

ACNielsen (UK) Pension Plan

Trustee's Report

DC Governance Statement

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

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

The statement relates to the reporting period between 6 April 2024 and 5 April 2025. It has been prepared in accordance with relevant statutory guidance.

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

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

Default arrangement

For the purposes of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ('the Charges and Governance Regulations'), as at 5 April 2025 the Plan's "default arrangement" was the ACNielsen Lifestyle strategy.

The ACNielsen Lifestyle strategy is the only available investment option within Section A. The ACNielsen Lifestyle strategy is made up of three LGIM investment funds. It invests equally in the LGIM Future World Global Equity Index Fund (100% currency hedged) and MSCI ACWI Thermal Coal Exclusions Adaptive Capped ESG Equity Index Fund, until five years before the member's 65th birthday when the funds are gradually switched into the LGIM Future World Inflation Linked Annuity Aware Fund. The growth phase of the Lifestyle strategy was previously invested in the LGIM Global Equity Market Weights (30:70) Index Fund (75% Currency Hedged) until January 2025.

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

Statement of investment principles

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

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Statement of investment principles (continued)

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

Review of the default arrangement

The Trustee completed its review of the Section A investments in May 2024, making the decision to replace the LGIM Global Equity Market Weights (30:70) Index Fund (75% Currency Hedged) with a blended fund consisting of the LGIM Future World Global Equity Index Fund (100% currency hedged) and MSCI ACWI Thermal Coal Exclusions Adaptive Capped ESG Equity Index Fund. These changes were made for the following reasons:

- Incorporating Environmental, Social and Governance (ESG) principles - the Trustee believes that the principles of ESG will lead to better risk-adjusted returns, which will improve the expected outcomes.
- Achieve a reasonably balanced allocation to global stock markets – the new strategy will limit some of the concentration risk in the world's largest companies and remove the fixed allocation to the UK in the current strategy.

The above changes were implemented during the reporting period in January 2025. The next review of the default arrangement will take place in May 2027.

Net investment returns

The Trustee can confirm it has taken account of the DWP's Statutory Guidance on net investment reporting. The Trustee is required to report on the net investment returns for the default arrangements and for all self-select funds during the Plan year. The net investment return is after all transaction costs and charges.

Section A DC funds

Fund – LGIM*	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
LGIM Future World Global Equity Index Fund (100% currency hedged)	7.48%	-	-
MSCI ACWI Thermal Coal Exclusions Adaptive Capped ESG Equity Index Fund	3.44%	-	-
LGIM Future World Inflation Linked Annuity Aware	-6.59%	-11.63%	-6.56%
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	7.71%	7.59%	14.24%

**Note, as the equity investments were bulk switched during the reporting period in January 2025 (see 'Review of the default arrangement' section above for full details) this table shows the underlying performance of each of the component funds during the period. The table below takes account of this investment switch and illustrates the 'linked' performance members will have experienced.*

LGIM investment strategy	Age	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
ACN Lifestyle strategy	25	5.46%	6.83%	12.70%
	45	5.46%	6.83%	12.70%
	55	5.46%	6.83%	12.70%

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Section B AVC funds

Fund – Aviva	Last 12 months	Last 5 years (p.a.)	Last 10 years (p.a.)
Aviva BlackRock 30:70 Currency Hedged Global Equity Index Tracker	7.6%	14.2%	7.8%
Aviva BlackRock Over 15 Year Corporate Bond Index Tracker	-6.1%	-5.6%	-0.8%
Aviva BlackRock Over 15 Year Gilt Index Tracker	-7.7%	-13.3%	-3.2%
Aviva BlackRock Over 5 Year Index-Linked Gilt Index Tracker	-9.5%	-10.3%	-2.1%
Aviva BlackRock UK Equity Index Tracker	8.5%	11.9%	5.3%
Aviva BlackRock World (Ex UK) Equity Index Tracker	3.2%	15.2%	11.0%
Aviva Cash	4.7%	2.1%	1.0%
Aviva Sustainable Stewardship UK Equity	8.2%	9.6%	5.0%

Aviva investment strategy	Age	Last 12 months	Last 5 years (p.a.)	Last 10 years (p.a.)
5 Year Cash Lifetime Investment Programme	25	7.6%	14.2%	7.8%
	45	7.6%	14.2%	7.8%
	55	7.6%	14.2%	7.8%

Aviva notes: The charges assumed are those currently applicable to a single contribution of £10,000 paid into your plan at the beginning of the reporting period. Returns are annualised geometric means over the time periods displayed. For age specific returns, a normal retirement age of 65 has been used.

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Processing financial transactions

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

Within Capita, the Plan has a dedicated administration team and all administration tasks are logged and automatically monitored by a workflow system that is managed by a senior member of the dedicated team. Aviva is the pension provider for the Section B AVC arrangements.

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

- Investment of contributions in the scheme (although this is not relevant under the Plan)
- Transfers of assets relating to members into and out of the Plan
- Transfers of assets relating to members between different investments within the Plan, and
- Payments from the Plan to, or in respect of members.

