

Climate Change & Net Zero Targets

Trustee beliefs

The Trustee believes that the climate crisis requires urgent action. The Plan is a signatory to the United Nations-backed Principles for Responsible Investment which acts as a framework for investors to take ESG issues into account. The Plan is also a signatory to Climate Action 100+ and Transition Pathways Initiative.

We wish to be as impactful as possible whilst sticking to the investment principles that have always guided the Plan. Whilst the reduction of emissions is paramount in managing climate risks, we have a broader belief that the source of most emissions comes from the ever-increasing demand for energy. Alongside the Trustee's target to reduce carbon emissions, investing in alternative energy and developing technology will also form a material part of the Plan's Climate Impact project.

The Trustee continues with its Carbon Impact investment strategy, which has four broad steps: Measure; Manage; Mitigate; and Monitor.

Emissions in 2023/24

We have been able to calculate the total emissions of the Plan for the year, so the Trustee now has a (near) complete figure to fully understand the scale of the Plan's contribution to global emissions. The Plan's total emissions were 4.07 million tonnes emitted on a scope 1, 2 and 3 basis (i.e. related to direct emissions, indirect emissions, and supply and value-chain emissions respectively). This is down from 4.59 million tonnes in the previous year.

Shorter term focus

In 2021 the Plan established a 'roadmap' that set out specific actions for the following 12 months, 1-2 years, and 2+ years in relation to environmental, social and governance matters. Many of the actions were climate related. Actions cover areas including governance, investment strategy, risk management, engagement, and reporting & transparency.

- The roadmap has continued to evolve as specific points have been actioned.
- Engagement with the Plan's investment managers will continue and expand. Through ongoing engagement and better data to analyse, we aim to better understand where emissions are concentrated (by region, by sector, by asset class) and how the Plan can continue to reduce emissions whilst meeting both investment and emission targets.
- As the Plan has such a high allocation to UK government bonds, we will also be examining ways to include sovereign bonds into the projected emissions pathway rather than just looking at the Plan's equities and corporate bonds.

Longer term objectives

The Trustee's longer-term target is to achieve net zero by 2050, and it has an interim target of reducing emissions by 50% for corporate bonds and equities by 2030 relative to the global economy's 2015 baseline and therefore be aligned to the Paris Agreement pathway.



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, 9.00am 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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Look Inside:

- Review of the year
- Money held in the RMPP
- Contributions & Benefits
- Enhancements to the Plan's website
- Membership changes
- Net Zero update
- Get in touch

The nuts and bolts of the last year

Trustee Report
...2024



Welcome from your Trustee Chair, Joanna Matthews

Welcome to the 2024 Trustee Report, for a recap of what has been happening in the Royal Mail Pension Plan (RMPP) over the last year.

Since the bid for IDS Group PLC (Royal Mail's parent company) by EP Corporate Group, the Trustee has been actively engaging with IDS and with EP Group to understand the potential implications for the company and for the RMPP. An important matter for the Trustee has been to seek a legally binding commitment to preserve the current governance arrangements for the RMPP. The Trustee has welcomed the opportunities to have open dialogue with EP Group. There is no change to your benefits as a result of EP Group's bid.

In July, I wrote to advise you all that the Royal Mail Collective Pension Plan will launch on 7 October 2024 and that there will be no new members of, or further contributions to, the RMPP from that date. The RMPP is not reliant on new members or future contributions and your benefits remain financially secure.

Please read on and discover articles regarding:

- Money held in the RMPP
- Contributions & Benefits
- Enhancements to the RMPP website
- Membership changes
- Progress on achieving climate change and net zero targets

...plus how to get in touch!

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

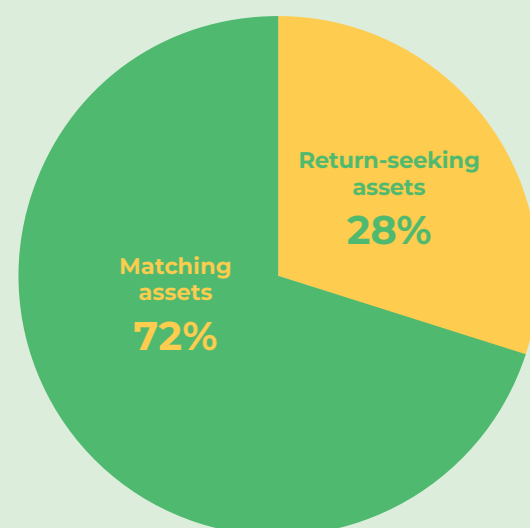
The RMPP is financially secure, with over £9.3 billion invested on 31 March 2024.

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 a larger amount invested in matching assets than in return-seeking assets, as the Trustee continues to prioritise security over higher risk and reward.

Asset split as at 31 March 2024:



Contributions & Benefits

What goes in?

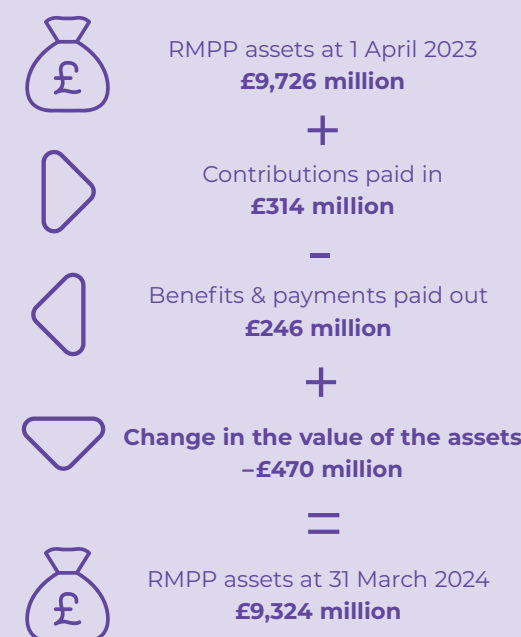
We've seen that the Plan's assets are invested with the aim of ensuring they are sufficient to pay everyone's benefits with a high degree of certainty and to provide inflation-linked pension increases. Assets also increase when money is paid in – that means contributions from you and your Employer.

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



During the year, the value of the Plan's investments decreased by £470 million. This drop was primarily due to the performance of the 'matching' assets. As explained on page 2, these assets are designed to keep track with the changes in the cost of providing pensions (liabilities). So, although the assets fell in value, the liabilities did too, as a result of rising interest rates. This meant that the surplus has been protected over the course of the year.

These numbers are for the whole RMPP – that means they include both the Royal Mail and Post Office sections.

Enhancements to the RMPP website

We recently sent you a postcard to let you know that we've introduced some new tools to the RMPP website, to help you:

- with your planning, and
- get the information you need when you need it.

Here is a reminder of what is now on the website for you:

- an easier to use, new look homepage
- all your plan guides and forms - in one place
- a new calculator for employee members to see what they might get now or in the future
- the most important forms... which you can now fill in online
- A Chatbot to answer your questions... and a real human when required!

Why not visit the new improved website at royalmailpensionplan.co.uk or scan the QR code below?

To scan a QR code:

1. Open the camera on your smart phone or tablet
2. Point the camera at the QR code
3. Click on the 'open website' instruction which will appear.



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 below shows the split of members at 31 March 2024:

