TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Stewardship and Engagement Implementation Statement – 1 April 2021 to 31 March 2022 (DB Section)

Introduction

6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 (the "Regulations"). The Regulations require that the Trustee of the Getronics UK Pension Plan (the "Trustee") produces an annual statement called an Implementation Statement ("IS") which outlines the following:

- A description of any review and changes made to the Statement of Investment Principles ("SIP") over the Plan year;
- Evidence on how the Trustee has fulfilled the objectives and policies included in the SIP over the Plan year;
- Describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast) during the Plan year and state any use of third-party provider of proxy voting services.

The IS has been prepared by the Trustee and covers the Plan year 1 April 2021 to 31 March 2022. A copy of this Implementation Statement is available here: https://jobs.kpn.com/nl/nl/getronics-uk-pension-plan

Executive summary

Based on the activity carried out by the Trustee, its fiduciary manager and its investment managers over the year, the Trustee is of the opinion that its policies have been implemented effectively in practice. The Trustee notes that its fiduciary manager and most of its investment managers were able to disclose adequate evidence of voting and engagement activity.

However, some managers have not been able to provide examples of engagements carried out over the Plan year at a fund level. This includes LGIM, BlackRock and Mirova within the DC section.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on asset managers and their significant influence to generate positive outcomes for the Plan through considered voting and engagement.

The Trustee recognises that it has a responsibility as an institutional investor to encourage and promote high standards of stewardship in relation to the assets that the Plan invests in. The Trustee will therefore continue to use its influence to drive positive behaviour and change among the managers that it has employed to invest the assets of the Plan, and with other third parties that the Trustee relies on, such as its investment advisor, Aon Investments Limited ("AIL" or "Aon"). The Trustee will monitor, assess, and ultimately hold them to account to make sure that the assets of the Plan are appropriately invested.

1. Review and changes made to the SIP over the year to 31 March 2022

The Trustees have a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics.

The Statement of Investment Principles ("SIP") was reviewed and revised effective from 30 September 2020. No further changes were made to the SIP over the year to 31 March 2022.

The latest version of the SIP is available for members to view at this Website: https://jobs.kpn.com/nl/nl/getronics-uk-pension-plan

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Investment report (continued)

2. Meeting the objectives and policies outlined in the SIP

The SIP outlines several of the Trustee's key objectives and policies. The objectives and policies applicable to the year ended 31 March 2022 are noted below together with an explanation of how these objectives have been met and policies adhered to over the course of the year.

2.1 - Objectives

The Trustee's primary objective as set out in the SIP is:

"For the assets of the Plan to generate sufficient return to meet the funding objective, while minimising the risks to the extent possible."

The Trustee met this objective by assessing the ability of the Plan to provide all benefits due to members through quarterly monitoring of the funding position and asset performance. The asset performance is monitored by the Trustee on receipt of the quarterly reports from Russell Investments Limited ("the Manager"), who are appointed as the Plan's fiduciary manager, together with comment from their Investment Adviser at Trustee meetings (and in between meetings by the Trustee's request or when the consultant considers it necessary).

An example of this is the funding level update provided by the Plan's Investment Adviser during the 30 November 2021 Trustee meeting, where based on the strong performance by the Plan's assets, a de-risking recommendation was provided to the Trustee. As a result, the Plan de-risked its investment strategy on 8 December 2021 from its previous Gilts +3.2% p.a. target, to target a lower investment return of Gilts + 2.5% p.a. In addition, the Trustee are exploring further changes to their investment strategy and governance models through a formal review process of their advisers and their investment models. This process was initiated and is ongoing during the year to 31 March 2022.

In addition, at the 1 March 2022 Trustee meeting, the Trustee reflected on the current investment strategy and funding levels of the Plan. They discussed several possibilities for adapting the investment strategy to meet the Plan's funding objective, whilst minimising risks where possible, with their Investment Adviser. As part of this meeting, the Trustee's investment beliefs were also discussed, along with the Trustee noting the importance of integrating Environmental, Social and Governance views within their future investment strategy.

The Plan also had a new Trustee appointment on 01 October 2021, and training was provided to increase the new Trustee's knowledge on setting and reviewing investment strategy.

The Trustee also received additional training to increase their knowledge on setting their investment strategy throughout the year to 31 March 2022 from advisers through main board meetings and general sub-committee meetings – 18 meetings in total were held during the year.

The areas of training and discussion covered during the year included:

- Responsible Investments – including discussions around formulating the Responsible Investment policy and analysis of whether the ESG views of the asset managers managing the investment strategy aligned with the ESG views of the Trustee
- Investment matters – covering private markets, interest rates and inflation hedging triggers, and strategic asset allocation.
- Asset Liability Modelling.
- Training around governance requirements – including the training provided to the new Trustee

As a result, the Trustee is comfortable that their current investment strategy generates sufficient return whilst minimising controllable risks such as changes in interest rates and inflation.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

2.2 - Policies set out in the SIP

In addition to the primary investment objective above, the Trustee has several policies set out in the SIP. Below, the Trustee has explained how these have been met.

2.2.1 - Investment policy

"The types of investments held and the balance between them is adjusted as necessary to match the Trustee objectives."

The Trustee received advice on all the above factors when choosing investments at the implementation of the DB Section's investment strategy. As a result of funding level improvements, the Plan de-risked its investment strategy on 8 December 2021, targeting a lower investment return of Gilts + 2.5% p.a. This was done by selling a proportion of the assets allocated to the Russell Growth portfolio and temporarily holding them in cash, whilst other investment avenues more suitable to the new target return were discussed in the year to 31 March 2022.

The Trustee has also not been made aware of any changes from each underlying investment manager that would compromise the above policy. In conducting the necessary day to day management of the Plan's assets, the Manager makes the Trustee aware should anything impact the best interest of the Plan's primary investment objective.

The Trustee therefore considers that they have met this policy over the year.

2.2.2 - Choosing Investments

"The Trustee takes written advice from their professional advisers regarding an appropriate investment strategy for the Plan."

The Trustee discussed and subsequently reviewed their existing strategy numerous times during the year to 31 March 2022.

Alongside discussions with their Investment Adviser to diversify the investment strategy, the Trustee decided to invest in Private Market funds during the year to 31 March 2022. This decision was taken due to the strong returns which illiquid credit can generate as a growth asset and the diversification benefits it would provide the Plan. A c.£30m commitment was made by the Trustee to create a private markets portfolio for the Plan, with funds focussing on distressed debt and direct lending. This was done by including the following funds in the Plan's investment portfolio during Q3 2021:

- CVC Credit EU DL 2021 Feeder SCSp
- SVP Special Situations Fund V

The Trustee therefore considers that this policy has been met during the year to 31 March 2022.

