock (30:70) Currency Hedged Global Equity Index (%)	Aviva BlackRock Over 15 Year Gilt Index (%)	Aviva BlackRock Over 15 Year Corporate Bond Index (%)	Aviva Cash Fund (%)
10+	80	10	10	-
10	80	10	10	-
9	72	14	14	-
8	64	18	18	-
7	56	22	22	-
6	48	26	26	-
5	40	30	30	-
4	32	31	32	5
3	24	33	33	10
2	16	34	35	15
1	8	36	36	20
Retirement	-	37	38	25



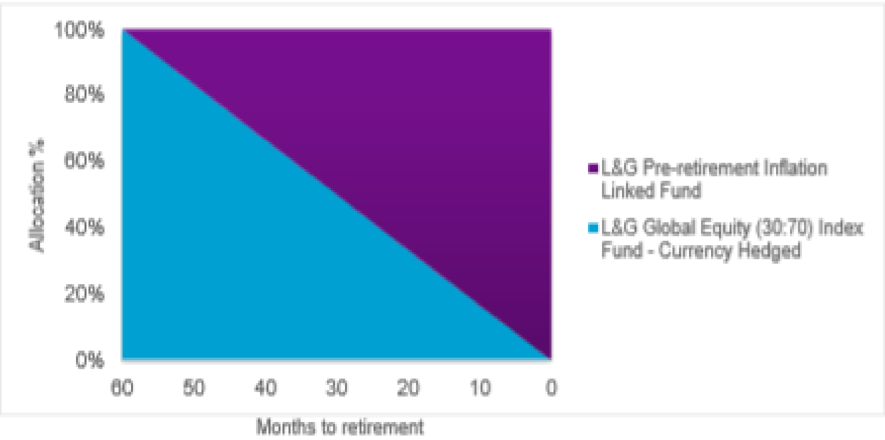
5 year programme				
Term to retirement age (years)	Aviva BlackRock (30:70) Currency Hedged Global Equity Index (%)	Aviva BlackRock Over 15 Year Gilt Index (%)	Aviva BlackRock Over 15 Year Corporate Bond Index (%)	Aviva Cash Fund (%)
5+	80	10	10	-
5	80	10	10	-
4	64	15	16	5
3	48	21	21	10
2	32	26	27	15
1	16	32	32	20
Retirement	-	37	38	25

Trustee's Report

DC Governance Statement (continued)



Old Money Purchase section lifestyle strategy



Manager	Fund	Performance objectives and benchmark
Legal & General	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged	to achieve a return through 30/70 distribution between UK and overseas assets which is maintained with overseas allocation mirroring that of FTSE AW – All World (ex-UK) Index.
Legal & General	LGIM Pre-Retirement Inflation Linked Fund	to provide diversified exposure to sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical inflation-linked annuity product, with a benchmark composing of gilts and corporate bond funds.

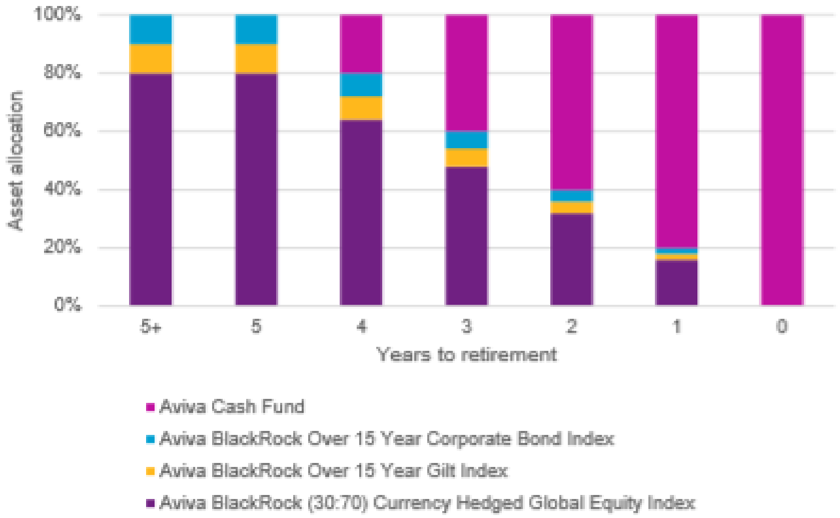
Trustee's Report

DC Governance Statement (continued)

AVC section

This section provides access to the above self-select fund options available in the new Money Purchase section, the two Lifetime Investment Programmes and an additional 5 Year Cash Lifetime Investment Programme for AVC members only. This is shown below.

(AVC only) 5 year cash programme				
Term to retirement age (years)	Aviva BlackRock (30:70) Currency Hedged Global Equity (%) Index	Aviva BlackRock Over 15 Year Gilt Index (%)	Aviva BlackRock Over 15 Year Corporate Bond Index (%)	Aviva Cash Fund (%)
5+	80	10	10	-
5	80	10	10	-
4	64	8	8	20
3	48	6	6	40
2	32	4	4	60
1	16	2	2	80
0	0	0	0	100



There was also a legacy Equitable Life policy with assets held only in the With-Profits Fund. Equitable Life transferred its business to Utmost from 1 January 2020 and all assets invested in the Equitable Life With-Profits Fund were transferred to the Utmost Secure Cash Investment Fund.

Manager	Fund	Performance objectives and benchmark
Utmost Life and Pensions	Secure Cash Investment fund	Not applicable

Trustee's Report

Implementation Statement

Scheme Year ending 5 April 2021

1. Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the ACNielsen (UK) Pension Plan ("the Scheme") covering the scheme year ("the year") to 5 April 2021.

The purpose of this statement is to:

- Detail any reviews of the SIP that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review.
- Set out the extent to which, in the opinion of the Trustee, the Scheme's Statement of Investment Principles ("SIP") required under section 35 of the Pensions Act 1995 has been followed during the scheme year; including policies on engagement and voting.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

In order to ensure that investment policies set out in the SIP are undertaken only by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates some responsibilities. In particular, the Trustee has appointed a Fiduciary Manager, Towers Watson Limited, to manage the Scheme's DB assets on a discretionary basis. For the DC assets, the Trustee delegates security selection to Asset Managers who they appoint. The Fiduciary Manager's discretion is subject to guidelines and restrictions set by the Trustee. The Asset Managers of the DC assets are governed by fund management agreements. So far as is practicable, the Fiduciary Manager considers the policies and principles set out in the Trustee's SIP.

A copy of this implementation statement has been made available on the following website:

https://www.acnielsenpensionplan.co.uk/

2. Review of and changes to the SIP

The SIP was reviewed and updated once in the scheme year. The versions in place were dated:

1. December 2019
2. August 2020 to incorporate new regulatory requirements effective as at 1 Oct 2020 – more details are set out below.

The SIP was updated as at August 2020 in relation to new Department for Work and Pensions (DWP) regulations coming into force from 1 October 2020 which required trustees to set out their policy in relation to their arrangements with asset managers including:

- how the arrangement with the asset manager incentivises them to align their investment strategy and decisions with the trustees' policies;
- how that arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term;
- how the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustees' policies;

Trustee's Report

Implementation Statement (contnued)

2. Review of and changes to the SIP (continued)

- how the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range; and
- the duration of the arrangement with the asset manager

For the purpose of assessing how the Scheme's SIP has been followed, the remainder of this statement specifically focusses on the SIP agreed in August 2020. All elements that were included in the previously agreed SIP (dated December 2019) remained in the August 2020 SIP.

3. Adherence to the SIP

SIP Section 1: Introduction

Under the Pensions Act 1995 (as amended), trustees are required to prepare a statement of the principles governing investment decisions. The SIP (dated August 2020) contains that statement, as drawn up by the Trustees of the Scheme, and describes the investment principles pursued by the Trustees. The Scheme's SIP is divided into two main sections: one (Section 3) relating to the Defined Benefit ("DB") Section and the other (Section 4) relating to the Defined Contribution ("DC") Sections. We focus on these two sections separately as well as considering other aspects of the SIP.

The introductory section of the SIP also details how the Trustee has consulted AC.Nielsen Company Limited ("the Employer") on the principles set out in the SIP and will consult the Employer on any changes to it. However, noting the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

Before drawing up the SIP, the Trustee obtained and considered written advice from the Plan's DB Fiduciary Manager (Willis Towers Watson) and DC investment consultant (Willis Towers Watson). The Trustee also sets out that it will review the document regularly, at least every three years, and without delay following a significant change in investment policy.

SIP Section 3: Defined Benefit Section

Plan investment objective

This section specifies the current long-term investment objective of the Trustee for the Scheme (104% funded on a gilts basis by the year 2026) noting that the Trustee will review this objective regularly and amend as appropriate.

Investment Strategy

The Trustee has received advice to determine an appropriate investment strategy for the Scheme. The investment strategy was formally reviewed as at August 2019, following the 2018 triennial actuarial valuation. The Trustee monitors progress relative to its objectives on a quarterly basis.

