



Nestlé UK Pension Fund

Pensions News 2023

*An update from the Trustees
of the Nestlé UK Pension Fund*

Changes to your Trustee Board

Updates on the Fund and how it works

Need help with your pension?

Chair's welcome

Welcome to Pensions News, this year's newsletter from the Trustees of the Nestlé UK Pension Fund (the Fund). In it, we'll help you understand how the Fund is run, who looks after it and what's been going on over the past year.

About the Fund

Earlier this year, we wrote to you to let you know the results of the latest actuarial valuation as at 31 December 2021. Valuations take place every three years, but in the years between them, we carry out a funding update to check that the Fund is still 'healthy'.

This year's funding update shows that, as at 31 December 2022, the Fund had a surplus of £30 million, while the previous year's valuation, as at 31 December 2021, showed a surplus of £230 million.

The effect of high interest rates after the September 2022 mini budget led to a drop in the value of the Fund's assets, but it also caused the value of the Fund's liabilities to fall. This means that the Fund is still in surplus and its position has remained relatively stable so far over 2023.

You can read the full summary funding statement at nestlepensions.co.uk/documents/fund-documents – and we've also included the headline figures as at 31 December 2022 and some commentary on **pages 7 and 8**.

About your Trustee Board

Recent changes in legislation and governance mean that trustees of all pension schemes must now take on more responsibilities. To carry out these additional duties at the level you'd expect from us, we're increasing the number of Trustees from eight to ten by creating one more position each for a Company Appointed Trustee and a Member Nominated Trustee.

As an existing Member Nominated Trustee was also coming to the end of their term, we ran a campaign to fill two Member Nominated Trustee vacancies this summer. We had a fantastic response and we are delighted to announce that we have reappointed David Baxter and welcomed Tom Nixon to the Board on 1 November. You can meet Tom on **page 5**.

Sadly, we had to say goodbye to Company Appointed Trustee Irene Donaldson who retired in August. Irene had been a member of the Board for seven and a half years, was hard working, diligent and always prepared to challenge when needed. She also brought tremendous energy and enthusiasm to Trustee matters which will be greatly missed. We thank Irene for her considerable contribution to the Board and wish her a long and happy retirement. Irene's departure means the Company must appoint two new Trustees, which they hope to do by the end of 2023.

About your Pensions Team

There have also been personnel changes in the Pensions Team, who look after the day-to-day running of the Fund. After 15 years as Head of Group Pensions UK and Ireland, Andrew White also retired from Nestlé. In his time here, Andrew built a formidable reputation and became widely regarded as one of the leading pensions managers in the UK.

As Andrew begins his well-earned retirement, we're delighted to welcome Michael Clark as the incoming Head of Group Pensions UK and Ireland. Michael brings a broad set of skills and experience to the position and is looking forward to making the experience that members have with their Nestlé pension more engaging. We say hello to Michael and goodbye to Andrew on **page 5**.

As always, we hope you enjoy reading Pensions News.



Steve Delo
Chair of the NUKPF Trustee Board

What's inside?

Looking after your pension

Changes to the Trustee Board and Pensions Team 4-5

How your pension works

The latest on the Fund's financial health and our new responsible investing webpages 6-11

Pension news

Information from the wider pensions world 12

Updates from the Pensions Team

Important updates from our in-house team of experts 13-14

About your Fund

The latest available figures about the Fund's value and membership 15

Useful contacts

Information on where else you can find help with your pension 16

Useful Fund documents

You can find a range of useful documents on our website at nestlepensions.co.uk/documents/about-your-benefits

If you want to read more about how the Fund is run, you'll find information, alongside the following documents, at nestlepensions.co.uk/how-the-fund-is-run

- **Statement of Investment Principles (SIP)**

The SIP sets out the main principles that the Trustees use when making investment decisions for the Fund.

- **Implementation Statement**

As part of the Fund's reports and accounts, the Trustees need to show how the investment policies set out in the SIP have been implemented in an 'Implementation Statement'.

- **DC Chair's Statement**

The DC Chair's Statement tells you how the DC Start and DC Core sections of the Fund are managed, as well as the costs and charges that apply to your investments.

- **The Taskforce for Climate-related Financial Disclosures (TCFD) Report**

This report sets out our approach to assessing and managing the risks and opportunities related to climate change. Find out more on **page 10**.

You can also ask for copies of the following documents from Nestlé Pensions using the contact details on the **back page**:

- **Schedule of Contributions**

The Schedule of Contributions shows the contributions that employers and members need to pay to fund the promised DB benefits in the Fund.

