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Review of the year
Contributions
and benefits

Trustee Report ...2021

**The nuts
and bolts
of the
last year**



Welcome from your Trustee Chair, Joanna Matthews

Welcome to the 2021 Trustee Report, for a recap of what has been happening in the Royal Mail Pension Plan (RMPP) over the last year.

When I wrote to you last year we were in the midst of the COVID-19 pandemic and no one imagined we would still be grappling with its effects into 2021. Thankfully, we have now started to see more of a return to normal life with the roll out of the vaccination programme and the lifting of restrictions. It remains a precarious situation though and I hope you and your loved ones have continued to stay safe. I would like to again say thank you to the Pensions Service Centre (PSC), my fellow trustees, Executives and advisors for their continued dedication and hard work to continue the smooth running of the Plan.

You can find a summary of how the Plan has performed over the last year, as well as current member numbers on page 4.

Social Governance

Like many people, our members are increasingly interested in how their pension savings are invested and how these investments impact the world. The Trustee Board are dedicated to progressing their environmental, social and governance (ESG) responsibilities while balancing the need to get the best investment results. You can read more about what we're doing in this area on page 3.

Changes to the Board

On 1st December 2020 we welcomed Matthew Pearson to the Board as a new Employer Nominated Trustee. Matthew is a Finance Director from Royal Mail Group. Matthew took over from Susannah Parden who resigned from the Board in November 2020. I would like to thank Susannah for her hard work and dedication in supporting the Plan.

I hope you find this Annual Report informative. If you have any questions or need any more information, please get in touch with the PSC. You can find their contact details on page 4.



JOANNA MATTHEWS
CHAIR OF TRUSTEE
ROYAL MAIL PENSION PLAN



Money held in the RMPP

The RMPP is financially secure, with almost £13 billion invested at 31 March 2021.

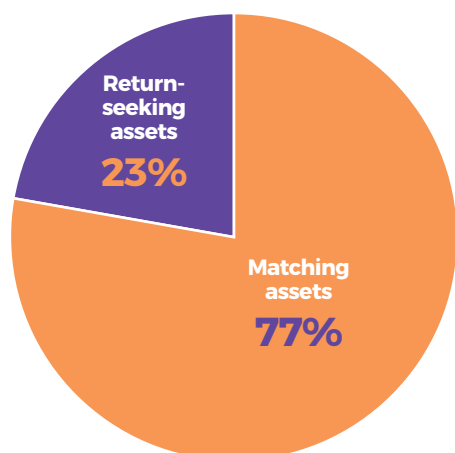
That money (known as assets) is there to make sure every member gets their pension, when it's time for them to retire. It's also there to support your loved ones after you die. It's the Trustee's duty to make sure the money held in the RMPP is invested in the best way possible. That means making sure that the money is both secure and able to grow.

How is this money invested?

With the help of investment professionals, we invest in two different types of assets, 'matching' and 'return-seeking'. Matching assets keep track with the changes in the cost of providing pensions, whereas return-seeking assets are invested with the aim of increasing in value as much as possible, without taking undue risk.

The following pie chart shows that there is over three times as much invested in matching assets as return-seeking assets, for a good balance between security and growth.

Asset split as at 31 March 2021:



How have the investments performed over the year?

We're pleased to say that, not including any money paid in, the investments have grown by £218 million over the last year.

Environmental, Social & Governance Policy

We are aware that our members are increasingly interested in how their pensions savings are invested and the impact these investments have on the world around them.

The Trustee takes the matter of long-term environmental, social and governance (ESG) factors and climate change risks extremely seriously in our investment strategy. We see these topics as increasingly important to our objective of preserving and managing your pension benefits, while being a responsible long-term investor in the assets and markets in which we invest.

Climate risk is built into our investment thinking and risk management. Over the past year, we have worked hard with our in-house teams and external advisors to devise an ESG ambition and roadmap that will ensure the RMPP and our investments are positioned to mitigate climate risk, but also to take advantage of the opportunities arising from climate friendly strategies.