The investment strategy makes use of two key types of investments

a. a range of instruments that provide a broad match to changes in liability values

b. a diversified range of return-seeking assets

The balance within and between the investments will be determined from time to time with regard to maximising the chance of achieving the Scheme's investment objective. The Scheme will hold assets in cash and other money market instruments from time-to-time set at a level suitable to ensure the ability to meet benefit payments and capital requirements in the portfolio.

Trustee’s Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Investment Strategy (continued)

The Trustee monitored the liability profile of the Scheme and considers, in conjunction with the Fiduciary Manager and the Scheme Actuary, the appropriateness of its investment strategy as part of the quarterly monitoring.

Throughout the year, implementation of the Scheme’s strategy was delegated to the Fiduciary Manager who managed the balance of the investments to achieve the strategic objectives. The Fiduciary Manager acts within guidelines set by the Trustee including asset allocation, manager and geographical diversification, and foreign currency exposure. These guidelines were updated during Q1 2021 to reflect the Trustee’s decision to reduce the target return (from gilts +2.6% pa to gilts +2.0% pa to reduce risk) in advance of reviewing the investment strategy in conjunction with the 2021 triennial actuarial valuation. The Fiduciary Manager is required to report any breach of these guidelines to the Trustee. No breaches were reported during the year.

In order to ensure appropriate incentivisation and alignment of decision-making between the Trustee and the Fiduciary Manager, the Fiduciary Manager is subject to a number of obligations set out in its contractual arrangements with the Trustee. The Fiduciary Manager is aware of, and gives effect to, the principles set out in the Trustee’s SIP. The Fiduciary Manager acted in accordance with these obligations throughout the year.

The Trustee’s investment strategy seeks to outperform a benchmark based on a projection of the Scheme’s liability cashflows. The liability benchmark is updated following each actuarial valuation, and when there is any significant change to the structure of the Scheme’s liabilities. The benchmark was last updated following the actuarial valuation in 2018.

The Fiduciary Manager monitored and reviewed the Scheme’s investments and managers on a regular basis to ensure that the investment strategy remained consistent with the Scheme’s objectives. On a quarterly basis, the Trustee reviewed the Scheme’s asset allocation, funding position and progress relative to the journey plan (the projected path to achieve the Scheme’s objective), and measures of the expected return and risk of the Scheme’s portfolio to ensure that these remained broadly consistent with the Scheme’s objectives.

The Trustee's policy is that there will be sufficient investments in liquid or readily realisable assets to meet cashflow requirements in foreseeable circumstances so that, where possible, the realisation of assets will not disrupt the Scheme's overall investments. The Fiduciary Manager, in conjunction with the Scheme's administrators, will ensure sufficient cash and liquid assets are available to meet benefit and other payment obligations.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

SIP Section 2: Division of responsibilities

This section of the SIP focuses on the roles and responsibilities of the various key stakeholders involved in managing the Scheme's assets. Here we look specifically at the Trustee, fiduciary manager and underlying asset manager responsibilities.

Trustee's roles and responsibilities

The Trustee is responsible for setting the overall strategic direction of the investment objectives and policy. Including setting a long-term target and return that the Fiduciary Manager can implement for the DB Section. The Trustee has had a set of guidelines and investment objectives in place over the year for the Fiduciary Manager to meet.

The Trustee delegates responsibility for certain tasks to the Fiduciary Manager in the DB Section and Asset Managers in the DC Section. The Trustee then spends time monitoring these providers on an ongoing basis.

Finally, the Trustee responsibility involves engagement with the Employer, which became more significant over the last year with the corporate restructuring in the Employer such that negotiations were required on the future funding, investment and covenant considerations.

Fiduciary Manager responsibilities (DB Section)

Throughout the year, the Fiduciary Manager regularly monitored the performance of the Scheme's investment managers. Performance was monitored relative to an appropriate market benchmark where one was available, or an appropriate return objective where a market benchmark was not available. In addition, the Fiduciary Manager assessed the performance of the Scheme's investment managers relative to peers and in the context of the prevailing market environment. Throughout the year, the Fiduciary Manager and Trustee focussed their assessment of investment manager performance on the long-term consistent with the Trustee's position as a long-term investor.

On a forward-looking basis, past performance is only one input into the Fiduciary Manager's assessment of an investment manager, which relies predominantly on research views based on a range of qualitative and quantitative factors, including the consideration of Sustainable Investment, or Environment Social and Governance factors as outlined below. Whilst there were some changes to the underlying investment managers, no managers were terminated based on short-term performance alone. Consistent with the Scheme's long investment time horizon, the Trustee seeks to be a long term investor and the Fiduciary Manager has appointed managers (in the majority of cases) with the expectation of a long-term relationship. This in turn allows investment managers to take a longer-term approach to investing, including engagement with issuers of debt and equity, with a view to improving investment outcomes over the long term.

The Trustee received quarterly monitoring reports from the Fiduciary Manager. Performance shown in these reports is based on performance reporting provided by the Scheme's Independent Performance Measurer, State Street. These reports are included for scrutiny and discussion at the Trustee's quarterly meetings. The reports include details of short-, medium- and longer-term performance relative to benchmarks/targets for all funds as well as commentary on an exceptions basis regarding performance with significant deviation from benchmark/target. Throughout the year, the Trustee used these reports as an input into its ongoing assessment of the Fiduciary Manager's performance. Similar to the approach taken with the Scheme's underlying investment managers, the Trustee appointed the Fiduciary Manager with the expectation of a long-term relationship and therefore takes a long-term approach to its assessment of the Fiduciary Manager's performance.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Underlying investment managers

The Trustee has delegated investment manager selection, de-selection and the ongoing management of relationships with asset managers to the Fiduciary Manager within Investment Guidelines set by the Trustee. The Trustee considers the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustee expects the Fiduciary Manager to ensure that, the portfolio, in aggregate, is consistent with the policies set out in this statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005).

As part of its manager selection and ongoing oversight processes, the Fiduciary Manager considers the level of fees and the type of fee structures used by each manager (including a consideration of the alignment of interests created by certain fee structures). The Fiduciary Manager considers a number of factors including the asset class / investment strategy, the way in which the strategy is implemented (eg. active management or passive benchmark tracking), and fee benchmarking relative to peers. The majority of the Scheme's investment managers were paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The exceptions to this were in the areas of hedge funds and private markets where part of the manager's remuneration was based on its performance over an appropriate time horizon. The use of performance fees for these types of investments (where manager skill is a key driver of expected returns) is quite common. The Trustee and Fiduciary Manager recognise the incentives created by such fee structures and are comfortable with them given the highly active nature of these individual strategies, and in the context of the Scheme's wider investment portfolio where the aggregate use of these fee structures is limited.

During the year, the Fiduciary Manager reviewed and reported to the Trustee on the total fees and costs incurred by the Scheme through its investments. As part of its review and reporting on the Scheme's costs, the Fiduciary Manager also reported to the Trustee on the costs associated with portfolio turnover, including a consideration of whether experienced turnover within investment strategies was consistent with the individual manager's expectations and within the Fiduciary Manager's expectations given its knowledge and understanding of the asset class and peers.

The Fiduciary Manager is also responsible for managing the sustainability of the portfolio and how ESG factors are allowed for in the portfolio.

Consistent with the Trustee's view that ESG factors can have a significant impact on investment returns, particularly over the long-term, the Fiduciary Manager believes that sustainable investment forms the cornerstone of successful long-term investment and has fully embedded the consideration of ESG factors in its processes.

The Fiduciary Manager's process for selecting, monitoring and de-selecting managers explicitly and formally includes an assessment of a manager's approach to sustainable investment (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the Fiduciary Manager engages with investment managers to improve their processes.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

The policies and processes described above have impacted the Scheme's investments in numerous ways. Some examples of this are outlined below:

- Through the Partners Fund, the Plan accessed a socially beneficial venture capital investment called Oxford Sciences Innovation (OSI). OSI's aim is to invest in university-linked or spun-out companies emanating from Oxford University's science departments (comprising Mathematical, Physical and Life Sciences, and Medical Sciences). OSI signed a mutually attractive long-term agreement with the university to offer a source of capital in exchange for co-investment into businesses and projects coming from the scientific research departments. OSI provides access to numerous ideas within artificial intelligence and software, deep technology, healthcare and life sciences. The Fund also committed to a new idea focussed on forestry in the UK, a strategy that will acquire unused agricultural land in the north of England and Scotland to plant trees and grow forests, capturing carbon in the process and having a positive impact on the environment. This strategy aims to help the UK achieve its goal of planting 30,000 hectares (or 90 to 120 million trees) to reach the government's carbon neutral target by 2050 by planting upwards of two million trees per annum.
- Through the Core Diversified Fund (CDF), the Scheme accessed a multi-factor ESG equities strategy which allocates to stocks based on four fundamentals whilst being optimised to satisfy tracking error as well as ESG criteria. The strategy includes an explicit sustainability consideration such that the overall ESG score of the portfolio is targeting to be better, by approximately 20%, than its market capitalisation comparator and have improved metrics relating to carbon footprint, water usage, energy consumption and waste generation. Over 2020 the CDF's investment in this strategy had the following positive impacts when compared to its market capitalisation index including reduced CO2 emissions, reduced electricity consumption; reduced water consumption and reduced waste generation.