- **Statement of Funding Principles**

The Statement of Funding Principles sets out our policies on how we finance the Fund so that we can pay all the benefits promised to our members.

- **The Trust Deed and Rules**

The legal document that sets out the rules of the Fund.

- **Annual Report and Accounts**

If you'd like to find out what data the Fund holds about you and how we process it, you can read the Fund's UK personal data privacy statement at nestlepensions.co.uk/privacy-policy

Looking after your pension

The Fund is managed by a Trustee Company called Nestlé UK Pension Trust Ltd, which has a duty to run the Fund in line with its Trust Deed and Rules and current pensions law. This Trustee Company acts through us, its Board of Directors. We're generally referred to as the Trustees.

Our Trustee Board is made up of Trustees appointed by Nestlé and appointed from our members. The Board is also supported by the wider Nestlé Pensions Team and a range of professional advisers.

What do we do?

As Trustees, we're responsible for overseeing the running of the Fund and safeguarding it on behalf of you, its members. With the help of our advisers, and the Nestlé Pensions Team, we make sure that the Fund's assets are invested appropriately and as securely as possible, and that member benefits are paid correctly and on time.

Changes to your Trustee Board

In the past, our Trustee Board has been made up of four Trustees appointed by Nestlé and four appointed from active and pensioner members of the Fund. We are now increasing this number and we'll soon have a total of ten Trustees on the Board – five appointed by Nestlé and five appointed from members.

With one of our current Member Nominated Trustees' term coming to an end and the aim to have a total of five Member Nominated Trustees on the Board, we've been on the look-out for two more talented members to join the Board as Member-Nominated Trustees.

After running a successful campaign to gain new nominations this summer, we are happy to announce that David Baxter has been reappointed and we've also welcomed new Trustee Tom Nixon to the Board. You can find out about Tom on the next page alongside an introduction to our new Head of Group Pensions for the UK and Ireland, Michael Clark.

As Steve mentioned in his introduction on **page 2**, we've had to say goodbye to Company Appointed Trustee Irene Donaldson, who retired in August this year. This means the Company is now due to appoint two new Company Appointed Trustees by the end of 2023. We'll introduce you to them in next year's newsletter.

Your current Trustees are:



Two new Company Appointed Trustees coming soon

(Left to right) Marcus Barry, David Baxter, Belinda Eddington, Tom Nixon, Richard Rowden, Malcolm Burridge, John Chilman, Steve Delo.

Member-Nominated Trustees

Marcus Barry
(pensioner member)

David Baxter
(pensioner member – reappointed 1 November)

Belinda Eddington
(active member*)

Tom Nixon
(active member* – appointed 1 November)

Richard Rowden
(active member*)

Nestlé-Appointed Trustees

Malcolm Burridge
(active member*)

John Chilman
(Independent Trustee)

Steve Delo
(representing PAN Trustees – Independent Trustee and Chair of the Trustee Board)

* An active member of the Fund is someone currently building up pension in it.

Looking after your pension (continued)

With a new face on the Trustee Board and a new Head of Group Pensions helping to look after your pension, let's find out more about Tom and Michael and say goodbye to Andrew.

Introducing Tom Nixon

Your new Member-Nominated Trustee



We're delighted to welcome Tom Nixon as our new Member Nominated Trustee. Tom works in the Nestlé UK and Ireland Content Studio where,

as Photography and Videography Lead, he and his team create content for Nestlé brands to use in communications and campaigns.

Tom applied for the role of Trustee because he's always been interested in personal finance and pensions. He's keen to motivate members – especially our younger ones – to engage with their Nestlé pension, and hopes to use his background in content delivery to help show them the benefits of saving for retirement.

While Tom recognises that being a Trustee is a huge responsibility, he's looking forward to picking up the skills, knowledge and experience he'll need to play his part in running the Fund effectively.

Introducing Michael Clark

Your new Head of Group Pensions UK and Ireland



Michael brings a broad set of skills and experience to the team, having worked as an actuary developing pension products, an investment banker

and then across various roles at Shell for 24 years, the last seven of which he spent as their Head of Pensions.

Michael's focus at Nestlé Pensions is to make sure that the Fund continues to pay its members the right pension at the right time, and that we manage the investments prudently on behalf of members. He'll also be ensuring that the Pensions Team have the right set of skills and tools to carry out the job of running the Fund effectively.

Discussing making the Fund's member experience more engaging, Michael said: "We have the ambition to make our pension offering even more attractive and keep developing opportunities for members to become more involved with their pensions."