The Trustee has a Service Level Agreement (SLA) in place which covers all administration tasks (not just core financial transactions).

Regular quarterly reporting is received from Capita, including performance against the service level agreements (SLAs) that are in place. The average SLA over the reporting period was 98.1%. (This data included the DB Section). Any complaints or issues that arise are referred to the Trustee as and when they arise. The Administration Sub-committee (composed of two Trustee Directors and a representative from the Capita administration team) holds monthly meetings to consider administration complaints or issues. There were generally no issues which arose within the reporting period in relation to core financial transactions. Capita's Finance team monitors the bank accounts daily and all investment and banking transactions are checked and sanctioned separately before they are actioned.

During the reporting period, we encountered two breaches concerning the General Data Protection Regulation (GDPR) and the Pensions Act. These incidents were addressed by Capita, who implemented corrective measures to rectify the breaches. In addition, there was no financial loss to members as a result of these breaches.

Aviva's SLAs are 5 working days. Aviva proactively monitors customer experience via research and feedback across its platform, however it also appreciates the significance of SLAs and 'end-to-end' reporting to demonstrate performance. During the reporting period, Aviva's core financial transactions in relation to the AVC arrangement had an SLA of 94.4%, relating to 18 tasks.

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

The latest common data review took place in July 2024. Capita were able to report that, from a data quality perspective, that 83.7% of the scheme specific data held is accurate, with any fails relating to member addresses.

During the reporting period there were no material administration errors and the Trustee is satisfied that the Plan's core financial transactions have been processed promptly and accurately during the 6 April 2024 to 5 April 2025 governance period.

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Charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the “charges” borne by members of the Plan for the 2024 governance period, and considered whether it could obtain “transaction costs”.

For these purposes:

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

Charges - Section A

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

Fund name	Total fund charges (pa)	Transaction costs
LGIM Future World Global Equity Index Fund (100% currency hedged)	0.00%	0.00%
MSCI ACWI Thermal Coal Exclusions Adaptive Capped ESG Equity Index Fund	0.00%	0.00%
LGIM Future World Inflation Linked Annuity Aware	0.00%	0.00%
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	0.00%	0.00%

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Charges - Section B AVCs

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

Fund name	Total fund charges (pa)	Transaction costs*
Aviva BlackRock 30:70 Currency Hedged Global Equity Index Tracker	0.48%	0.064%
Aviva BlackRock Over 15 Year Corporate Bond Index Tracker	0.48%	0.199%
Aviva BlackRock Over 15 Year Gilt Index Tracker	0.48%	0.002%
Aviva BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.48%	0.047%
Aviva BlackRock UK Equity Index Tracker	0.48%	0.146%
Aviva BlackRock World (Ex UK) Equity Index Tracker	0.48%	0.007%
Aviva Cash	0.48%	0.030%
Aviva Sustainable Stewardship UK Equity	0.48%	0.057%

* Transaction costs in the Aviva fund range are provided by Aviva and calculated using the slippage cost methodology except for the Cash fund.

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

Transaction costs

Transaction costs are typically categorised as:

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

LGIM and Aviva have provided the transaction costs in the table shown above and have confirmed that no transaction costs are missing for this year's Statement.

The Trustee produces an illustration showing the compounding effect of costs and charges on DC funds, which is provided in Appendix 1. This shows the projected values based on an example 'youngest' member of the Plan (not an actual member), investing in two funds that reported to have the lowest and highest charges and costs as at 5 April 2025. The projections compare what the investments could grow to at age 65 before and after charges have been deducted.

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Asset allocation of default arrangements

The Plan's full asset allocation of default arrangement in which members are invested during the Plan year is shown below.

ACNielsen Lifestyle strategy				
Asset class	Age 25	Age 45	Age 55	Age 65
Cash	0%	0%	0%	0%
Bonds	0%	0%	0%	100%
Listed equities	100%	100%	100%	0%
Private equities	0%	0%	0%	0%
Infrastructure	0%	0%	0%	0%
Property/ real estate	0%	0%	0%	0%
Private debt/credit	0%	0%	0%	0%
Other	0%	0%	0%	0%
Total	100	100	100	100

Value for members assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustee undertook a light-touch value for members (VfM) assessment exercise in August 2025 in respect of the AVC arrangement, which analysed the extent to which the charges and transaction costs set out above represent good value to members (i.e., the extent to which the charges and transaction costs provide good value in relation to the benefits and services provided). The Trustee undertook this exercise with assistance from its advisers.

The results of this VfM assessment are relevant to the reporting period 6 April 2024 to 5 April 2025.

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

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

The light-touch assessment process considered:

- A comparison of the net investment returns for the Plan's fund range against their relevant indices. Net investment returns consider the fund charges and transaction costs specific to this Plan. The results to Q1 2025 show that most of the funds have performed in line with their relevant indices and therefore provide good value.