2.2.3 - Responsible Investment Considerations

"The Trustee is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. This includes the risk that environmental, social and governance factors including climate change impact the value of investments held if not understood and evaluated properly"

Investment report (continued)

During the year, the Trustee delegated the monitoring of underlying investment managers to the Manager. The Trustee was updated in quarterly reports and through verbal updates by the Manager about the performance, investment strategy and ESG ratings of the underlying investment managers, amongst other relevant matters. Further to the discussions and advice from its investment advisor, the Trustee also finalised a Responsible Investment Policy, effective as of 3 November 2021, to set out the Trustee's Responsible Investment beliefs and principles. In this policy, the Trustee recognised that, as a long-term investor, they should incorporate ESG risks into their investment decision making process, as the value of investments may be negatively impacted if these risks are not understood or evaluated properly.

Moreover, the Trustee also noted within this policy that their asset managers and investment advisers should highlight appropriate opportunities to invest in strategies that have explicit responsible investment objectives while delivering in line with the Plan's objectives and will give due consideration to such proposals. The Trustee met this objective as part of their investment in private market assets during the year. The Plan invested in the CVC European Direct Lending 2021 Fund, in part due to its strong ESG credentials. CVC has shown a strong commitment to improving ESG standards including the levels of Diversity and Inclusion (D&I) at the companies it lends to. This Direct Lending strategy incorporates specific ESG and D&I key performance indicators into all loan documentation. This encourages in depth due diligence on ESG risk factors that can impact the business, but also encourages the borrower to make a positive change in these factors.

The Trustee also discussed Responsible Investment and how to integrate ESG views at the Trustee meeting held on 01 March 2022, as part of a larger discussion around revising the Plan's investment strategy. The Trustee noted that ESG credentials would be a key factor when choosing the Plan's revised investment strategy. The Trustee is comfortable that they have met this policy.

3. Voting and engagement activity undertaken over the year

The DB and DC sections of the Plan invest in pooled funds across a range of asset classes, and the Trustee has delegated responsibility for the selection, retention and realisation of investments to the Plan's fiduciary managers and the investment managers in whose funds they invest. As part of the production of this statement, the Trustee – supported by its investment advisers – has reviewed the voting and engagement activities carried out on its behalf by the Plan's investment managers.

The remainder of this section summarises information received from most of the Plan's relevant investment managers about their approach to voting, including the use of any proxy voting services provided (relevant for equity and multi-asset managers only), and their approach to engaging with underlying security issuers.

The Trustee acknowledges that the concept of stewardship is less relevant to liability driven investments ("LDI"), gilt investments, and cash. As such, these investments have not been covered in this statement.

Investment Manager

The Trustee invests the majority of the assets within the DB Section of the Plan with Russell Investments Limited ("Russell"), which appoints underlying investment managers to achieve the objectives of the Plan. Under the investment management arrangement in place, the Trustee has delegated proxy voting and engagement decisions for the majority of the assets within the DB section of the Plan to Russell.

Voting and Engagement activity – Equity and multi-asset funds

Over the year, the material equity and multi-asset investment held by the Plan within the DB Section was the Russell Multi-Asset Growth Strategy ("MAGS").

Investment report (continued)

Investment managers have provided examples of significant votes they have participated in over the period. Each manager has its own criteria for determining whether a vote is significant. Examples of what might be considered a significant vote are:

- a vote where a significant proportion of the votes (e.g., more than 15%) went against the management's proposal
- a vote where the investment manager voted against a management recommendation or against the recommendation of a third-party provider of proxy voting
- a vote that is connected to a wider engagement initiative with the company involved
- a vote that demonstrates clear and considered rationale.
- a vote that the client considers inappropriate or based on inappropriate rationale
- a vote that has significant relevance to members of the Plan.

The Trustee's definition of a significant vote is broadly consistent with the manager's definitions. So, the examples given in the below are aligned with the Trustee's definition of a significant vote.

Russell - MAGS

Over the period from 1 April 2021 to 31 March 2022, the Plan invested in Russell's Multi-Asset Growth Strategy, which is a multi-asset fund.

Russell integrates its assessment of underlying managers' ESG scores within its overall rating of each underlying fund making up MAGS. An underlying fund's ESG rating does not 'make or break' the overall assessment of an underlying fund.

Voting Policy Summary

Russell has documented its Proxy Voting Policies and Procedures and maintains and develops custom Proxy Voting Guidelines. The Proxy Voting Committee and Proxy Voting Guideline Subcommittee meet regularly to ensure that the Proxy Voting Guidelines are aligned with current best practices regarding voting on ESG issues. An external service provider, Glass Lewis, serves as Russell's proxy administrator and is responsible for applying its custom Guidelines when executing proxy votes. In cases where the Guidelines specify case-by-case review by committee, or for any proposal not specifically addressed in the guidelines, Russell's internal Proxy Analysts will review available information (including certain research provided by Glass Lewis) and provide a recommendation to the Proxy Voting committee. The committee will then vote on the proposal(s) in question and communicate our decision to Glass Lewis to execute.

The voting activity undertaken by Russell in relation to MAGS over the year to 31 March 2022 is shown in Appendix I.

Voting Example: Amazon

In May 2021, Russell voted against management to support a shareholder proposal regarding a racial equity audit for Amazon.com Inc, a multinational technology company. Russell supported this proposal based on the belief that conducting a racial equity audit would mitigate the risk of high-profile controversies like to the ones that prompted similar audits at other companies. These controversies often result in customer and employee attrition and reputational and regulatory risks.

As an outcome, the proposal failed narrowly with over 40% support.

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Investment report (continued)

Engagement Policy Summary

Russell has identified six key engagement themes and collects data from Sustainalytics which supports discussions arising from associated engagements. Russell recognises that whilst not all investments have voting rights attached to them, it is still possible to effect positive change by engaging with the underlying issuers of equity and debt.

Further detail on Russell's voting and engagement policies and frameworks are detailed here: https://russellinvestments.com/uk/about-us/responsible-investing

Engagement Example: Canadian Rail Transport

As part of a collaborative engagement with Sustain alytics, Russell engaged with a Canadian Rail Transport company on its human capital management practices and how it is adapting to the future of work – including diversity and technology adaptation.

The engagement has been ongoing since January 2021 with two engagement calls having been held with company insiders. In June 2021, Russell discussed governance of human capital, strategic workforce planning, impact on employees of changes in the workplaces, and employee engagement. An interesting highlight was that the Chief of Human Resources ("HR") now sits at the Executive Management level, to ensure the integration of human capital into strategic decisions and processes. As the company redefines its operating model, it is considering the impact of new technologies on the workforce and the skills needed in the future.

In October 2021, Russell discussed how diversity also represents a core aspect of the company's human capital strategy, particularly concerning women and Indigenous groups. For example, it has established the Indigenous Advisory Council to support and educate the company on challenges and opportunities to attract and retain Indigenous talent. The company has also established a gender target of at least 30% women at the Executive Management level. To strengthen its diversity, equity and inclusion ("DEI") efforts, the company has carried out a voluntary self-identification survey to collect diversity data from its employees. The response rate would be an indicator on how employees feel about the topic. The data will help the company establish a baseline to set ambitious diversity targets moving forward. Overall, the company wants to reflect the diversity of the communities where it operates.