Goodbye to Andrew White

Your former Head of Group Pensions UK and Ireland



We'd like to take this opportunity to say thank you to Andrew White, who retired in June after almost 15 years as Head of Group Pensions for the UK and Ireland and over 40 years in the pensions industry.

During that time, Andrew helped to increase the scope of the services and expertise the team offers, a move that saw the pensions team double in size. It's now viewed as the gold standard for pensions management and administration by the global pensions team at Nestlé HQ.

Andrew has found it intensely rewarding to have worked with great people committed to helping pension fund members grapple with a such a complex, emotional and life changing subject.

Now that he's retired, Andrew is looking forward to spending more time with his family, re-learning various musical instruments, and going back to painting and writing.

A word from Steve Delo, Chair of the Trustee Board

It's always sad to say goodbye to a valued colleague, and Andrew was no different. His patient, professional and detailed approach resulted in the successful completion of countless complex projects and his work ensured excellent outcomes for the Fund. It has been a privilege to work with him.

However, it's also a pleasure to welcome new colleagues and we're delighted that Michael has joined the Pensions Team as its new lead. We know that great member experience is at the heart of his approach and all of us on the Trustee Board are looking forward to building a strong working relationship with him over the years to come.

After a tough selection process, we're very pleased to welcome Tom to the Trustee Board too – we look forward to working alongside him during his term.

How your pension works

On the next few pages, we'll focus on what makes your Nestlé pension tick. Here's a reminder about how your pension builds up.

We hope that the more you know about your pension, the more in control you'll feel about your financial future.



In the defined benefit (DB) sections of the Fund, you build up pension based on your pensionable earnings up to a certain level called the pensionable earnings cap. Once you've gone over it, you'll build up savings in a DC Core account for the rest of that scheme year.

When you retire, we work out your pension based on an average of your pensionable earnings over time, and the length of time you have been a DB member of the Fund. To receive this benefit, you pay a set percentage of your pensionable earnings into the Fund.



In the defined contribution (DC) sections of the Fund, you and Nestlé pay a percentage of your pensionable earnings into your account, which is invested to help it grow. You can choose how you access the money in your account when you retire.

Read more about how your pension works at [nestlepensions.co.uk/pension-overview](https://www.nestlepensions.co.uk/pension-overview)



How your pension works – latest funding update

Measuring and monitoring the Fund's financial health, and making appropriate decisions for the future as a result, is a key part of our job as Trustees.

A full actuarial valuation – or financial health check – of the DB sections of the Fund takes place every three years. This compares the total value of the Fund's assets with its liabilities.

The last one took place as at 31 December 2021 and we updated you with those results in March this year. In the years between valuations, the actuary provides a funding update so we can monitor how the Fund's finances are doing – this is known as a summary funding statement. Here are the headlines from the funding update as at 31 December 2022.

Funding update as at 31 December 2022



Valuation as at 31 December 2021



The Fund is still in surplus

The Fund's assets were more than its liabilities as at 31 December 2022.



Assets

The money the Fund has available.

Liabilities

The estimated amount of money the Fund needs to be able to pay the benefits members have already earned.

Funding level

This shows how much of the Fund's liabilities are covered by its assets – if the funding level is above 100%, there is a surplus.

How your pension works – latest funding update (continued)

What does the chart show?

The chart on **page 7** shows that on 31 December 2022, there was a £30m surplus, down from £230m the previous year. This reduction is mainly due to the very significant market disturbance caused by the September 2022 mini budget.

Rising interest rates meant that the Fund's assets fell significantly, especially in the government and corporate bond investments it holds. But higher interest rates also meant that the value of the Fund's liabilities fell too – with higher interest-rate income from its assets, the Fund doesn't need to hold as much money now to meet future pension payments. This means the Fund is still fully funded and still has a small surplus.

While it's important to remember that this summary funding statement is a snapshot, and we expect the financial position to change each year, it has remained relatively stable in 2023 so far.

The next full actuarial valuation is due as at 31 December 2024. In the meantime, we'll update you on the latest funding position in next year's newsletter.

The funding position has remained relatively stable in 2023 so far.

You can read the full version of the latest summary funding statement at [nestlepensions.co.uk/documents/fund-documents](https://www.nestlepensions.co.uk/documents/fund-documents)



How your pension works – pensions and investment

Investments play an important part in how pensions work. Over the next few pages, we'll remind you what investments have to do with your pension and talk about responsible investment.