Company level engagement and rights attached to investments (including voting):.

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager, and in turn to the Scheme's investment managers. The day-to-day integration of ESG considerations and stewardship activities (including voting and engagement) are delegated to the Scheme's investment managers.

Through the engagement undertaken by the Fiduciary Manager, the Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital as applicable to their mandates. The Fiduciary Manager considers the investment managers' policies and activities in relation to Environmental, Social and Governance (ESG) and stewardship both at the appointment of a new manager and on an ongoing basis. The Fiduciary Manager engages with managers to improve their practices and may terminate a manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no managers were terminated on these grounds during the year.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity managers. Responses received are provided in the table below.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Company level engagement and rights attached to investments (including voting):- *(continued)*

The Scheme's equity holdings are invested across seven pooled funds:

- Towers Watson Investment Management (TWIM) Global Equity Focus Fund - an active global equity fund managed by the Fiduciary Manager which invests in number of underlying managers
- Manager B – an active emerging markets equity fund • Manager C – a passive global equity fund focussed on equity related to prime properties • Manager D – a passive global equity fund focusses on equity related to infrastructure companies
- Manager E – a passive global equity fund
- Manager F – a passive global equity fund
- Manager G – an active China equity fund

As outlined above, the Scheme is invested in both active and passive equity funds. For the active funds, the Trustee has decided not to publicly disclose investment manager names. This decision relates to the underlying investment managers in the TWIM and Manager B. Given the nature of these investments, the Trustee believes that publicly disclosing the names of the Scheme's investment managers could impact the investment manager's ability to generate the best investment outcome for the Scheme and ultimately, the Scheme's members.

The Fiduciary Manager views Manager B's approach to sustainable investment as acceptable. Over the year, Manager B has made improvements to its practices relating to ESG integration and engagement by upgrading its third-party research provider to Sustainalytics, developing a Stewardship Policy and enhancing its ESG Policy. The Fiduciary Manager continues to engage for further improvement.

The Fiduciary Manager's view is that Manager C, D, E and F continue to demonstrate good / leading practice vs. peers, in particular in their willingness to take visible stances on topics they believe important. This is supported by an effective approach to conflict management, high transparency and effective communications. The Fiduciary Manager continues to engage with these managers on the level of stewardship team resourcing, in particular given breadth / depth of coverage and rapid growth in assets under management, as well as pushing for better / more effective fixed income engagement.

Trustee’s Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Example voting table – Manager

Manager and fund	Portfolio structure	Voting activity
Towers Watson Partners Fund	Fund of funds	Number of meetings at which the manager was eligible to vote: 463 Number of resolutions on which manager was eligible to vote: 6,150 Percentage of eligible votes cast: 98.6% Percentage of votes with management: 87.6% *Percentage of votes against management: 6.4%* Percentage of votes abstained from: 6.0% Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 24.4% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 8.0%
Towers Watson Core Diversified Fund	Fund of funds	Number of meetings at which the manager was eligible to vote: 1,519 Number of resolutions on which manager was eligible to vote: 16,874 Percentage of eligible votes cast: 99.6% Percentage of votes with management: 74.7% Percentage of votes against management: 24.7% Percentage of votes abstained from: 0.6% Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 18.1% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy adviser: 1.1%

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Example voting table – Manager (continued)

Most significant votes cast	Coverage in portfolio
<u>Company: Alphabet Inc.</u> **Resolution**: Establish Human Rights Risk Oversight Committee **How the manager voted**: For **Summary**: A vote FOR this proposal was warranted because continued controversies call into question the extent to which the existing board structure provides adequate oversight on risks the company's technologies present to human rights, which, in turn, creates risks for the company in terms of retaining high-level employees and retaining a good reputation in the eyes of users and advertisers. Also, given the pervasive role of Google in society this should be undertaken. **Rationale for being considered a significant vote**: Corporate Governanace **Outcome of the vote**: Proposal rejected with 83.74% majority.	Towers Watson Partners Fund
<u>Company: Barclays</u> **Resolution** Resolution 29 Approve Barclays' Commitment in Tackling Climate Change; Resolution 30 Approve ShareAction Requisitioned Resolution **How the manager voted**: For **Summary**: The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome. **Rationale for being considered a significant vote**: Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients. **Outcome of the vote**: Resolution 29 - supported by 99.9% of shareholders; Resolution30 - supported by 23.9% of shareholders	Towers Watson Core Diversified Fund

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Example voting table – Manager (continued)

Company: Amazon **Resolution**: Shareholder resolutions 5 to 16 **How the manager voted**: Of 12 shareholder proposals, we voted to support 10. We looked into the individual merits of each individual proposal, and there are two main areas which drove our decision-making: disclosure to encourage a better understanding of process and performance of material issues (resolutions 5, 6, 7, 8, 10, 13, 15 and 16) and governance structures that benefit long-term shareholders (resolutions 9 and 14). **Summary**: In addition to facing a full slate of proxy proposals, in the two months leading up to the annual meeting, Amazon was on the front lines of a pandemic response. The company was already on the back foot owing to the harsh workplace practices alleged by the author of a seminal article in the New York Times published in 2015, which depicted a bruising culture. The news of a string of workers catching COVID-19, the company's response, and subsequent details, have all become major news and an important topic for our engagements leading up to the proxy vote. Our team has had multiple engagements with Amazon over the past 12 months. The topics of our engagements touched most aspects of ESG, with an emphasis on social topics: • Governance: Separation of CEO and board chair roles, plus the desire for directors to participate in engagement meetings • Environment: Details about the data transparency committed to in their 'Climate Pledge' • Social: Establishment of workplace culture, employee health and safety The allegations from current and former employees are worrying. Amazon employees have consistently reported not feeling safe at work, that paid sick leave is not adequate, and that the company only provides an incentive of $2 per hour to work during the pandemic. Also cited is an ongoing culture of retaliation, censorship, and fear. We discussed with Amazon the lengths the company is going to in adapting their working environment, with claims of industry leading safety protocols, increased pay, and adjusted absentee policies. However, some of their responses seemed to have backfired. For example, a policy to inform all workers in a facility if COVID-19 is detected has definitely caused increased media attention. **Rationale for being considered a significant vote**: The market attention was significant leading up to the AGM, with: •12 shareholder proposals on the table – the largest number of any major US company this proxy season •Diverse investor coalitions submitting and rallying behind the proposals, including global, different types of investors and first time co-filers/engagers •Substantial press coverage – with largely negative sentiment related to the company's governance profile and its initial management of COVID-19 •Multiple state treasurers speaking out and even holding an online targeted pre-annual meeting investor forum entitled 'Workplace & Investor Risks in Amazon.com, Inc.'s COVID-19 Response' Anecdotally, the Stewardship team received more inquires related to Amazon than any other company this season. **Outcome of the vote**: Resolution 5 to 8, and 14 to 16 each received approx. 30% support from shareholders. Resolutions 9 and 10 received respectively 16.7 and 15.3% support. Resolution 11 received 6.1% support. Resolution 12 received 1.5 % support. Resolution 13 received 12.2% support.	Towers Watson Core Diversified Fund
Company: Facebook, Inc. **Resolution**: Require Independent Board Chair **How the manager voted**: For **Summary**: The manager believes the company would benefit from independent oversight to help manage potential conflicts of interest between management and shareholders. **Rationale for being considered a significant vote:** Shareholder proposals to require an independent chair are common in the US. We selected this vote as representative of this class of proposals with regard to our engagement and vote on such matters. The outcome of the vote was also representative of our experience on similar proposals over the year in question. **Outcome of the vote**: Fail, with 19.5% voting "For."	Towers Watson Partners Fund

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Example voting table – Manager (continued)

Company: Great Wall Motor **Resolution**: Amendments to Articles of Association **Summary**: Shortened notice period as shareholders should be given enough time to consider items before general meetings. **How the manager voted**: Against **Rationale for being considered a significant vote**: Voted against management **Outcome of the vote:** For	Towers Watson Core Diversified Fund Towers Watson Partners Fund

Industry wide / public policy engagement:

As mentioned in the SIP, the Fiduciary Manager has partnered with EOS at Federated Hermes (EOS) to undertake public policy engagement on behalf of its clients (including the Trustee). This public policy and market best practice engagement is done with legislators, regulators, industry bodies and other standard-setters to shape capital markets and the environment in which companies and their investors operate, a key element of which is risk related to climate change. The Fiduciary Manager represents client policies/sentiment to EOS via the Client Advisory Council, of which WTW are currently the chair. Engagement activities by EOS on public policy over the year included:

- 52 consultation responses or proactive equivalents (such as a letter), and 173 discussions held with relevant regulators and stakeholders during 2020;
- Climate Action 100+, an investor initiative aiming to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change, where EOS lead or co lead 30 engagements and support another 14;
- Working closely with the Principles for Responsible Investment ('PRI'), including leading the engagement with Vale on tailings dam failure, and actively involved in other groups, including cyber risk, water stress, cattle deforestation, palm oil, plastics, cobalt and tax;
- Close collaboration with significant investor initiatives including Investors for Opioid & Pharmaceutical Accountability, Investor Alliance for Human Rights, Plastics Solutions Investor Alliance, 30% Club, and Investor Initiative on Mining & Tailings Safety.