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- Six areas of service (administration, risk management, communication, investment, governance and at-retirement). The Trustee notes that administration of the AVC arrangement is functional with no ongoing issues, risk is picked up as part of the Plan's wider risk management function review. Communication available from Aviva is of good quality, although the Trustee notes AVC members will generally see literature directly through the Plan administrator, Capita. The Trustee's advisers note that the AVC arrangement could benefit from a review of the investment options and the provider, and to ensure the provider's services are sufficient for the charges members pay.
- The charges AVC members were paying as at 5 April 2025 through Aviva, along with transaction cost benchmarking against market comparators. The Trustee's advisers have noted that the current charges are marginally higher than their calculated market average (which includes much larger DC arrangements) but are comfortable they remain reasonable and represent 'fair' value. The Trustee has previously challenged Aviva to reduce fees however, this was not possible due to the closed nature of this arrangement. The transaction costs for the funds are mostly good value (below market average).

Overall, the Trustee was satisfied the Plan had continued to offer members fair value over the reporting period.

Trustee's knowledge and understanding (TKU)

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

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

The Trustee has a TKU process in place which enables the Trustee Directors, with the benefit of the advice available to them (through the Plan's actuaries, investment advisers, auditors and lawyers), to properly exercise their functions as Trustee Directors of the Plan. The Trustee Directors have a good working knowledge of the Plan's governing documentation, including the Trust Deed and Rules, SIP, and other current documents and policies. As an example of this, the Trustee referred to its SIP when undertaking the default investment review and implementing changes.

There is easy access of the Plan's key documents via BoardEffect.

The Chair is represented by a professional Trustee, Independent Governance Group (the trading name of Independent Trustee Services Limited).

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

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

- The induction programme includes ensuring completion of the Pensions Regulator's Trustee Toolkit within six months of appointment, access provided to Plan documents and a bespoke training session with the Trustee advisors to cover the specifics of the Plan. There were no new appointments over the period.

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- There is a training log in place which is set up to meet the needs of the Trustee Directors to ensure their knowledge is up to date. The training log is monitored regularly to ensure that gaps in knowledge are picked up so that external specialist training can be arranged.
- The latest training programme is updated annually.

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

- Ad hoc training and webinars provided by the Plan's advisers and providers. For example, Directors attended a training session covering Pensions Dashboard in May 2024 (provided by Sackers).
- Four of the Trustee Directors have completed the Pensions Regulator's TKU toolkit.

In addition, the Professional Trustee representatives have attended the following DC-related training sessions over the reporting period:

- Data breach training (IGG, April 2024)
- Security awareness (IGG, various sessions)
- Cyber Security (Aon, June 2024 / XPS, September 2024)
- Climate (WTW, May 2024)
- DC Decumulation – Getting "Retirement Ready" (Hymans, September 2024)
- Unpacking the autumn budget (LCP, November 2024)

Trustee effectiveness and TKU assessments was carried out in June 2025 to ensure that the Trustee Directors continue to meet requirements of the General Code and it will be reported on in the next statement.

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

The Trustee Directors are satisfied that they have met their knowledge and understanding duties during the 6 April 2024 to 5 April 2025 governance period.

Signed on behalf of the Trustee

On behalf of Independent Governance Group, Chair of the Trustee

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Date:

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Appendix 1 - Illustration of the effect of costs and charges on a member's pension pot

The illustration has been prepared in accordance with the relevant statutory guidance and reflects the impact of costs and charges for a broad example member (based on the youngest member in the AVC policy), using two funds. These funds, as required in the latest statutory requirements, have the highest and lowest total fund charges. As members of Section A, the old Money Purchase section, do not bear any charges and costs, the default arrangement (the LGIM Lifestyle Strategy) is not included in the illustrations.

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

Example Member	Projection period (years)	Aviva BlackRock Over 15 Year Corporate Bond Index Tracker		Aviva BlackRock Over 15 Year Gilt Index Tracker	
		Before charges	After charges	Before charges	After charges
Youngest member	1	£731	£726	£731	£727
	3	£796	£782	£796	£785
	5	£868	£842	£868	£847
	10	£1,076	£1,012	£1,076	£1,024
	15	£1,334	£1,216	£1,334	£1,239
	20	£1,653	£1,462	£1,653	£1,499
	25	£2,049	£1,758	£2,049	£1,813
	28	£2,331	£1,963	£2,331	£2,032

Notes:

- Projected pension account values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
- No further contributions are assumed.
- Investment returns and costs/charges as a percentage reduction per annum are assumed to be deducted at the end of the year.
- Charges and costs are deducted before applying investment returns.
- Switching costs are not considered in the lifestyle strategy.
- Inflation is assumed to be 2.5% each year.
- Values shown are estimates and are not guaranteed.
- The real projected growth rates for each fund are as follows:
 - Aviva BlackRock Over 15 Year Corporate Bond Index Tracker – 4.4%
 - Aviva Over 15 Year Gilt Index Tracker – 4.4%
- Transactions costs and other charges have been provided by Aviva and covered the period Q2 2020 to Q1 2025. The transaction costs have been averaged by WTW using a time-based approach.
- Pension scheme's normal retirement age is 65.
- Example member: age 37, starting fund value: £700.