What do investments have to do with my pension?

Since you have savings in the DB and DC sections of the Fund, it's important to remember how each section's relationship with investments differ.



You don't have to make any of the investment decisions relating to the benefits you've built up in DB sections of the Fund. We, the Trustees, decide how to invest the Fund's DB assets with the help of our advisers and with the aim of generating returns that will allow us to pay members' benefits when they become due.

The only investment choices you'll need to make will relate to your DC savings. These includes any additional voluntary contributions you make, or any savings over the pensionable earnings cap, which is £49,691 for 2023.



In DC Core, you can invest your DC savings in the Lifetime Pathway. This investment strategy automatically invests your savings according to how close you are to your target retirement age. However, if you'd prefer to make your own investment decisions, you can invest your savings in our range of Self-select funds.

Find out more about DC investments and the choices you have at nestlepensions.co.uk/investments

You can also learn more about pensions and investments in general at moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/pension-investment-options-an-overview



DC Chair's Statement 2022

Each year, Trustees of DC pension schemes must, by law, produce a statement setting out how the scheme has met certain standards. This is known as the DC Chair's Statement.

We publish the DC Chair's Statement in July each year, so you can now find the Statement for the year ending 31 December 2022 online.

One of the things it includes is a section on the assessment of the value our DC arrangements offer members of the Fund. In the latest report, the Trustees concluded that our DC arrangements continue to offer good value to members, scoring 4 on a scale of 1 (poor) to 5 (excellent).

Read the DC Chair's Statement at nestlepensions.co.uk/how-the-fund-is-run



How your pension works – pensions and investment (continued)

The money in pension schemes like the Fund is invested to help it grow. Responsible investing is a way of setting an investment strategy that aims to make positive investment returns (that is, to help the money to grow) while at the same time taking into account environmental, social and governance (ESG) issues when making investment decisions.

What are ESG factors?

Do the companies that we are invested in have a positive or negative impact on resources and environment? This can include:



Environmental

- Climate change
- Biodiversity
- Deforestation
- Water consumption

How do the companies that we are invested in treat their employees, customers and community? This can include:



Social

- Employee wellbeing
- Human rights
- Diversity, equity and inclusion
- Supply chain management

Do the companies that we are invested in structure their leadership to allow for accountability and ownership? This can include:



Governance

- Board structure
- Executive remuneration
- Tax fairness
- Bribery and corruption

As Trustees, we believe that ESG factors can have a positive impact on investment returns. And we believe that incorporating these factors into our investment decision-making and practices will lead to better informed decisions about our investments.

You can find more information about responsible investing, our approach to it and information about the Fund's net zero ambition on our new webpage at nestlepensions.co.uk/responsible-investing



Don't forget!

We also produce a yearly Taskforce for Climate-related Financial Disclosures (TCFD) report which includes details of the greenhouse gas emissions and the carbon footprint of the assets we invest in. You can find this report at nestlepensions.co.uk/how-the-fund-is-run



How your pension works – planning for your future

The choices you make today about your pension can have a big impact on your retirement income.

Have you set your target?

Earlier this year, we encouraged you to set a retirement savings target before we sent you your pension statement. That's because knowing how much you'll need to live on in retirement is an important part of planning for your future. It also means you can directly compare your savings target with the figures in your statement to check whether you're on track.



Scan me to watch the video!



- 1 If you haven't set your retirement savings target yet, why not do it now? Watch our video to find out how at bit.ly/nestle-settingyourtarget – or scan the QR code on the left.
- 2 Once you've set your target, you can log into your online account at nestlepensions.co.uk/login to view your 2023 pension statement and see how your figures measure up.
- 3 Find out more about setting your target at nestlepensions.co.uk/setting-your-target

Watch our video to find out how to set a retirement savings target



Help with your Nestlé Pension

Read more about the support you can get from the Pensions Team on [page 13](#). You can also access more help and resources at nestlepensions.co.uk/find-answers

Pension news

Here's a round-up of the latest news from the world of pensions.

The minimum retirement age is changing

From 6 April 2028, the minimum age that you can access your pension is changing from 55 to 57. This is known as the normal minimum pension age and is set by the government.

So, from 6 April 2028, you'll need to be age 57 or over to start taking money from your pension.

Unless you suffer from serious ill health or your contract of employment says otherwise, you won't be able to access any of your pension before then. You don't have to access your pension at the normal minimum pension age, though – you can leave it where it is until you need it.

Are you missing any national insurance years?