The Fiduciary Manager is also engaged in a number of industry wide initiatives and collaborative engagements including:

- Being a Tier 1 signatory of the 2012 UK Stewardship Code and submitting its first annual report to the 2020 UK Stewardship Code;
- Being a signatory of the Principles for Responsible Investment (PRI) and active member of their Stewardship Advisory Committee;
- Being a member of and contributor to the Institutional Investors Group on Climate Change (IIGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC);
- Founding the Coalition for Climate Resilient Investment (with the World Economic Forum);
- Co-founding the Investment Consultants Sustainability Working Group;
- Continuing to lead collaboration through the Thinking Ahead Institute and Willis Research Network.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

SIP Section 3: Defined Benefit Section

Other investment matters

The Trustee has put in place an risk management framework which seeks to identify, manage and monitor risks which could negatively impact the Scheme's ability to meet its funding objectives. This framework incorporates funding, covenant and investment factors and is ultimately used to form the Scheme's investment strategy. In relation to investment factors, the Trustee has identified a number of risks which it seeks to manage and monitor, in conjunction with the Fiduciary Manager. Solvency and mismatch risk, investment manager risk, liquidity risk, and interest rate and inflation risks have been discussed above in the relevant sections on investment strategy and investment managers. The Fiduciary Manager reported to the Trustee on each of these risks in quarterly meeting papers which were discussed at the Trustee's quarterly meetings.

The Trustee recognises a number of risks involved in the investment of the Scheme's assets and, where applicable, monitors these risks in conjunction with the Fiduciary Manager:

- Solvency risk and mismatch risk: the Trustee measures the risk quarterly by considering the expected development of the assets relative to the liabilities. The risk is managed through the development of a portfolio aligned with the target return to meet the investment objective.
- Investment manager risk: is measured by considering deviations in risk and return versus expectations of the investment objectives of the manager. To manage the risk, the Scheme has a portfolio that is diversification across investment managers. The Fiduciary Manager also reviews ongoing qualitative assessments of the investment managers to ensure they're meeting their objectives.
- Liquidity risk: is measured by the Fiduciary Manager to ensure sufficient cashflow is available over various periods. Also, the risk of insufficient cashflow is managed by the Fiduciary Manager assessing the Scheme's cashflow requirements, in conjunction with the Trustee's administrators, and ensuring that the Scheme's assets are sufficiently liquid.
- Currency risk: is measured by the Fiduciary Manager to assess the level of exposure to non-Sterling denominated assets. Where there is material non-Sterling exposure, the Fiduciary Manager reduces the risk by investing a proportion of the Scheme's assets in currency hedged pooled funds.
- Custodial risk: is addressed through investment in pooled vehicles, with the investment managers responsible for selection of suitable custodians. In addition, restrictions are applied as to who can authorise transfers of cash and the accounts to which transfers can be made.
- Political risk: is measured by the level of concentration in any one market with the Fiduciary Manager ensuring risks are balanced looking through a number of lenses and that the assets are suitably diversified.
- Employer risk: is measured by receiving regular financial updates from the Employer and periodic independent covenant assessments. The Trustees aim to reduce the risk over time through an agreed contribution and funding schedule.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

SIP Section 4: Defined Contribution Section

Plan objectives

This section of the SIP specifies the Plan objectives of the Defined Contribution Sections. The Trustee seek to provide retirement benefits to the members of the Plan, while considering the differing personal preferences and needs of its membership. The Trustee has not made changes to its DC Section Plan objectives but will review these objectives regularly and amend as appropriate.

Long-term defined contribution investment policy

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Trustee manages investment risks, taking into account the Plan's strategic investment objectives. These investment objectives are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by quarterly reviews of the investment portfolio.

The Trustee has received advice to determine whether the default lifestyle of Section A (Old Money Purchase Section), the ACNielsen LGIM Lifestyle Strategy, remained appropriate to its membership. The review was completed on 11 February 2019, and it was agreed to retain the existing lifestyle strategy de-risking target, noting that it is expected that the majority of members reaching retirement will have fund values that are less than the value of the DB underpin which was the basis of the current strategy design.

The Trustee regularly monitors the performance of the default arrangement and will formally review both this and the strategy at least every three years. The next review is scheduled for February 2022 or immediately following any significant change in the investment policy of the Plan's membership profile.

The Trustee regularly monitors the performance of the default arrangement and will formally review both this and the strategy at least every three years. The next review is scheduled for February 2022 or immediately following any significant change in the investment policy of the Plan's membership profile.

Arrangement with Investment Managers

The Trustee monitors the fund range performance of the Section C and the additional voluntary contributions (AVC) arrangement with Aviva on a quarterly basis. Performance is measured against the relevant benchmarks set out in the SIP. As the majority of funds are passive, their benchmarks are the relevant indices for the asset classes/geographical areas represented. For active funds, the benchmarks have been agreed after receiving advice from the Trustee's professional advisers.

The Plan's DC investment manager has been provided with a copy of the Scheme's SIP dated September 2020, and have been asked to confirm whether they believe that there is any misalignment of the assets they manage on behalf of the Scheme with those policies in the SIP that are relevant to the fund in question.

The Trustees appointed the Plan's investment manager with an expectation of a long-term partnership. Over the Scheme year there were no new investment manager appointments or terminations by the Trustee.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Arrangement with Investment Managers (continued)

During the Plan year, the majority of funds performed in line with their benchmarks. The Trustee accepts that there may be deviations from benchmarks from time to time and provided these are over short periods of time will not normally take any action. WTW as the appointed investment advisor will update the Trustee in between the quarterly meetings if a particular issue arises with one of the funds made available within the Section C and the AVC policy. For example, during the reporting period some of the passive funds showed deviation from the benchmark, upon investigate this was due to the particular fund's price swinging (due to net inflows or outflows). Sustained or longer-term underperformance would be subject to further investigation.

The Trustees review the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover, as part of their annual assessment of the costs and charges incurred within the Plan (including the annual Value for Members assessment). The Value for Members assessment undertaken in June 2020 showed that the annual management charges for Section C and AVCs were higher than for similar arrangements within the market. As a result, the Trustee approached the provider to review its current terms. For transaction costs incurred (which relates to portfolio turnover), the Plan's funds were on the whole in line with the average costs for comparable funds in the market.

Corporate governance and Socially Responsible Investments

During the Plan year, the SIP was updated to take account of new requirements coming in to force from 1 October 2019, particularly around ESG factors and sustainability. The Trustee takes a pragmatic approach to ESG considerations which is reflected in the SIP.

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the underlying investment managers. The Trustee recognises that long-term sustainability issues, including climate change, may have an impact on investment risk and outcomes. At the present time the strategy is to invest predominately in the passive funds which do not take account of social, environmental and governance considerations in the selection, retention and realisation of investments.

However, the Trustee recognises that some members may wish to invest in accordance with responsible investment principles, and hence the Aviva Stewardship fund was made available in the self-select range of Section C and AVCs.

Trustee’s Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Risk management

The Trustee has developed and maintained a risk register as part of a framework for assessing DC investment risks. The risk register is reviewed regularly.

The DC specific risks described in the SIP (and how the Trustee endeavours to mitigate these risks) are set out below. The investment strategy reviews take into account of the overall balance of these risks.

Capital risk: the risk that the value of the investment will fall in value over any period of time. The Trustee has made available a cash fund for the purpose of managing this risk.

Inflation risk: the risk that the contributions fail to provide an adequate amount of benefit. This could be by failing to achieve an adequate amount of return in excess of price inflation commensurate with the term of investment. The Trustee has made available equity funds for the purpose of managing this risk.
Manager risk: Addressed through ongoing monitoring of the managers as set out in the SIP

Pension conversion risk: the risk that the value of a member’s account does not reflect how they may take their benefits at retirement. The Trustee has made available a range of investments for the purpose of enabling members to manage this risk.

Currency risk: where members invest in funds with an exposure to overseas securities, there will be an element of currency risk as these securities are converted back into Sterling. The global equity funds offered by the Trustee employ currency hedging on the overseas equity allocations.

Liquidity risk: the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustee has had regard to this in selecting appropriate funds and in designing the default strategies.

New Money Purchase section (Section C)

This section was available for those members whose offer of employment was made after 1 January 2004 and was closed with effect from 1 October 2011. This section did not have a default arrangement in place while it was open as it was not a requirement to provide one.

The Trustee feels that one lifetime programme is not sufficient as this would not meet the needs of members within different levels of risk tolerance. Therefore, two lifetime profiles are offered in which the de-risking period happens over two alternative periods (10 years and 5 years).