Russell has stated that this engagement will be ongoing until 2023, at which point Sustainalytics will assess the company's progress and outcomes from the overall engagement. Russell expects to continue to engage with the company throughout the timeframe.

Engagement activity – Alternative funds

The DB Section of the Plan was invested in the following alternative strategies over the year to 31 March 2022:

Investment Manager	Fund
CVC Credit Partners ("CVC")	European Direct Lending ("EU DL") Fund
SVP Global	Strategic Value Special Situations Fund

The Trustee acknowledges that the ability of alternative managers to engage with and influence investee companies may be less than that of equity managers. However, the Trustee is encouraged to see that its managers are aware and active in their role as stewards of capital.

The following section demonstrates some of the engagement activity being carried out by the Plan's alternative asset managers over the Plan year.

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YEAR ENDED 31 MARCH 2022

Investment report (continued)

CVC – EU DL Fund

Engagement Policy Summary

CVC's investment objective is to serve its clients' interests by maximising total investment returns while managing portfolio risk. CVC believes that integrating ESG considerations into the investment process is aligned with its investment objective.

CVC recognises that clients and their underlying investors may have very specific ESG mandates. As such, CVC works with its clients to agree portfolio guidelines reflecting their specific ESG investment needs. CVC is a signatory to the Principles for Responsible Investment ("PRI" or "UN PRI") , an investor-led initiative supported by the United Nations.

Over 2021, CVC partnered with Aon to launch the vehicle invested in by the Plan exclusively for Aon clients, that invests in line with the manager's European Direct Lending strategy. Unique to this strategy is that 100% of loans invested will have specific Key Performance Indicators ("KPI"s) in documentation that encourage portfolio companies to enact positive change from an ESG or D&I perspective.

SVP Global – Strategic Value Special Situations Fund

Engagement Policy Summary

SVP Global began incorporating ESG observations for prospective investments in 2012 and has increased its level of ESG engagement meaningfully since then in its investment process, especially in its control investments. SVP Global is a signatory of the UN PRI. The manager believes that incorporating ESG standards across its investments, as well as SVP Global's business practices is aligned with its culture, investment value creation approach and the following core beliefs:

- ESG risks are financial risks.
- ESG factors can positively impact financial value creation, as well as limit downside outcomes; and
- The manager recognises that its firm and its portfolio investments can play a constructive role to mitigate environmental and social challenges.

SVP Global follows a five-step approach to incorporate ESG in its investment process:

- Initial ESG Screen;
- ESG Due Diligence;
- 3Control Investments: Value Creation Plan (VCP);
- Control Investments: ESG Engagement and Key Initiatives; and
- ESG Assessment and Reporting.

ESG policies and progress on incorporating ESG factors in its investment process receive the highest level of attention internally. SVPGlobal's ESG Steering Committee reports to the Chief Investment Officer ("CIO") and comprises senior investment and business leaders. Its entire investment team is engaged in reviewing ESG factors for all its investments and has designated Champions within the team to lead the internal effort. The manager has also invested significant resources in establishing a robust suite of policies and procedures to address securities law compliance and other key operational matters, valuation, and governance.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Stewardship and Engagement Implementation Statement – 1 April 2021 to 31 March 2022 (DC Section

1 - Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations ("the Regulations"). The Regulations amongst other things require the Trustee to outline how it has ensured that the policies and objectives set out in its Statement of Investment Principles (SIP) have been adhered to over the course of the year. This is the third implementation statement the Trustee has prepared and covers the SIP for the Defined Contribution (DC) Section for the year to 31 March 2022. A separate implementation statement has been produced for the SIP covering the Defined Benefits Section.
Under the DC Section a single default strategy is offered. This is the Aon Managed Retirement Pathway Funds. Throughout this statement, where reference is made to the default strategy this is the fund referenced.

2 - Changes to the SIP over the year to 31 March 2022

The Trustee has a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics.

No changes were made to the SIP over the Plan year to 31 March 2022.The latest SIP for the DC section is dated 3 November 2020 and a copy can be found at: https://jobs.kpn.com/nl/nl/getronics-uk-pension-plan

3 - How the Trustee has met the objectives & policies outlined in the SIP
The SIP outlines several of the Trustee's key objectives and policies. The objectives and policies applicable to the year ended 31 March 2022 are noted below together with an explanation of how these objectives have been met and policies adhered to over the course of the year.

3.1 - Objectives

The Trustee's primary objectives for the investment strategy as set out in the SIP are as follows:

1. ***To maximise the value of members' assets at retirement***
2. ***To maintain the purchasing power of members' savings in real (i.e. post-inflation) terms; and***
3. ***To provide protection for accumulated assets in the years approaching retirement against:***

    - **Volatility in the capital value**
    - **Fluctuations in the cost of securing an income and / or cash in retirement**

The investment strategy of the default strategy is managed by the Trustee's fiduciary manager, Aon Investments Limited (AIL). To meet these objectives, the Trustee's default strategy invests members' assets in higher risk, growth assets up to 15 years before a member's retirement to help maximise the value of assets at retirement. The strategy then gradually moves into inflation linked assets and lower risk assets to help reduce volatility and protect against fluctuations on the cost of securing an income in retirement.

The Trustee has received and reviewed quarterly monitoring reports from AIL which show both short and long-term fund performance of the default strategy. In addition, AIL will attend Trustee meetings to provide a presentation on the investment performances and explain any changes made to the underlying investments of the default strategy. AIL presented to the Investment Sub Committee Meeting on 6 September 2021 and 8 March 2022 and the notes and presentation were subsequently shared with the wider Trustee Board.

These reviews did not raise concern over the adequacy of the investment strategy to meet the Trustee's objectives stated above. As such the Trustee is comfortable that these objectives have been met over the year.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

3.2 - Policies set out in the SIP

In addition to the above investment objectives, the Trustee has several policies set out in the SIP. Below, the Trustee has explained how these have been met.

3.2.1 - Investment policy

- ***The Trustee will regularly review the appropriateness of the Default Option, taking into account any significant changes in the demographic profile of the relevant members, and may make changes to it from time to time. Members will be advised accordingly of any changes.***

The Trustee carried out an extensive review of the default strategy during 2019 which was concluded on 26 November 2019. The review included detailed analysis of the profile of the members, which has not changed substantially since this review. This review resulted in the launch of the new default strategy which all DC members' funds were moved to on 23 October 2020. The implementation of the new default strategy was delayed due to the impact of market volatility resulting from COVID-19. All DC members received detailed communication from the Trustee in June 2020 and again in August 2020 regarding the changes being made to provide them ample opportunity to consider the changes and take advice if they felt that this was necessary.
The next three-yearly review is in progress and as part of this review the membership profile will be taken into consideration. Members will be advised if the review leads to any changes.

Therefore, the Trustee is comfortable that this policy has been met over the year.

- **The Trustee has regard to the suitability of the investment fund through periodic strategy and performance review.**

The Trustee has not conducted a strategy review in the Plan year as the last review was only completed in 2019 and there have been no significant changes in the membership since this review to warrant another review. However, the next three yearly review is currently in progress.