This means that the investment managers we appoint will have clear and stated ESG beliefs and practices that are consistent with our own. We also work hard to ensure that the RMPP complies with key regulations and directives, positioning us on the front foot when it comes climate risk. Additionally, we are a signatory to the United Nations Principles for Responsible Investment (UNPRI) which acts as a framework for investors to take ESG issues into account. We also are a signatory to Climate Action 100+, an initiative that engages the most polluting companies to reduce their carbon intensity. Finally, we are working to align with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, which will require us to disclose the impacts of climate change on our investments. This will be mandatory from October 2021.

We will continue to update you on our roadmap, and you can find more information on all aspects of our investments in the full Annual Report & Accounts, available on our website royalmailpensionplan.co.uk



Contributions & Benefits

What goes in?

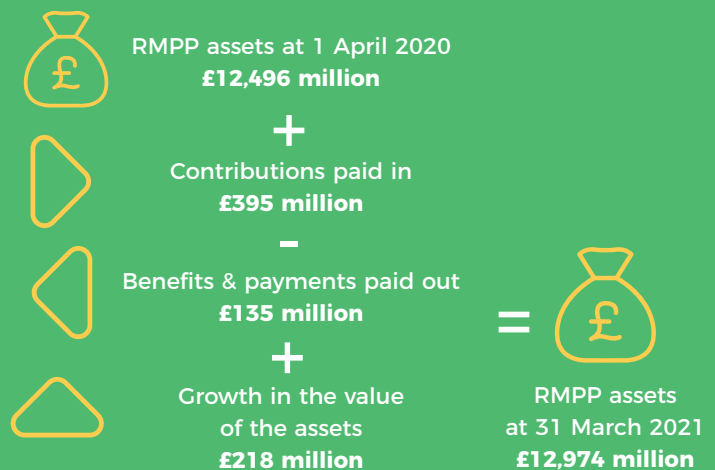
We've seen that the RMPP's assets are invested with the aim of keeping them secure, whilst still growing over time. Assets also increase when money is paid in - that means contributions from you and your Employer.

What goes out?

The RMPP's assets are gradually paid to members, either as regular pension payments, tax-free cash or death benefits. Money is also used to pay for the help that the Trustee needs to run the RMPP properly.

What happened over the last year?

As for the last few years, there are far more Employee members paying in than there are members that receive a pension and more money goes into the RMPP than goes out. (See the 'Members of the RMPP' section next). The table to the right shows what's gone in and what's gone out of the RMPP over the last year.



These numbers are for the whole RMPP - that means they include both the Royal Mail and Post Office sections. If you want to see how the numbers are split between each section, then take a look at the RMPP's Annual Report and Accounts, available on our website royalmailpensionplan.co.uk

Members of the RMPP

There are a lot more members paying into the RMPP and building up benefits 'Employee members' than there are taking out a regular pension 'Pensioner members'. There are also members that don't pay in anymore but aren't yet taking their pension 'Deferred members'. The table opposite shows the current split of members at 31 March 2021:



Get in touch



If you want some help with your pension, the best place to start is our website, which has regular news updates, useful information and a series of guides about how the RMPP works.

If you want to ask us a question about your benefits or tell us about a change in your situation, then please get in touch with us at the Pensions Service Centre.

It's important to tell us if you change your address, so that we can carry on writing to you about your RMPP benefits, and make sure that they are paid on time. When you contact the Pensions Service Centre, please make sure you have your National Insurance or membership number handy.



pensions.helpline@royalmail.com



0345 603 0043
Mon to Fri, 8.30am to 5.00pm



Pensions Service Centre,
PO Box 5863, SHEFFIELD, S98 6AB



royalmailpensionplan.co.uk

For questions about RMSPS
benefits visit Capita at
royalmailsp.co.uk

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