The Trustee is engaging with Aviva to reduce is terms with the aim of improving the value provided by Section C. As part of this process the Trustee is considering whether value could be improved by alternative pension arrangements.

Old Money Purchase section (Section A)

This section was only available for members whose offer of employment was made prior to 1 January 2004. This section closed to new contributions from 1 April 2016. The only investment option for this Section is the ACNielsen LGIM Lifestyle Strategy, therefore also making it a default investment strategy. The Lifestyle and default was designed to meet the needs of the membership of this Section, as determined by the Trustee’s assessment of the likely risk tolerance, retirement objectives and overall purpose of the Section. The Lifestyle de-risks into annuity-targeting funds that provide greater protection against volatility as members approach retirement, in expectation that the majority or all of the Section’s benefits will be required to secure a pension though the Defined Benefit section.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

AVC arrangements (Section B)

AVCs are invested in the new Money Purchase section options (including the lifetime investment programmes), or in an additional 5 Year Cash Lifetime Programme (which was designed for members expecting to take all of their AVCs as cash).

During the reporting period, a number of members had AVCs held in an arrangement with Utmost Life and Pensions ('Utmost') following the transfer from Equitable Life business in 1 January 2020. The Trustee transferred the Utmost assets invested in the Secure Cash Investment Fund into the Aviva Cash Fund in July 2020. The Trustee took advice on the fund mapping but also gave members the option to select and alternative investment option prior to the transfer. As a result, the Trustee now treats this as a default investment option.

Voting and engagement

During the Plan year, the SIP was also updated to take account of new requirements coming into force from 1 October 2019 in relation to the Trustee's policies on voting rights and engagement.

The DC funds are predominantly passively managed in pooled funds (with LGIM and Aviva). As a result, the Trustee's direct influence on the fund manager's voting policy is limited by the pooled nature of these investments. The Trustee has therefore chosen to adopt an approach to ESG that is consistent with the opportunities and constraints of this position. This is reflected in the SIP. The Trustee has delegated all voting and engagement activities to the underlying managers, but nevertheless expects effective activities in these areas to form part of their processes. The Trustee has reviewed the underlying investment managers' stewardship policies (made available at the following link:

https://www.lgim.com/uk/en/capabilities/corporate-governance/

and

https://www.aviva.co.uk/services/about-our-business/about-us/our-approach-to-responsible-investing/)

- When reviewing the reviewing LGIM's and Aviva's stewardship approach the Trustee found that:
- Aviva has a multi-manager team which is responsible for monitoring all of the funds and fund managers on Aviva's investment platforms. It analyses and selects the fund managers using a 7P process: Parent, Product, Philosophy, Process, People, Performance and Position (market influence). It incorporates ESG considerations into its analysis in each of these areas. For BlackRock index tracking funds, Aviva has moved away from insured funds to tax transparent funds that are administered by Aviva Investors. This enabled Aviva Investors to take on the responsibility for the voting rights for the investments held.
- The voting decisions of Aviva are based off their Voting Policy which is reviewed on an annual basis and updated subject to Board approval. Whilst Aviva does not consult clients ahead of each vote, it has been working in the institutionalisation of a standard question asking clients about their stewardship preferences and priorities, and may also contact clients if there is a conflict of interest situation.
- During 2020 LGIM voted on over 138,600 proposals in over 14,000 company meetings. LGIM has implemented their own custom policies, and rely on the service of ISS, their proxy advisor. LGIM does not automatically follow recommendations of proxy advisers and has put in place a custom voting policy, which requires companies, amongst other things, to have a higher level of independence and diversity on the board, or to provide more in-depth disclosure regarding executive compensation.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Voting

The table below sets out the relevant voting activities, including any votes cast on the Trustee's behalf and examples of votes cast that the underlying managers deem to be significant. The voting statistics covers equity funds available under the Plan for the year ending 31 March 2021.

Fund name	Voting activity	Example of one of the most significant votes cast during the period
Aviva BlackRock (30:70) Currency Hedged Global Equity Index Fund	**Number of eligible meeting where the provider was able to vote:** 2,716 **Percentage of resolutions that were voted on:** 95.47% **Percentage of votes cast which were with a Board's proposal:** 74% **Percentage of votes cast which were against a Board's proposal:** 24%	**Company:** Santos Limited **Resolution:** 5b. Approve Paris Goals and Targets **How provider voted:** For proposal **Rationale:** Aviva supported the resolution given that the company's current level of disclosure regarding its capital expenditure strategy and emissions do not appear to align with Paris goals, under reasonable assumptions. The resolution was not officially put to the meeting after a proposal to change the constitution to allow advisory resolutions was unsuccessful. However, the resolution was acknowledged by the Chair of the Board and received support of 43% of the votes casted. As the level of support for a shareholder-lead climate resolution was unprecedented, Santos faces increased pressure over its stance on climate change.
Aviva BlackRock World (Ex-UK) Equity Index Fund	**Number of eligible meeting where the provider was able to vote:** 2,180 **Percentage of resolutions that were voted on:** 93.74% **Percentage of votes cast which were with a Board's proposal:** 65.7% **Percentage of votes cast which were against a Board's proposal:** 32.1%	**Company:** Amazon.com, Inc. **Resolution:** 15. Requiring Company to produce a human rights risk assessment **How provider voted:** For proposal **Rationale:** Aviva engaged with Amazon on human rights risks management over the past year. Whilst they observed improvements, with the publication of its Global Human Rights Principles, they found reporting fell short of expectations. The assessment (and public disclosure) of the company's actual and potential impacts of its products benefits shareholders as it will help understand the policies the company has implemented to address human rights impacts in its operations and supply chain. Aviva look forward to seeing the expanded risk assessment approach and further details as discussed with the company.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Voting (continued)

Aviva BlackRock UK Equity Index Fund	**Number of eligible meeting where the provider was able to vote:** 808 **Percentage of resolutions that were voted on:** 99.62% **Percentage of votes cast which were with a Board's proposal:** 93.2% **Percentage of votes cast which were against a Board's proposal:** 5.4%	**Company:** Tesco plc **Resolution:** 1. Approve Matters Relating to the Disposal of the Asia Business to C.P. Retail Development Company Limited **How provider voted:** For proposal **Rationale:** Aviva were supportive of the disposal of the Asia business (valued at $10.6 billion/£8.2 billion) as they shared the same view as the Board in that the Disposal would realise a significantly higher value than could be generated from the Company's continued ownership and investment. It would enable the Company to return significant proceeds to shareholders, with approximately £5.0 billion expected to be returned via a special dividend, and to further de-risk the business by reducing indebtedness through a significant pension contribution of £2.5 billion.
Aviva Stewardship Fund	**Number of eligible meeting where the provider was able to vote:** 52 **Percentage of resolutions that were voted on:** 99.55% **Percentage of votes cast which were with a Board's proposal:** 97.9% **Percentage of votes cast which were against a Board's proposal:** 1.6%	**Company:** RELX PLC **Resolution: 2.** Approve Remuneration Policy **How provider voted:** For proposal **Rationale:** Aviva exceptionally supported the 3-year pay policy to reflect a number of positive changes to the pay framework, despite the LTIP awards being too generous for the level of performance. Bonus for on-target performance as a percentage of salary are being reduced and pension contributions for new Directors will be aligned with the wider workforce. Aviva is keen to ensure remuneration arrangements for management are properly aligned with itself and its shareholders, and will continue to engage with the company if issues are not addressed.
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	**Number of eligible meeting where the provider was able to vote:** 7,515 **Percentage of resolutions that were voted on:** 99.87% **Percentage of votes cast which were with a Board's proposal:** 84.3% **Percentage of votes cast which were against a Board's proposal:** 15%	**Company:** Whitehaven Coal **Resolution:** 6. Approve capital protection **How provider voted:** For proposal **Rationale:** LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. Nevertheless, the company's environmental profile continues in the spotlight as in late 2020 it pleaded guilty to 19 charges for breaching mining laws that resulted in 'significant environment harm'. As the company is on LGIM's Future World Protection List of exclusions, many of LGIM's ESG-focused funds were not invested in the company.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Engagement

LGIM's Investment Stewardship team engaged 891 times in respect of 665 companies during 2020, often collaborating with industry peers. Climate change was the single most frequent engagement topic (407 times), and the UK was the second biggest engagement market (275) after North America (283). The most frequently engaged companies were BP (9), Tesco (7) and Rio Tinto (5). In 2020 LGIM has been particularly active in engaging on the importance of gender diversity in Japan, which began in January 2019.

In early 2020 LGIM announced that it would vote against TOPIX (a stock market index for the Tokyo Stock Exchange) 100 companies that had no women on their boards. In the first year of implementing this policy, LGIM voted against the most senior member of the board or chair of the nomination committee (depending on the board structure) at 10 Japanese companies including Olympus, Central Japan Railway and Kubota. In 2021, LGIM will expand the scope of their policy to vote against TOPIX Mid 400 companies lacking gender diversity.