The Trustee remains comfortable that this policy has been met via the quarterly reporting received from the fiduciary manager as described above.

3.2.2 - Choosing Investments

- ***The Trustee takes professional advice when formally reviewing managers or funds offered to members.***
-

At the last review in November 2019 the Trustee took professional advice from Aon UK Limited, regarding an appropriate investment strategy for DC members, taking into account the profile of the DC members and the benefits that are payable under the Plan Rules. The Trustee has instructed Aon UK Limited to undertake the three yearly review and this is currently in progress.

The Trustee carries out the quarterly performance review in conjunction with its investment adviser, who would raise any concerns around the performance of the investment strategy. There have been no concerns raised in the Plan year ending 31 March 2022.

Therefore, the Trustee can demonstrate that this policy has been met.

Investment report (continued)

3.2.3 - Investment Risk Measurement and Management

The Trustee has identified a number of risks as set out below:

Risk	Action taken by Trustee
The risk that the investment return achieved on the contributions invested over members' working lives does not provide a fund sufficient to secure an adequate pension.	To mitigate this risk the underlying investment strategy aims to give a greater potential for growth over the longer term when members are still a number of years from retirement.
The risk that relative market movements in the years just prior to retirement lead to a substantial reduction in the retirement outcomes compared with the members' expectations.	Members' funds will automatically be switched into lower risk investments as they approach retirement, with the aim of reducing volatility. The use of a long-term target enables AIL to accelerate the de-risking if performance in earlier years has exceeded the long-term target.
The risk that the chosen investment manager underperforms the benchmark against which the manager is assessed.	The risk of manager underperformance is mitigated by the delegated nature of fund manager selection. AIL monitor the underlying managers and have access to 'best of breed' managers for each asset class. This is supplemented by the use of funds that have been 'Buy' rated by Aon's extensive Research Team. The fiduciary management approach means that in the event of underperformance of an investment manager, changes to the investment manager can be made efficiently.
The risk that the absolute return on investments, and hence the value of the retirement income, may be diminished by inflation.	To help mitigate this risk, the default strategy includes growth assets throughout (in in the approach to retirement albeit to a lesser extent) which aim to provide real growth (in excess of inflation) over the long term.
The risk of fraud, poor advice or acts of negligence.	The Trustee has sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced. The Trustee has captured and evaluated the relevant areas of operational risk and the mitigating controls in place in the Trustee's risk register.

Additionally: ***The Trustee recognises that members take the investment risk (in terms of accruing funds in excess of that needed to fund the Guaranteed Minimum Pension) and the Trustee manages this risk through the selection and monitoring of the continued appropriateness of the Default Option for the membership.***

The Trustee has described above the quarterly monitoring of the default strategy that has been adopted and as such is comfortable that this policy has been met during the year.

TRUSTEE'S REPORT
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Investment report (continued)

3.2.4 - The Balance Between Different Kinds of Investments

- ***The Trustee recognises that the key source of financial risk (in relation to meeting its objectives) normally arises from the choice of assets that members' funds are invested in.***

The Trustee is comfortable that the default strategy retains an appropriate level of diversification throughout the various stages of investment to manage this risk and to enable the default strategy to meet its long-term target.

3.2.5 - Expected Returns on Assets

- ***Returns achieved by the investment managers are assessed against performance benchmarks set by the Trustee in consultation with their advisers and AIL.***

As described earlier, the Trustee receives quarterly monitoring reports from the fiduciary manager which provides information regarding the performance of the DC funds. The Trustee considered the performance of the funds with its investment advisers. In addition, AIL attend Investment Sub-Committee meetings to discuss the performance of the funds against the fund objectives and long-term targets.

3.2.6 - Realisation of Investments/Liquidity

- ***The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise.***

All funds used can be bought and sold on a daily basis and hence the Trustee is satisfied that it has met this policy over the year.

3.2.7 - Responsible Investment Considerations

- ***In setting the Plan's investment strategy, the primary concern of the Trustee is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. This includes the risk that environmental, social and governance (ESG) factors including climate change impact the value of investments held if not understood and evaluated properly. The Trustee considers this risk by taking advice from its investment adviser when setting the Plan's asset allocation, when selecting the delegated manager and when monitoring the manager's performance.***

ESG is a significant factor in the management of the investment strategy and AIL continue to make changes to the investment strategy to incorporate ESG further. Over the Plan year, the following changes were made by AIL to the growth element of the default strategy:

- The BlackRock MSCI World Index fund was replaced by the UBS Global Equity Climate Transition Fund (a new global equity strategy with a strong focus on ESG issues). This UBS fund forms a c.20% allocation of the growth element of the default strategy.
- A 10% allocation was made to the Aon Managed Global Impact Fund under the growth element of the default strategy. The Aon Managed Global Impact Fund invests in the shares of companies working towards providing prosperity for economies, society and the planet.

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Investment report (continued)

Taking into account the existing allocation to the LGIM Multi Factor Equity Fund (which has the inclusion of a low carbon approach designed to reduce carbon emissions) of c.50% of the growth element, a total of c.80% of the growth element of the default strategy is invested in underlying investment funds with a specific ESG and low carbon focus.

Therefore, the Trustee is comfortable that it has met this policy over the year.

The Trustee is taking the following steps to monitor and assess ESG related risks and opportunities:

- **The Trustee will have periodic training on Responsible Investment to understand how ESG factors, *including climate change, could impact the Plan's assets and liabilities.***

On 16 June 2021, the Trustee who attended the Investment Sub-Committee meeting received training on responsible investment including the different approaches that the Trustee can take with this regard.

- As part of the ongoing monitoring of the Plan's investments, the Trustee will use ESG ratings information on the underlying investment managers provided by the Plan's Manager, where relevant and available, to monitor the level of integration of ESG on a regular basis.

The quarterly investment reports produced by the fiduciary manager includes an ESG rating for every underlying fund used in the default strategy so that the Trustee can monitor the level of ESG integration on a regular basis. The ESG rating can be either limited, integrated or advanced. Of the five underlying funds of the growth element of the default strategy, three have the highest rating of advanced, meaning that management team demonstrates awareness of potential ESG risks in the investment strategy and can demonstrate advanced processes to identify evaluate and potentially mitigate these risks across the entire portfolio. The other two funds are passive funds are currently rated integrated, as the passive nature means that the ability to add an ESG tilt is severely limited through stock selection, so it is reliant on the investment managers using tools such as voting rights to influence corporate behaviour.

- ***The Trustee will include ESG-related risks, including climate change, on the Plan's risk register as part of ongoing risk assessment and monitoring.***

This forms part of the Trustee's risk register.

Therefore, the Trustee is comfortable that it has met this policy over the year.

3.2.8 - Arrangements with investment managers

- The Trustee seeks to ensure that the fiduciary manager is incentivised to operate in a manner that generates the best long-term results for the Plan and its beneficiaries.