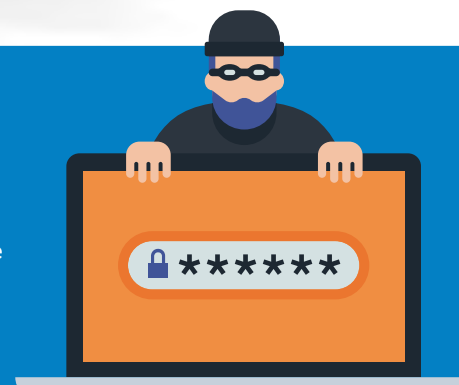
If you're aged 45 to 72, you can buy back any national insurance years you're missing from 2006 to 2016. The deadline to do this is now 5 April 2025, but if you do decide to buy back any missing years, starting now could help spread the cost.

The full new state pension is currently £203.85 a week, but how much you receive depends on how many qualifying full national insurance years you have and whether you were contracted out of the state second pension at any time.

You can find out more at moneysavingexpert.com/savings/voluntary-national-insurance-contributions

Keep your pension safe

To make sure you're keeping your pensions safe, it's important to be aware of scams and make sure you know the warning signs.



Top tips for avoiding scams:

- 1 Reject unexpected offers
- 2 Check who you're dealing with
- 3 Don't be rushed into making a decision
- 4 Get impartial information or advice

You can read more about pension scams and how to protect yourself against them on our dedicated scams information page at nestlepensions.co.uk/pension-scams

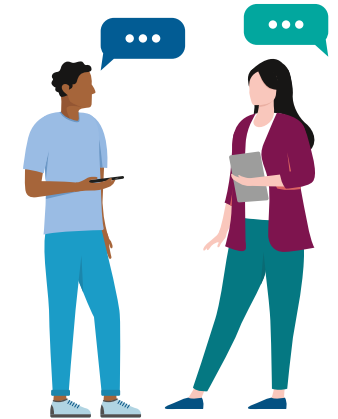
Nestlé Pensions has signed up to The Pensions Regulator's Scam Pledge

This means that the Pensions Team is putting even more measures in place to help protect our members from scammers.



Need help with your pension?

The Pensions Team wants to make sure you're getting the most from the Fund and your pension. Here's an overview of some of the help and support they offer.



Find the help you need

Earlier this year, we launched our Pension Spotlight sessions and Pension one-to-one sessions so now it's easier than ever to find the support you need.

Pension Spotlight sessions

Want to get to know your pension a little better? Or perhaps you're close to retirement and need some guidance with your retirement planning? Our Pension Spotlight sessions are here to help.

Booking your place is simple, but if you can't find a date or time that suits you, don't worry – we update them regularly so check back for a session that suits you.

To find out more, or to book your place, go to nestlepensions.co.uk/need-help/pension-spotlight-sessions

Pension one-to-one sessions

If you want an in-depth discussion about a particular topic that's more specific to you, you can book a one-to-one session with a member of the Pensions Team.

Just log into your online account and fill in our form to choose what you'd like to discuss and select a date or time that suits you.

These sessions are popular and slots can get booked quickly, but we release new ones every month.

Log in to your online account and book your one-to-one session at nestlepensions.co.uk/login

Share your thoughts with us

The Pensions Team is always looking to hear from you and would love to know what you think about the information we send you. Take two minutes to share your thoughts using our short online survey at bit.ly/nestle-activeQ4-survey



Scan me

Other help and support

Don't forget, there's also help and support available for your wider financial wellbeing.

nudge

As a Nestlé employee, you have access to a free financial wellbeing programme provided by **nudge**. Why not see how **nudge** can help you?

nudge is a secure web-based platform that helps you manage your finances and plan for the future. It combines financial education with personalised and timely nudges to help you on your financial wellbeing journey, and **nudge** won't share any of your data either – not even with Nestlé.

Not registered for **nudge** yet? Go to nestlefinancialwellbeing.co.uk and register with your Nestlé email.



Time for your Money Midlife MOT?

Your pension savings will play a big part in your future, but we know there's more to your financial wellbeing than just saving for your retirement. You can use MoneyHelper's Midlife MOT tool to help you assess your current financial situation and plan for your future. The Midlife MOT is designed for people between the ages of 45 and 65, but you can use it whenever you want.



Once you've taken your Midlife MOT, you'll get a personalised report that signposts what you could prioritise along with links to guidance on how to improve your financial wellbeing from midlife to retirement.