During 2020, Aviva undertook 3,428 company engagements, including 1,501 substantial interactions. Aviva draws up engagement plans annually, with progress reviewed and assessed quarterly.

Aviva uses an ESG proprietary ESG scoring tool (ESG Elements) and sector-specific research to help identify areas of greatest concern and overlay considerations, such as the size of Aviva's holding, thematic priorities, AGM-related priorities and event-triggered engagement. For active holdings, engagement is undertaken in close cooperation with the investment teams, who often lead on engagement meetings and the key conclusions from company engagements are fed back to fund managers through various forums. Over the past year, Aviva has achieved 90 engagement 'wins' where we there were changes in corporate behaviours in line with a prior engagement ask.

One example of company engagements during 2020 was over the board composition and oversight of AT&T Inc. In particular, Aviva assigned AT&T a negative ESG rating due to data breaches, employee discontent and customer issues, as well as to additional governance risks following the acquisition of Time Warner in 2018. Following on interactions with the company, AT&T outlined a series of positive changes, including the separation of the CEO and chair roles, a shift in the approach to corporate culture, or targets set to reduce its environmental impact. These changes redounded in the rating being upgraded to 'neutral', and Aviva's forward-looking engagement is now centred on gender diversity and strengthening oversight of cyber-related risks.

SIP Section 2: Division of responsibilities

In addition to those mentioned earlier, there are other stakeholders who have responsibilities to helping the Scheme achieve its objectives. We set out some of the key observations on how these were implemented over the year.

Defined contribution section responsibilities

The Provider's responsibilities of both Aviva and LGIM in respect to Section A and C of the Plan were complied with during the year. This include providing the Trustee with quarterly statements of the assets and factsheets on the underlying funds, ensuring that the underlying funds are priced correctly, and reviewing the continued structural suitability of the underlying funds. Investment objectives are implemented through the investment management agreements in place with the Plan's investment managers. There were no changes to the investment managers employed to manage the Plan's assets during the year.

Trustee's Report

Implementation Statement (contnued)

3. Adherence to the SIP (continued)

Global DB custodian and Performance Measurer responsibilities

The Trustee appoints a custodian and independent performance measurer. The Scheme appoints StateStreet for this who provide safe keeping of the Scheme's assets. Also, the assess returns of the portfolio, separately from the Fiduciary Manager, to provide transparency and robustness to performance reporting.

Scheme Actuary

The Scheme Actuary considers the triennial actuarial valuation (next one due over 2021) to help determine appropriate contributions which help meet the strategic objectives in the SIP. Also the Scheme Actuary provides cashflow data in order to build a portfolio of assets that protect against interest rate and inflation movement in the liabilities. 4. Conclusion The Trustee considers that all SIP policies and principles were adhered to during the year

4. Conclusion

The Trustee considers that all SIP policies and principles were adhered to during the year.

Trustee's Report

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), are the responsibility of the trustees. Pension scheme regulations require, and the trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time revising a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received and for adopting risk-based processes to monitor whether contributions are made to the scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the financial information of the Plan included on the Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 5 April 2018.

	Actuarial Valuation 5 April 2018	Actuarial Valuation Update 5 April 2020
The value of the Technical Provisions was:	£270.1 million	£297.6 million
The value of the assets at that date was:	£217.6 million	£239.5 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Discount interest rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank or England data) at the valuation date plus an addition of 0.5% per annum.

Future Retail Price inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Future Consumer Price inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment equal to 0.9% per annum.

Pension increases: derived from the term dependent rates for future consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: general pay increases of 1.5% per annum above term dependent rates for the future retail price inflation (NB not a significant assumption if few active members).

Mortality: for the period in retirement, standard tables SIPMA with a scaling factor of 98% for male active members, 103% for male deferred members and 99% for male pensioner members and S1PFA with a scaling factor of 103% for female active members, 107% for female deferred members and 111% for female pensioner members.

Actuary's Certification of the Schedule of Contributions

Name of scheme: **ACNielsen (UK) Pension Plan**

Adequacy of Rates of Contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 5 April 2018 to be met by the end of the period specified in the recovery plan dated 1 July 2019.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 1 July 2019.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signed Stephen Aries

Stephen Aries
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited

Date 3 July 2019

Watson House
London Road
Reigate
Surrey
RH2 9PQ

Actuary's Certification of Technical Provisions

Name of Plan: **ACNielsen (UK) Pension Plan**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Plan's technical provisions as at 5 April 2018 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Plan and set out in the Statement of Funding Principles dated 1 July 2019.

Stephen Aries

Stephen Aries
Fellow of the Institute and Faculty of Actuaries

3 July 2019

Towers Watson Limited
Watson House
London Road
Reigate
Surrey RH2 9PQ

Trustee's Report

Contact for Further Information

Any enquiries or complaints about the Plan, including requests from individuals for information about their benefits or Plan documentation, should be sent to:

Trustee of the ACNielsen (UK) Pension Plan
c/o Sue Kettle
Capita Pension Solutions
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Email: Nielsen@capita.co.uk

Signed on behalf of the ACNielsen (UK) Pension Plan, in their capacity as Trustee Directors of ACNielsen (UK) Pension Plan Trust Limited, by:

Chris Martin

26/10/2021

.... **Date:** ....

Trustee Director

26/10/2021

.... **Date:** ....

Trustee Director

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan

Opinion

We have audited the financial statements of the ACNielsen (UK) Pension Plan (the 'Plan') for the year ended 31 March 2021, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 March 2021 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Plan including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Plan's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustee with respect to going concern are described in the 'Responsibilities of trustee for the financial statements' section of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee for the financial statements

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Plan, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Plan and determined that the most significant are the Pensions Act 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP").

  In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Plan operates.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.
- We assessed the susceptibility of the Plan's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to the risk of management override of controls through posting inappropriate journal entries to manipulate results and net assets for the year.
- Our audit procedures involved:
  - journal entry testing, with a focus on large manual journals to unusual account codes, including:
    - manual journals with unusual account combinations such as those between the Fund Account and the Statement of Net Assets,
    - journals posted to suspense accounts, and,
    - journals with a blank description
- obtaining independent confirmations of material investment valuations and cash balances at the year end.

  In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

  These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of Plans of a similar size and complexity, appropriate to their role within the team. The engagement team are required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and of the sector the underlying applicable legislation and related guidance.

Use of our report

This report is made solely to the Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Reading

Date: 26/10/2021

Independent Auditor's Statement about Contributions to the Trustee of ACNielsen (UK) Pension Plan

We have examined the summary of contributions to the ACNielsen (UK) Pension Plan (the 'Plan') in respect of the scheme year ended 5 April 2021 which is set out in the trustee's report on 7.

In our opinion, contributions for the scheme year ended 5 April 2021 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the scheme actuary on 3 July 2019.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedule of contributions.

Respective responsibilities of trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 63, the trustee is responsible for preparing, and from time to time reviewing and if necessary, revising a Schedule of Contributions and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustee as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 26/10/2021

Fund Account

For the year ended 5 April 2021

	Note	Defined benefit section 2021 £	Defined contribution section 2021 £	Total 2021 £	Total 2020 £
Contributions and benefits					
Employer contributions	5	48,602,603	-	48,602,603	5,359,450
Total contributions		48,602,603	-	**48,602,603**	5,359,450
Other income	6	-	-	**-**	1,070
		48,602,603	-	**48,602,603**	5,360,520
Benefits paid or payable	7	(7,562,279)	(5,591)	(7,567,870)	(7,001,415)
Payment to and on account of leavers	8	(2,054,653)	(886,158)	(2,940,811)	(646,634)
Administration expenses	9	(1,048,445)	-	(1,048,445)	(1,089,560)
		(10,665,377)	(891,749)	**(11,557,126)**	(8,737,609)
Net additions/(withdrawals) from dealings with Members		37,937,226	(891,749)	**37,045,477**	(3,377,089)
Returns on investments					
Investment income	10	7,893,954	**-**	7,893,954	16,693,824
Change in market value of investments	11	3,383,069	9,413,125	12,796,194	1,423,464
Investment management expenses	12	(177,979)	-	(177,979)	(175,717)
Net returns on investments		11,099,044	9,413,125	**20,512,169**	17,941,571
Net increase in the fund during the year		49,036,270	8,521,376	**57,557,646**	14,564,482
Inter fund transfer		778,805	(778,805)	**-**	-
Net assets of the Plan at start of year		213,370,438	26,148,413	239,518,851	224,954,369
Net assets of the Plan at end of year		263,185,513	33,890,984	**297,076,497**	239,518,851

The accompanying notes on pages 75 to 89 form an integral part of these financial statements.