It does this by ensuring that:

  - ***The Trustee receives regular reports from the fiduciary manager on various items including the investment strategy, performance, and longer-term positioning of the portfolio.***

This requirement has been met during the year through the quarterly reporting and two presentations by the fiduciary manager.

  - ***The Trustee also receives annual stewardship reports on the monitoring and engagement activities carried out by its fiduciary manager***

Investment report (continued)

This has been provided to the Trustee and highlights are detailed later in this statement.

- ***The Trustee shares the policies, as set out in this Statement, with the Plan's fiduciary manager and requests that they review and confirm whether their approach is in alignment with the Trustee's policies.***

The policies have been shared with the fiduciary manager and the manager is meeting the requirements set by the Trustee.

Therefore, the Trustee is happy that this policy has been met over the year.

3.2.9 - Costs and Performance

- ***The Trustee receives annual cost transparency reports from the Manager. The Trustee sets out these costs and charges in the Plan's annual Chair's Statement which is made available to members in a publicly accessible location.***

As per the Trustee's policy costs and charges information has been provided by AIL on an annual basis and these are detailed in the Chair's Statement. The Trustee's investment adviser has reviewed the member borne costs and, whilst the Trustee has not set specific ranges for acceptable costs and charges, both parties are satisfied that cost and charges for the period were reasonable.

- ***The Trustee assesses the (net of all costs) performance of the Manager over rolling three and five-year periods by comparing performance against benchmark and the stated investment objective.***

As part of the quarterly investment monitoring net performance over one quarter, one-year, three years and five-years is provided and reviewed by the Trustee. These are reviewed against the benchmark and for the three and five year periods, also against the Long-Term Return Objective for the funds.

3.2.10 - Members' Views and Non-Financial Factors

- ***In setting and implementing the Plan's DC investment strategy, the Trustee does not explicitly take into account the views of Plan members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").***
- ***The underlying funds that make up the default fund should not apply personal ethical or moral judgements as the sole basis for an investment decision.***

The Trustee has complied with this policy.

3.2.11 - Effective Decision Making

- ***The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice received.'***

The Trustee board is made up of 6 Trustee Directors with varying skill sets. The Trustee Directors have varying backgrounds including investment and administration expertise.

Investment report (continued)

The Trustee has a training policy in place to ensure that the Trustee Directors have the required level of knowledge and understanding to be able to make investment decisions. With the exception of the Trustee Director appointed in the Plan year, the other five Trustee Directors have completed the Pension Regulator's Trustee toolkit (an online training and assessment programme designed by the Pension Regulator for trustees of pension schemes). Details of the training and activities carried out during the year, in relation to the principles relating to investment and funding of DC schemes, can be found in the annual Chair's Statement. A copy of the Chair's Statement can be found at https://jobs.kpn.com/nl/nl/getronics-uk-pension-plan

The Trustee is comfortable that this policy has been met over the year.

4 - Stewardship – Engagement and the Exercise of the Rights Attaching to Investments

This section sets out how the Plan's fiduciary manager has engaged with the underling investment managers and also how these investment managers have exercised the Plans' shareholder rights (including voting rights) during the year. The SIP states ' ***The Trustee reviews the Manager's stewardship activity on an annual basis to ensure the Plan's stewardship policy is being appropriately implemented in practice, covering both engagement and voting actions.'***

As part of the production of this statement, the Trustee, supported by its investment advisers, Aon UK Limited, has reviewed the engagement activities carried out on their behalf by AIL and the underlying investment managers as well as the voting activity undertaken by the underlying managers. Where the stewardship of managers is found to fall short of the Trustee's standards around exercising votes and engagement to create long-term financial value, the Trustee may take further action. This could include requesting that Aon engage on its behalf.

The underlying investment managers have provided examples of significant votes. Significant votes are determined by the individual manager but as an example, could be a situation where a significant proportion of the votes (e.g. more than 15%) went against the management's proposal or where the investment manager voted against a management recommendation. It can also be votes where it is connected to a wider engagement initiative with the company involved or demonstrates a clear and considered rationale. This list is not exhaustive. Importantly, the Trustee's definition of a significant vote is broadly consistent with the managers' definitions, therefore, the examples given in below are aligned with the Trustee's view of a significant vote.

The Trustee acknowledges that the concept of stewardship may be less applicable with respect to its fixed income and property investments, particularly for short-term money market instruments and gilt investments. As such, these investments have not been covered in this statement.

Having reviewed the commentary provided by AIL and the underlying investment managers, the Trustee believes the stewardship carried out on its behalf over the year has been adequate and demonstrates the investment managers' ability to take proactive votes against management where appropriate.
Below is a summary of the Trustee's review.

AIL, as the appointed delegated investment manager for the Plan, appoints underlying asset managers to achieve the objective of the default strategy. The Trustee delegates the monitoring of ESG integration and stewardship quality to AIL.

In reflection of the growing recognition of financial materiality of ESG issues, during the Plan year, AIL enhanced its ESG rating process. It also made changes to the ESG ratings both in relation to the assessment criteria and rating levels. As explained previously, the new ESG ratings have moved to a three-tier ESG rating system. AIL has confirmed that all equity and fixed income managers have been rated Integrated or better on ESG criteria. This means that all the appointed investment managers have taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolio.

AIL has undertaken a considerable amount of engagement activity over the period, examples of which have been outlined within this statement. AIL held a number ESG focussed meetings with the underlying managers across all its strategies, at which AIL discussed ESG integration, voting and engagement activities undertaken by the investment managers. AIL use this research to form an opinion on each manager's strengths and potential areas for improvement. Feedback is provided to each manager by AIL following these meetings to help improve the standard of ESG integration across its portfolios. AIL continues to execute its ESG integration approach and engage with managers proactively.

In Q3, 2021, AIL was confirmed as a signatory to the 2020 UK Stewardship Code. The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Engagement Example:

Over the last two years, AIL's Engagement Programme maintained a dialogue with one of its leading global investment managers on behalf of many of Aon's schemes which invest with the manager, including the Scheme, through the default strategy. Discussions focused on areas of concern regarding stewardship, in particular the manager's ability to demonstrate commitment to publicly stated climate change goals, reporting and transparency. This included meetings with their Global Head of Stewardship and newly appointed Head of ESG.

The manager has clearly made big strides over the last 12 months, even though sometimes the rhetoric has outpaced its ability to deliver. Discussions were helpful regarding the following areas:

- Following AIL's review of significant votes cast by the manager during the year, AIL was encouraged to see more evidence that the manager is prepared to challenge companies on climate transparency. Particularly in light of the manager's public pledges and rhetoric on the importance of sustainability issues. However, while encouraging, AIL noted that the manager's voting actions were more measured compared with others and could go further, in line with the manager's stated principles. That said, AIL has yet to see the real impact of the revised stewardship and voting principles which the manager brought into force for 2021, along with the appointment of the new Head of ESG. AIL will be monitoring the manager's voting activity over the 2022 proxy season.