Take your Midlife MOT at moneyhelper.org.uk/en/everyday-money/midlife-mot

Visit MoneyHelper for help with your money

MoneyHelper is a government-backed service that offers free guidance on a number of money-related topics from pensions to financial wellbeing and help with debt. You can find information on the MoneyHelper website or get help over the phone, through a live web chat or in a WhatsApp chat.

Visit moneyhelper.org.uk to find out more.

MoneyHelper is also home to Pension Wise, which offers free impartial guidance to help people aged 50 or over understand how they can access their DC pension savings.

Visit moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

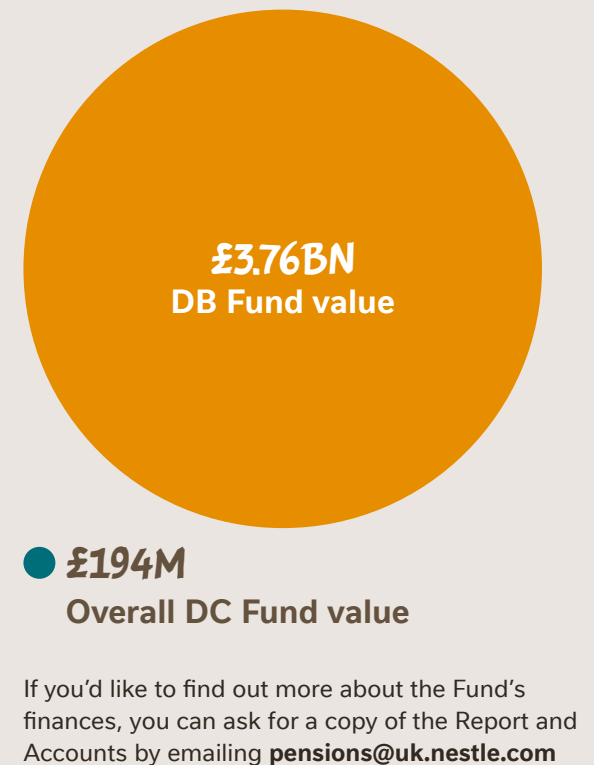
About your Fund

Here's a breakdown of who else is in the Fund. You can also see the latest DB and DC Fund values.

Who's in the Fund?



What's in the Fund?



Note: All figures are as at 30 September 2023. They do not include additional voluntary contribution investments held on behalf of members.

Other useful contacts

MoneyHelper

MoneyHelper is a government-backed service that offers free and impartial guidance on pensions, as well as other money-related issues. Find out more at moneyhelper.org.uk or call **0800 011 3797**

The Pensions Regulator

The Pensions Regulator regulates how pension arrangements like the Fund are run and can step in if trustees, employers or professional advisers have failed in their duties. For help and information, visit thepensionsregulator.gov.uk

ScamSmart

The Financial Conduct Authority's (FCA) ScamSmart website has lots of information about how to spot a scam, how to check that what you're being offered is legitimate, and what to do if you think you've been the victim of a scam. Visit fca.org.uk/scamsmart

Unbiased

If you're thinking about making any changes to your pension, it's always a good idea to take professional advice first. You can find an independent financial adviser in your area at unbiased.co.uk

For further information about the Nestlé UK Pension Fund you can:



Write to us at:
Nestlé Pensions
1 City Place
Gatwick
RH6 0PA
United Kingdom



Call us on:
020 8667 6363



Email us at:
pensions@uk.nestle.com



Visit the website at:
nestlepensions.co.uk

While we make every effort to make sure that all of the information in this document is as accurate and up to date as possible, it is a summary and we can't guarantee that there won't be any inaccuracies in it. Nestlé UK Limited and the Directors of the Nestlé UK Pension Trust Ltd (the Trustees) will not be held responsible for any loss, damage or inconvenience that may happen because of an inaccuracy, error or omission. If there are any differences between the information in this document and the Trust Deed and Rules of the Nestlé UK Pension Fund (the Fund), the Trust Deed and Rules (which are amended from time to time) will always take priority.

Any changes to the Fund's documentation and/or any laws that apply to the Fund that take place after this document was published could also affect how accurate or complete the information in it is.

This document is an overview and you shouldn't rely on it to give you a definitive description of the benefits you may get from the Fund, nor is it a comprehensive statement of the law on any issue. Nothing in this document grants you any legal entitlement to any benefits from the Fund.

By law, we can't give you financial advice, so you shouldn't rely on the information in this document when you make decisions about your benefits or your membership of the Fund. If you're thinking about making any changes, you should consider taking independent financial advice first.