Statement of Net Assets available for Benefits

As at 5 April 2021

	Note	Defined benefit section 2021 £	Defined contribution section 2021 £	Total 2021 £	Total 2020 £
Investment assets:					
Pooled investment vehicles	14	222,796,569	32,527,216	**255,323,785**	237,661,608
AVC investments	11	270,163	1,297,961	**1,568,124**	1,355,758
Other investments – cash in transit		40,000,000	-	**40,000,000**	-
Total		263,066,732	33,825,177	**296,891,909**	239,017,366
Current assets	18	841,540	279,372	**1,120,912**	1,208,646
Current liabilities	19	(722,759)	(213,565)	**(936,324)**	(707,161)
Net assets of the Plan at end of year		263,185,513	33,890,984	**297,076,497**	239,518,851

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on page 64 and these financial statements should be read in conjunction with this report.

The accompanying notes on pages 75 to 89 form an integral part of these financial statements.

The financial statements on pages 73 to 89 were approved on behalf of ACNielsen (UK) Pension Plan Trust Limited on:

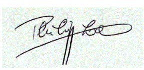
Signed on behalf of the ACNielsen (UK) Pension Plan Trust Limited.

Chris Martin

26/10/2021

…………………………………………………………….. Date: ……………………………………

Trustee Director



26/10/2021

…………………………………………………………….. Date: ……………………………………

Trustee Director

Notes to the Financial Statements

1. Identification of the financial statements

The ACNielsen (UK) Pension Plan, registration number 10226893, is a trust scheme established under English Law, administered under a Definitive Trust Deed and Rules and closed to future accrual. The address for enquiries to the Plan is included in the Trustee Report.

2. Basis of preparation

The individual financial statements of ACNielsen (UK) Pension Plan have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as they believe that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months.

3. Accounting policies

The principal accounting policies of the Plan are as follows:

Contributions

Employer deficit funding and additional contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the employer and Trustee.

Payments to members

Benefits and any associated taxation are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Pensions in payment are accounted for in the period to which they relate.

Individual transfers out of the Plan are accounted for when member liability is discharged, which is normally when the transfer amount is paid.

Expenses

Expenses are accounted for on an accruals basis.

Notes to the Financial Statements

3. Accounting policies (continued)

Investment income

Income from cash and short-term deposits is accounted for on an accruals basis.

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

Investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investments are included at fair value as described below:

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Presentation currency

The Plan's functional and presentation currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Plan year end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

Annuity policies

Under FRS 102 annuity policies are reported at the value of the related obligation to pay future benefits funded by the annuity policy.

The Trustee has determined that there are no material annuity policies held in the name of the Trustee.

Notes to the Financial Statements

4. Comparative disclosures for the Fund Account and Statement of Net Assets

Fund Account

	Note	Defined benefit section 2020 £	Defined contribution section 2020 £	Total 2020 £
Contributions and benefits				
Employer contributions	5	5,359,450	-	5,359,450
Total contributions		5,359,450	-	**5,359,450**
Other income	6	1,070	-	**1,070**
		5,360,520	-	**5,360,520**
Benefits paid or payable	7	(6,979,833)	(21,582)	(7,001,415)
Payment to and on account of leavers	8	(477,370)	(169,264)	(646,634)
Administration expenses	9	(1,089,560)	-	(1,089,560)
		(8,546,763)	(190,846)	**(8,737,609)**
Net withdrawals from dealings with Members		(3,186,243)	(190,846)	**(3,377,089)**
Returns on investments				
Investment income	10	16,693,824	**-**	16,693,824
Change in market value of investments	11	5,032,383	(3,608,919)	1,423,464
Investment management expenses	12	(175,717)	-	(175,717)
Net returns on investments		21,550,490	(3,608,919)	**17,941,571**
Net increase/(decrease) in the fund during the year		18,364,247	(3,799,765)	**14,564,482**
Inter fund transfer		987,586	(987,586)	**-**
Net assets of the Plan at start of year		194,018,605	30,935,764	224,954,369
Net assets of the Plan at end of year		213,370,438	26,148,413	**239,518,851**

Notes to the Financial Statements

4. Comparative disclosures for the Fund Account and Statement of Net Assets (continued)

Statement of Net Assets (available for benefits)

	Note	Defined benefit section 2020 £	Defined contribution section 2020 £	Total 2020 £
Investment assets:				
Pooled investment vehicles	14	212,670,815	24,990,793	**237,661,608**
AVC investments	11	222,516	1,133,242	**1,355,758**
Total		212,893,331	26,124,035	**239,017,366**
Current assets	18	1,102,176	106,470	**1,208,646**
Net assets of the Plan at end of year		213,370,438	26,148,413	**239,518,851**

5. Contributions

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Employer contributions			
Deficit funding	5,122,603	-	5,122,603
Additional	43,480,000	-	43,480,000
	48,602,603	-	**48,602,603**

	2020 £	2020 £	2020 £
Employer contributions			
Deficit funding	4,927,450	-	4,927,450
Additional	432,000	-	432,000
	5,359,450	-	5,359,450

Contributions have been received in accordance with the Schedule of Contributions certified by the Plan actuary on 3 July 2019.

The Plan was closed to the accrual of future benefits with effect from 1 April 2016.

Deficit funding contributions are to improve the Plan's funding position in accordance with the recommendations of the Actuary. The most recent Schedule of Contributions states that the deficit funding contributions would be £5,002,392 a year, subject to the annual inflation adjustment from 1 April 2020, payable by monthly instalments from April 2019 to May 2026.

The Employer is also required to pay £36,000 per month for administration expenses until March 2020, and then £40,000 per month.

Additional contributions of £1,000,000 a year are payable from 2020 to 2025. A further additional contribution of £42,000,000 was received during the year following the removal of the employers guarantee arrangement.

Notes to the Financial Statements

6. Other income

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Compensation	-	-	**-**

	2020 £	2020 £	2020 £
Compensation	1,070	-	1,070

7. Benefits paid or payable

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Pensions	5,616,445	-	5,616,445
Commutations of pensions and lump sum retirement benefits	1,935,469	5,591	1,941,060
Lump sum death benefits	-	-	-
Open market options	10,365	-	10,365
	7,562,279	5,591	**7,567,870**

	2020 £	2020 £	2020 £
Pensions	5,183,719	-	5,183,719
Commutations of pensions and lump sum retirement benefits	1,728,833	9,362	1,738,195
Lump sum death benefits	4,292	12,220	16,512
Open market options	62,989	-	62,989
	6,979,833	21,582	7,001,415

8. Payments to and on account of leavers

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Individual transfers to other schemes	2,054,653	886,158	**2,940,811**
State scheme premiums	-	-	**-**
	2,054,653	886,158	**2,940,811**

	2020 £	2020 £	2020 £
Individual transfers to other schemes	475,770	169,264	645,034
State scheme premiums	1,600	-	1,600
	477,370	169,264	646,364

Notes to the Financial Statements

9. Administration expenses

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
External actuarial, consultancy & administration	983,966	-	983,966
Audit fees	17,632	-	17,632
Legal fees	11,763	-	11,763
Miscellaneous	35,084	-	35,084
	1,048,445	-	**1,048,445**

	2020 £	2020 £	2020 £
External actuarial, consultancy & administration	1,035,258	-	1,035,258
Audit fees	18,000	-	18,000
Legal fees	13,424	-	13,424
Miscellaneous	22,878	-	22,878
	1,089,560	-	1,089,560

All other costs of administration are borne by the Employer.

10. Investment income

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Annuity income	24,162	-	24,162
Interest on cash deposits	-	-	-
Income from pooled investment vehicles	7,869,794	-	7,869,794
Profit/(loss) on foreign exchange	(2)	-	(2)
	7,893,954	-	**7,893,954**

	2020 £	2020 £	2020 £
Annuity income	24,162	-	24,162
Interest on cash deposits	933	-	933
Income from pooled investment vehicles	16,803,264	-	16,803,264
Profit/(loss) on foreign exchange	(134,535)	-	(134,535)
	16,693,824	-	16,693,824

Notes to the Financial Statements

11. Reconciliation of investments held at the beginning and end of the year

	Value at 6 April 2020 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 5 April 2021 £
Defined Benefit Section					
Pooled investment vehicles	212,670,815	113,269,426	(106,478,290)	3,334,618	222,796,569
AVC investments	222,516	30,814	(31,618)	48,451	270,163
	212,893,331	113,300,240	(106,509,908)	3,383,069	**223,066,732**
Other investments - cash in transit					40,000,000
	212,893,331	153,300,240	(106,509,908)	3,383,069	**263,066,732**

	Value at 6 April 2020 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 5 April 2021 £
Defined Contribution Section					
Pooled investment vehicles	24,990,793	269,918	(1,837,220)	9,103,725	32,527,216
AVC investments	1,133,242	-	(144,681)	309,400	1,297,961
	26,124,035	269,918	(1,981,901)	9,413,125	**33,825,177**

AVC investments

The Trustee holds assets invested separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 5 April confirming the amounts held to their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

Defined Benefit Section	**2021 £**	**2020 £**
Utmost Life and Pensions	-	22,994
Aviva	270,163	199,522
	270,163	222,516

Defined Contribution Section	**2021 £**	**2020 £**
Aviva	**1,297,961**	1,133,242

Notes to the Financial Statements

11. Reconciliation of investments held at the beginning and end of the year (continued)

The following DB section investments were valued in excess of 5% of the net assets of the Plan at 5 April 2021.