- AIL was encouraged by the manager's initiative to give pooled fund investors the ability to vote individually, rather than needing to accept the manager's standard voting policy, noting that this is an option not widely available. AIL noted the reality is that pooled clients will only have the option to choose from a short list of alternative voting policies. Furthermore, AIL noted that this facility is not currently available to DC investors due to operational restrictions and will engage with the manager and platform provider to monitor developments and push for these to be resolved.

- AIL was pleased that the manager has made improvements to the reporting available on the website and the amount of reporting at the firm level, following feedback. That said, AIL was disappointed that this has not yet translated into product level reporting. AIL has also expressed concerns that the manager is still not in a position to offer meaningful and decision useful engagement reporting, despite repeated engagements on this topic. In particular, AIL has found the manager hesitant to divulge detail around their activities, for example they will not provide voting rationales on all significant votes, and continues to push for improvements in this area.

AIL welcome the progress made by the manager around voting and challenge on climate / sustainability issues and reporting improvements. However, AIL remains of the view that greater progress could be made given the manager's scale and potential influence. AIL will continue to monitor and engage with the manager, scrutinising their voting and engagement actions. As part of these discussions AIL will take these concerns forward in stronger terms and ask the manager to be clearer as to their intentions in these areas.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Voting and Engagement - Equity Funds

Over the year, the Fund was invested in several funds which held equity exposure. AIL appoints a number of underlying investment managers within each fund. The following section describes the voting behaviour, including examples of significant votes and engagement activity for the funds that were in place for the majority of the reporting year.

All equity managers utilise third party proxy voting service providers (typically ISS and Glass Lewis) for various services such as providing vote recommendations or research.

The Aon Managed Retirement Pathway Funds (the default strategy) invested in five underlying passive equity funds over the period.

The voting activity undertaken over the year for each underlying fund to 31 March 2022 is shown below:

Voting information

Underlying fund	% proposals voted	% votes cast against management	% votes abstained
BlackRock MSCI World Index Funds	99.0%	8.0%	0.0%
BlackRock Emerging Market Index Fund	100.0%	10.0%	3.0%
BlackRock Currency Hedged MSCI World Index Fund*	99.0%	8.0%	0.0%
LGIM Global Developed Four Factor Scientific Beta Currency Hedged Index Fund*	99.7%	19.2%	0.2%
LGIM Global Developed Four Factor Scientific Beta Index Fund	99.7%	19.2%	0.2%

*Source: Aon Investments Limited, BlackRock, LGIM.

* The BlackRock Currency Hedged MSCI World Index Fund was replaced with the LGIM Global Developed Four Factor Scientific Beta Currency Hedged Index Fund in April 2021.

Voting example: Johnson & Johnson (April 2021)

In April 2021, LGIM voted against a resolution to elect Alex Gorsky as the Director of Johnson & Johnson. LGIM has a longstanding policy advocating for the separation of the roles of Chief Executive Officer ("CEO") and board chair. In their view these two roles are substantially different, requiring distinct skills and experiences.

Since 2015, LGIM has supported shareholder proposals seeking the appointment of independent board chairs and, since 2020, LGIM has been voting against all combined board chair / CEO roles. Furthermore, LGIM has published a guide for boards on the separation of the roles of chair and CEO (available on its website) and reinforced its position on leadership structures across all stewardship activities.

The outcome of the resolution was that 93.4% of shareholders voted in favour of the resolution. LGIM considers this vote to be significant, as it is an application of an escalation of its voting policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Engagement example: Anti-microbial resistance

Over the year, LGIM has engaged with several companies on the topic of anti-microbial resistance ("AMR"). LGIM believes the overuse of many antimicrobials in human activities are often linked to the uncontrolled release of antimicrobial agents which can last for a prolonged period of time. Existing water sanitation and management systems have not been designed to address AMR concerns.

LGIM reached out to 20 water utility companies through an open letter to understand if these investee companies are aware of this issue and if they have plans to introduce effective monitoring systems to detect agents such as antibiotic-resistant bacteria and genes. In addition, LGIM has hosted meetings with several of these companies. These meetings highlighted that awareness of AMR is low in most countries; LGIM believe this is due to the lack of regulatory requirements and / or little perception of the potential business risks to the individual company.

Following continued engagements, LGIM found several investee companies are considering AMR. In particular, one utility company is seeking to understand what happens to emerging contaminants in the wastewater treatment process and has implemented a programme that will analyse the results to try to understand what improvements in their systems would be required to address it.

Through these engagements, LGIM also stresses it is important to promote a more enhanced and standardised approach to AMR through influencing the regulatory landscape. It is working with its peers within the Investor Action on AMR initiative.

Aon Managed Global Impact Fund

The Aon Managed Global Impact Fund was added to the default strategy from January 2021.
The voting activity undertaken over the year for each underlying fund to 31 March 2022 is shown below:

Voting information

Underlying fund	% proposals voted	% votes cast against management	% votes abstained
Mirova Global Sustainability Equity Fund	100.0%	44.4%	0.0%
Nordea Global Climate and Environment Fund	98.3%	14.0%	0.0%
Baillie Gifford Positive Change	93.7%	2.6%	0.3%

- Source: Aon Investments Limited, Baillie Gifford, Nordea & Mirova

Voting example: Republic Services Inc.
In May 2021, Nordea voted against the management of Republic Services, Inc. Nordea achieved this by voting for the shareholder resolution for the company to report on integrating ESG metrics into executive compensation. Nordea is strongly in favour of including ESG metrics in executive compensation. Republic Services, Inc has experienced several ESG-related controversies and several peers have started integrating ESG-metrics into executive performance evaluation.

The resolution did not pass but Nordea will continue to vote for such proposals at Republic Services, Inc as well as at other relevant companies. Nordea considers this vote to be significant based on the portfolio weight to the company at the time of voting and on the alignment with Nordea's Corporate Governance Principles.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Voting example: eBay Inc.

In June 2021 Mirova voted against the management of Ebay, a multinational e-commerce company, on a shareholder proposal to improve the executive compensation program to include the Chief Executive Officer ("CEO") pay ratio factor. The CEO pay ratio is calculated by dividing the CEO's compensation by the pay of the median employee. Mirova voted this way because fair distribution of value is a key part of Mirova's investment philosophy. Incorporating the pay disparity between the CEO and company employees would allow pay to be more equitable throughout the organisation.

The vote failed, but Mirova used this as an opportunity to discuss this topic with the company.

Engagement example: Alphabet

- Despite Mirova's continued engagement with Alphabet over the last few years, Alphabet's track record has significantly deteriorated with controversies arising such as:
- Freedom of expression and access to unbiased information in relation to pressure from controversial governments;
- Discrimination against users and employees based on ethnicity and gender;
- HR malpractices; and
- Repeated fines and multiple on-going investigations by regulators on breach of data privacy laws.

Mirova have attempted to engage with Alphabet over the years through different means including collaborative engagements with PRI investors and Share Action, however Alphabet has not responded to any of these requests.

In 2021, Mirova decided to co-file a resolution at Alphabet's AGM, requiring the Board of Directors to oversee a third-party review analysing the effectiveness of its whistle-blower policies in protecting human rights. This request was made in light of repeated allegations by former employees of mishandled complaints and abusive termination of whistle-blowers. Despite the effective control of the capital by its founders and executives, as well as the negative voting recommendation issued by proxy provider ISS, 10% of votes were favourable.

Several of these controversies remain unresolved and more are arising on the same topics, which indicates a lack of proactivity from the company. As a result, Mirova downgraded their view on Alphabet to 'risk'.

Engagement example: Nibe Group

In September 2021, Baillie Gifford engaged with the Chief Financial Officer ("CFO") of Nibe, a manufacturing company specialising in sustainable energy systems like heat pumps. The aim of the engagement was for Baillie Gifford to understand more about Nibe's ESG impact reporting practices and to encourage improved disclosure of the carbon emissions avoided from the use of the company's products.

Nibe confirmed that its emissions calculations were still in progress, made more complicated by the decentralised systems used in its products. Nibe also explained that it is not ready to set science-based targets but is actively considering them. Baillie Gifford also discussed the proactive role Nibe is playing in the promotion of heat pumps as a climate solution. Baillie Gifford will continue to monitor the company's progress and engage accordingly

Engagement example: Cleanaway
In 2021, Nordea engaged with a waste management company, Cleanaway. Nordea spoke with both the new CEO within the first four weeks of his entering the role, and with the chair. Regarding the new CEO, Nordea continued to have in depth conversations in Q1 2022 to assist with the setting of his environmental agenda. This should, in Nordea's view, include the adoption of Science Based Targets as well as a thorough analysis of the current sustainability profile of the company. The conversation with the chair centred around the handling of the aftermath of Vik Bansal's departure as well as Cleanaway's broader environmental and diversity strategy.

Investment report (continued)

This engagement aligns with the environmental objectives of Nordea's Global Climate and Environment Strategy and is highly relevant with regards to several of the Sustainable Development Goals ('SDGs'), including SDG 5 "Gender Equality".

Regarding Cleanaway's environmental and diversity goals, Nordea believe the chair is supportive but seems to have given the CEO a broad remit regarding the specifics. Nordea will therefore meet with the new CEO shortly to make specific suggestions, the main being the adoption of Science Based Targets and the Task Force on Climate-Related Financial Disclosure ("TCFD") reporting, as well as an analysis of the company's operations using the FutureFit framework. Nordea will also continue pushing the chair to adopt longer term environmental and diversity goals in order to be able to provide quality oversight and guidance. Nordea will continue to monitor the situation and facilitate further engagement if necessary.

Voting and engagement - Property and Infrastructure

Over the year, the Plan was invested in several funds which held exposure to property and infrastructure assets via the default strategy. AIL appoints a number of underlying asset managers to provide this exposure. The following section describes the voting behaviour, including examples of significant votes and engagement activity for the strategies that were in place for the majority of the reporting year.

The Aon Managed Retirement Pathway Funds invested in three underlying property / infrastructure funds over the period:

- The BlackRock Global Property Securities Index Fund invests in listed property investments;
- The Legal & General Infrastructure Index Fund invests in listed infrastructure; and
- The Threadneedle Pensions Property Fund invests directly in UK commercial property.

Both BlackRock and LGIM utilise third party proxy voting service providers (typically Institutional Shareholder Services ("ISS") and Glass Lewis) for various services such as providing vote recommendations or research in relation to the listed investments held.

The voting activity undertaken by BlackRock and LGIM in relation to the listed investments over the year to 31 March 2022 is shown below:

Voting information

Underlying fund	% proposals voted	% votes against management	% votes cast abstained
BlackRock Global Property Securities Index Fund	99.0%	5.0%	0.0%
LGIM Infrastructure Index Fund	100.0%	19.3%	0.1%

Source: Aon Investments Limited, BlackRock, LGIM.

Direct property investments

The Trustee appreciates that engagement activities within the direct property fund may be limited in comparison to other asset classes, such as equity and fixed income. Nonetheless, the Trustee expects ESG engagement to be integrated in its managers' investment approaches. The direct property manager (Threadneedle) is a signatory of the UN PRI and has adopted ESG policies across its investments. Threadneedle takes an approach to real estate whereby they strive to understand the risks posed within the asset class and focus on mitigating these during the lifecycle of the projects. This can be done through property management, refurbishment, building improvements and strategic asset management.

Investment report (continued)

Key topics of engagement during 2021 include the energy efficiency of assets, low carbon development opportunities, tenant engagement and Net Zero initiatives. During 2021, Threadneedle completed a range of projects designed to improve the energy efficiency of the assets. As an example, capital expenditure of £1.4 million was allocated to Skydome in Coventry to replace legacy boilers, upgrade and improve the BMC and replace the roof, including the installation of a new photovoltaic system. Threadneedle continue to monitor data, particularly around energy and greenhouse gas emissions, across the portfolio.

Engagement - Fixed Income

Over the year, the Plan invested in 11 funds, via the default strategy, which held exposure to fixed income. AIL appoints a number of underlying asset managers to provide this exposure.

While equity managers may have more direct influence on the companies they invest in, fixed income managers are also increasingly influential in their ability to encourage positive change. The Trustee also acknowledges that the concept of stewardship may be less applicable with respect to some of its fixed income investments, particularly for government bonds.

The default strategy invested in six underlying actively managed fixed income funds over the period. The default strategy also invested in several passively managed fixed income strategies, including both corporate bonds and government bonds, and a fund that provides exposure to short dated money market assets.

Further detail is provided below:

- BlackRock (two active strategies)
- BlackRock (passive corporate bonds)
- BlackRock (passive government bonds)
- BlackRock (cash)
- Insight (active strategy)*
- LGIM (annuity matching bonds)
- PIMCO (active strategy)
- T-Rowe Price (active strategy)
- Aegon (active strategy)

Source: Aon Investments Limited.

*The Insight Absolute Return Bond Fund (active strategy) was fully disinvested in October 2021.

Engagement example: Dell Inc

An ongoing engagement example detailed by PIMCO is with Dell Inc regarding supply chain management, which was first initiated in 2020. PIMCO engaged Dell on labour rights issues within its supply chain, including compliance on working hours and an investigation into forced labour disputes.

PIMCO encouraged the Dell to disclose supplier audit coverage and assurance progress for conflict mineral sourcing ('conflict resources' are natural resources extracted in a conflict zone and sold to perpetuate the fighting). Dell had been encouraged to include sub-tier suppliers in this assessment and make public commitments to 100% Responsible Minerals Assurance Process ("RMAP") for conflict mineral sourcing.

Following the engagement, Dell confirmed its audits cover much of the supply chain. Dell also updated disclosure on its RMAP-conformant supplier list to maintain transparency. In 2021, Dell worked to a goal of achieving 100% RMAP conformance for conflict mineral including tin, tantalum, tungsten, gold and cobalt; metals which form a fundamental part of the production process of its technology products. PIMCO will continue to engage with Dell on supply chain transparency and traceability.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Voting and engagement - Multi-Asset

Over the year, the Plan was invested in a fund which held exposure to multiple asset classes including equities and fixed income, via the default strategy. AIL appoints a number of underlying asset managers to provide this exposure. The following section describes the voting behaviour, including examples of significant votes and engagement activity for the funds that were in place for the majority of the reporting year.