	£	2021 %
Willis Towers Watson – Sterling Z Shares	71,406,308	**24.0**
Willis Towers Watson – Core Diversified Fund	39,918,679	**13.4**
Insight – Fiduciary Leveraged Long Fixed Fund	23,961,888	**8.1**
Insight – Fiduciary Leveraged Short Real Fund	28,065,193	**9.4**
Insight – Liquidity Fund	45,350,912	**15.3**

The following DC section investments were valued in excess of 5% of the net assets of the Plan at 5 April 2021.

	£	2021 %
Legal & General – Global Equity MW (30:70) Index Fund	23,834,230	**8.0**

Transaction costs

No direct transaction costs were incurred during the year.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

Defined Contribution Section

For the Defined Contribution section, investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee. The Plan administrator allocates investment units to members.

The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting. Members receive an annual statement confirming contributions paid on their behalf and the value of their money purchase rights.

12. Investment management expenses

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Administration, management and custody	177,979	-	**177,979**

	2020 £	2020 £	2020 £
Administration, management and custody	175,717	-	175,717

Notes to the Financial Statements

13. Taxation

The Plan is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

14. Pooled investment vehicles

The Plan's investments in pooled investment vehicles at the year-end comprised:

Defined Benefit Section	**2021 £**	**2020 £**
Multi-asset Fund (WTW)	111,324,988	135,905,214
Insight Downside Risk Hedge	453,145	479,235
LDI Funds (Insight)	108,395,384	62,503,919
Sterling Liquidity	2,623,052	13,782,447
	222,796,569	212,670,815

Defined Contribution Section	**2021 £**	**2020 £**
UK Equities	1,347,440	1,103,616
Overseas Equities	4,644,996	3,455,479
Fixed Interest Bonds	733,228	619,287
Index-Linked Gilts	782,277	726,026
Global Equity MW (30:70) Ind Fund	23,834,230	17,567,351
Pre-Retirement Infl Link Fund	1,185,045	1,519,034
	32,527,216	24,990,793

The pooled investment vehicles are managed by companies registered in the UK.

15. Fair value determination

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Notes to the Financial Statements

15. Fair value determination (continued)

The Plan's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

As at 5 April 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Defined Benefit Section				
Pooled investment vehicles	-	111,471,581	111,324,988	222,796,569
AVC investments	-	270,163	-	270,163
Other investments	-	40,000,000	-	40,000,000
	-	151,741,744	111,324,988	**263,066,732**
Defined Contribution Section				
Pooled investment vehicles	-	32,527,216	-	32,527,216
AVC investments	-	1,297,961	-	1,297,961
	-	33,825,177	-	**33,825,177**

As at 5 April 2020	Level 1 £	Level 2 £	Level 3 £	Total £
Defined Benefit Section				
Pooled investment vehicles	-	76,765,601	135,905,214	212,670,815
AVC investments	-	199,522	22,994	222,516
	-	76,965,123	135,928,208	212,893,331
Defined Contribution Section				
Pooled investment vehicles	-	24,990,793	-	24,990,793
AVC investments	-	1,133,242	-	1,133,242
	-	26,124,035	-	26,124,035

Notes to the Financial Statements

16. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees delegate the management of investment risks to the Plan's Fiduciary Manager, including credit risk and market risk, within agreed guidelines which are set taking into account the Plan's strategic investment objectives. These investment objectives and guidelines are monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include any legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Defined Benefit Section

The investment objectives are:

- The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from the Employer, the cost of current and future benefits which the Plan provides.
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis.
- To minimise the long-term costs of the Plan by maximising the return on the assets whilst having regard to the objective shown under the point above.

The Trustees set the investment strategy taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The current strategy is to target a return of 2.0% pa above gilt based liabilities which corresponds approximately to a benchmark allocation of:

Asset class	Benchmark weight (%)
Multi-asset funds (return-seeking assets)	42.0
Downside Risk Hedge	0.2
Liability driven investments & cash (matching assets)	57.8
	100.0

Notes to the Financial Statements

16. Investment risk disclosures (continued)

Credit risk

The Plan invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Plan is also indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Credit risk arising on derivatives (which are used in the pooled LDI funds in which the Plan invests) depends on whether the derivative is exchange traded or over the counter ("OTC"). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements.

Cash is held within financial institutions which are at least investment grade credit rated. This is the position at the year-end.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Fiduciary Manager carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

Currency risk

The Plan has an allocation to overseas assets through the multi-asset funds of Towers Watson Investment Management. However, the currency risks are mitigated through a degree of currency hedging, which is subject to the managers' discretion.

Interest rate risk

The Plan is subject to interest rate risk because some of the Plan's investments are held in bonds and interest rate swaps, through the pooled investment vehicles, and cash. The Trustees have set a return target which broadly corresponds to a benchmark allocation in these assets of 42% of the total investment portfolio, as part of their LDI investment strategy. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the year-end the LDI and cash portfolios represented approximately 58% of the total investment portfolio. The Plan also has additional exposure to bonds through pooled investments within the return-seeking allocation.

Other price risk

Other price risk arises principally in relation to the Plan's multi-asset return-seeking portfolio. The Plan's return target corresponds to an asset allocation of 42% of investments being held in return-seeking investments. At year end the allocation to return-seeking investments represents 42.4% of the total investment portfolio.

The Plan manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Notes to the Financial Statements

16. Investment risk disclosures (continued)

Defined Contribution Section

The Trustee seeks to offer members funds that acquire secure assets of appropriate liquidity and diversification, which will generate income and capital growth which will provide a fund at retirement with which to provide retirement benefits (be that by purchase of a pension annuity or by some other means – income drawdown for example).

The investment funds offered to members are provided by Legal & General Investment Management ("LGIM") and Aviva. Full details of the investment funds are contained in the Plan's Statement of Investment Principles (SIP) which is included with this report.

The risks disclosed here relate to the DC sections' investments as a whole. Members in the Plan's new Money Purchase section (held with Aviva) are able to choose their own investments from the range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared with the DC sections' investments as a whole. There is only one investment option available in the old Money Purchase section (held with LGIM).

Credit risk

The Plan is subject to direct credit risk through its holding in pooled investment vehicles (accessed through insurance funds) provided by LGIM, Aviva and Utmost. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager/provider, the regulatory environments in which the pooled managers/providers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and monitor them (with assistance from their investment adviser).

Market risk

The Plan is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds.

Fund	Exposed to:	Currency Risk	Interest rate risk	Other price risk
Equity funds		✓	-	✓
Bond funds		✓	✓	-

17. Self-investment

There have been no employer related investments within the meaning of Section 40 of the Pensions Act 1995 during the year ended 5 April 2021.

Notes to the Financial Statements

18. Current assets

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Debtors and prepayments	177,324	43,229	220,553
Cash balances	664,109	236,143	900,252
Cash deposits held with the Plan Administrator	107	-	107
	841,540	279,372	**1,120,912**

	2020 £	2020 £	2020 £
Debtors and prepayments	10,596	1,800	12,396
Cash balances	1,091,473	104,670	1,196,143
Cash deposits held with the Plan Administrator	107	-	107
	1,102,176	106,470	1,208,646

19. Current liabilities

	2021 Defined benefit section £	2021 Defined contribution section £	2021 Total £
Benefits payable	5,151	20	5,171
Accrued expenses	594,983	-	594,983
State scheme premiums	7,922	9,160	17,082
Tax due to HMRC	73,274	10,240	83,514
Other creditors	41,429	194,145	235,574
	722,759	213,565	936,324

	2020 £	2020 £	2020 £
Benefits payable	198,867	22,439	221,306
Accrued expenses	418,280	-	418,280
State scheme premiums	7,922	9,160	17,082
Tax due to HMRC	-	10,240	10,240
Other creditors	-	40,253	40,253
	625,069	82,092	707,161

20. Related party transactions

Rosalind Allison-Calvert, Richard Cowdrey, Michael Watkins, Maxine Slater, Alison Timman, Ian Campbell, Robert Clayton and Jocelyn Colyer, who were Directors of the Trustee Company during all or part of the Plan year were members of the Plan during the Plan year.

Certain administration expenses are borne by the Principal Employer. At the year end a balance of £9,308 (2020: £9,308) was owed by the Principal Employer to the Plan in respect of historical administration fees paid from the Plan.

Notes to the Financial Statements

20. Related party transactions (continued)

Administration expenses are paid initially by the employer and the recharged to the Plan. During the year £1,218,044 was recharged (2020: £1,161,221). At the year end £566,413 was due from the Plan to the employer (2020: £278,473).

21. Contingent liabilities

As explained on page 5 of the Trustee's report, on 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member.

The Trustee of the Plan is aware that the issue will affect the Plan and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Based on an initial assessment of the likely backdated amounts and related interest the trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.