The default strategy invested in an actively managed multi-asset fund over the period. The BlackRock Market Advantage Fund invests in equities alongside a range of other asset classes including fixed income, property and commodities. The default strategy also invested in gold via an actively managed strategy managed by Invesco.

BlackRock uses third party proxy voting service providers (typically Institutional Shareholder Services ("ISS") and Glass Lewis) for various services such as providing vote recommendations or research in relation to the listed investments held.

The voting activity undertaken by BlackRock over the year to 31 March 2021 is shown below:
Voting information

Underlying fund	% proposals voted	% votes cast against management	% votes abstained
BlackRock Market Advantage Fund*	99.0%	6.0%	0.0%

- Source: Aon Investments Limited, BlackRock.

* This Fund was fully disinvested from in June 2021

While equity managers may have more direct influence on the companies they invest in, managers investing in alternative asset classes such as gold are also increasingly influential in their ability to encourage positive change.

The Invesco Physical Gold Exchange-Traded Commodities Fund provides exposure to physical gold. Invesco incorporates ESG considerations within the Fund, as it follows the London Bullion Market Association (LBMA) Responsible Gold Guidance that requires strict adherence to rules around the provenance of gold. The LBMA was set up to ensure the highest standards for sourcing gold and combat systematic or widespread abuses of human rights, including child labour, to avoid contributing to conflict, to comply with high standards of anti-money laundering and to combat terrorist-financing practices.

Since early 2019, Invesco has sought to minimise exposure to gold mined prior to 2012, the date after which Invesco can be certain gold has been sourced in compliance with the LBMA's Responsible Gold Guidance. The Fund has held 100% exposure to gold mined post 2012 and is fully compliant with LBMA's Responsible Gold Guidance.

Additionally, Invesco engage directly with companies in the gold mining space and see engagement as an opportunity to encourage continual ESG improvement. As an example, Invesco met with the lead independent director of Barrick Gold (one of the largest gold miners in the world) on two occasions over the last two years. At these meetings, discussions focused on how the company performed on key environmental issues associated with mining including carbon emissions, water management, biodiversity protection and dam management. The company's carbon reduction targets were also discussed, emphasising the importance of having a credible decarbonisation plan in place.

Due to materiality, the Trustee has not included details of the DC AVCs relating to the DB Section (less than 1% of the overall DC assets relates to DC AVCs relating to the DB Section).

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

5 – Conclusion

Over the course of the year ending 31 March 2022, the Trustee is pleased to report that it has adhered to the policies and objectives set out in its DC SIP.

In addition, the funds invested have met the objectives set out in the SIP.

The Trustee believes that the Plan's DC fiduciary manager has demonstrated that is closely engaging with the underlying investment managers to ensure that they behave in a way that aligns to the Trustee's policies around stewardship. The underlying investment managers were able to provide adequate evidence of voting and engagement activity, backed up by AIL's ESG ratings.

TRUSTEE'S REPORT
YEAR ENDED 31 MARCH 2022

Investment report (continued)

Appendix I - Voting statistics

The table below sets out the voting statistics for the funds used by the Plan over the year to 31 March 2022.

Underlying fund	Number of resolutions eligible to vote on	% Proposals voted	% Votes cast against management	% Votes abstained
DB Section				
Russell Investments Multi-Asset Growth Strategy	12,495	95.0%	10.9%	0.2%
DC Section				
BlackRock MSCI World Index Funds	13,045	99.0%	8.0%	0.0%
BlackRock Emerging Market Index Fund	21,938	100.0%	10.0%	3.0%
BlackRock Currency Hedged MSCI World Index Fund**	13,045	99.0%	8.0%	0.0%
LGIM Global Developed Four Factor Scientific Beta Index Fund	12,333	99.7%	19.2%	0.2%
LGIM Global Developed Four Factor Scientific Beta Currency Hedged Index Fund**	12,333	99.7%	19.2%	0.2%
Baillie Gifford Positive Change	333	93.7%	2.6%	0.3%
Nordea Global Climate and Environment Fund	711	98.3%	14.0%	0.0%
Mirova Global Sustainability Equity Fund	719	100.0%	44.4%	0.0%
BlackRock Global Property Securities Index Fund	3,705	99.0%	5.0%	0.0%
LGIM Infrastructure Index Fund	1,786	100.0%	19.3%	0.1%

TRUSTEE'S REPORT
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Investment report (continued)

Conclusion

Over the course of the year ending 31 March 2022, the Trustee is pleased to report that it has adhered to the policies and objectives set out in its DC SIP.

In addition, the funds invested have met the objectives set out in the SIP.

The Trustee believe that the Plan's DC fiduciary manager has demonstrated that is closely engaging with the underlying investment managers to ensure that they behave in a way that aligns to the Trustee's policies around stewardship. The underlying investment managers appear to be exercising their voting rights and carrying out engagement activity in a responsible manner and can demonstrate examples of positive impact made by using these rights. As such the Trustee is content that its stewardship policy is being appropriately implemented on its behalf.

The Trustee monitors, assesses and ultimately holds the fiduciary manager to account to ensure that the assets of the Plan are appropriately managed.

Employer related investments

The investments of the Plan are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 21 to the financial statements.

Further information

Further information about the Plan is available, on request, to members, their spouses and other beneficiaries. In particular, the documents constituting the Plan, the Rules and a copy of the latest actuarial report and the Trustee's Statements of Investment Principles can be inspected at https://jobs.kpn.com/nl/nl/getronics-uk-pension-plan

Individual benefit statements are provided to deferred DC members annually and for deferred DB members on request. In addition to the information shown on these statements members can request details of the amount of their current transfer value and, if applicable, the current amount of any refund of contributions to which they would be entitled on leaving service. Such requests are available free of charge once a year.

If members have any queries concerning the Plan's or their own pension position, or wish to obtain further information, they should contact Darren Cuthbert at the contact details on page 1 who will also be able to provide them with a further copy of the Plan's booklet should they require one and answer any queries that they may have about entitlement to benefits.

Aon Solutions UK Limited processes the personal data as contained in this report and financial statements for the purpose of providing the Trustee with a report and financial statements on the operation of the Plan. Aon Solutions UK Limited processes personal data in the context of providing pension scheme administration services on behalf of the Trustee, the data controller. Aon Solutions UK Limited, when operating in its capacity as a data processor who provides the members of the Plan with pension scheme administration services on behalf of the Trustee, will comply with the applicable legislation including any data protection legislation and the instructions of the Trustee.

The Trustee and the Employer will ensure the data subjects of whom personal data is processed for the purposes of this report and financial statements are informed of the processing activities in accordance with the requirements of the applicable data protection legislation.