

# THE NOKIA RETIREMENT PLAN FOR FORMER NSN AND ALU EMPLOYEES YEAR ENDED 30<sup>th</sup> JUNE 2023

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## THE CHAIRMAN'S STATEMENT REGARDING DC GOVERNANCE AT 30 JUNE 2023

### Chair Statement for the Defined Contribution ("DC") Section and Additional Voluntary Contribution ("AVC") benefits of the Plan

#### **Introduction**

Ross Trustees Services Limited (RTSL) part of Independent Governance Group (the "Trustee") of the Nokia Retirement Plan for former NSN and ALU Employees (the "Plan") is required to prepare a statement (the "Statement") on DC governance and include it in the annual report. This Statement is produced under legislation set out in new governance rules contained in The Occupational Pension Schemes (Charges and Governance) Regulations 2015 that apply to DC pension arrangements from 6 April 2015. These rules include the requirement for trustees to prepare an annual statement of governance. This Statement explains how the Trustee of the Plan is meeting the governance standards that apply to occupational pension schemes that provide money purchase benefits (i.e. DC benefits, including Additional Voluntary Contribution benefits). This Statement relates only to the DC Section of the Plan and has been prepared by the Trustee, with advice from Mercer Limited ("Mercer"). Mercer provides the Trustee with pensions and investment consulting services.

This document sets out the Statement covering the period from 1 July 2022 to 30 June 2023 (the "Plan Year") and describes how the governance requirements have been met in relation to:

1. the Plan's investment options including the investment strategy relating to the Plan's default arrangements;
2. how the Trustee has ensured that core financial transactions have been processed promptly and accurately processing of core financial transactions;
3. the report on the charges and transaction costs for the investments used in the default and self-select arrangements and the extent to which the charges and costs represent good value for members;
4. net return on investments; and
5. how the combined knowledge and understanding of the Trustee and its advisers enables the Trustee to properly run the Plan.

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the "SIP") prepared for the Plan in compliance with Section 35 of the Pensions Act 1995 (the "1995 Act") and regulation 2 and regulation 2A of the Occupational Pension Plans (Investment) Regulations 2005 (the "Investment Regulations") as amended, to this Statement.

This Statement and the Plan's SIP are published on a publicly available website:  
<https://v3.merceroneview.co.uk/NSN-ALU/education-centre/3209>

### **1. The Plan's Investment Options**

#### **Defined Contribution Investments**

The Plan makes available to members a variety of options, including 'lifestyle' options and individual funds. A lifestyle option is an investment arrangement which moves a member's assets between funds during a member's lifetime depending on how far away from retirement the member is. The intention behind this process is that members' assets are increasingly de-risked the closer they get to retirement when their assets will be needed and volatility in the value of assets is less desirable.

Members are able to invest in fund options provided by Scottish Widows. As well as a selection of individual funds, members can choose from three lifestyle options currently available:

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- The Lifestyle strategy targeting Drawdown (the default investment option)
- The Lifestyle strategy targeting Annuity
- The Lifestyle strategy targeting Cash

All the lifestyle strategies invest 100% of assets in the Equity and Diversified Growth Fund until eight years before the member's target retirement date. As retirement approaches, these assets are gradually transferred into the Pre-Retirement Multi-Asset Fund or Pre-Retirement Bond Fund and/or the Cash Fund depending on the targeted benefit.

### Default Investment Options

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default investment options. Details of the objectives and the Trustee's policies regarding the default investment options can be found in the SIP.

The Plan's default arrangement is the Drawdown Lifestyle Strategy. A full breakdown of the lifestyle glide-path for this option is provided below:

Default investment option: Drawdown Lifestyle Strategy			
Time to Retirement (years)	Equity and Diversified Growth Fund (%)	Pre-Retirement Multi-Asset Fund (%)	Cash Fund (%)
+8	100	0	0
7	87.5	12.5	0
6	75	25	0
5	62.5	37.5	0
4	50	50	0
3	37.5	62.5	0
2	25	70	5
1	12.5	72.5	15
0	0	75	25

All members have the right to choose their own investment funds from the range of funds available; particularly if they consider that the default investment option is not suitable for their requirements. Members should therefore consider the default investment option and investment fund options available to them to determine which option(s) are most suitable for them. The Trustee is unable to provide advice to members in this respect.

The Trustee recognises that:

- The default investment options should manage investment and other risks through a diversified asset allocation. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.
- In designing the default investment options, explicit consideration needs to be given to the trade-off between risk and expected returns.

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- Consideration needs to be given to the balance of investments to be held in the default investment options, including the characteristics of particular asset classes and the balance between the use of active and passive investments where appropriate.
- Members may wish to alter their retirement plans and, hence, the arrangements need to be flexible, allowing them the option of choosing their own investment strategy or an alternative lifestyle strategy.

### Reviewing the Investment Options

A full review of the Plan's default investment options and self-select fund range took place across Q4 2020 and Q1 2021. Changes were agreed by the Trustee and made to the investment strategy with effect from 25 May 2021.

The Trustee will regularly review the Plan's investment options to ensure they continue to remain appropriate, based on analysis of the likely requirements of the Plan's members. A review of the DC Section will be completed at least every three years in line with legislation to ensure the default investment options remain appropriate. The next investment strategy review is in progress and will be completed in early 2024.

### Additional Voluntary Contribution Investments

In addition to the DC investment options, there are also several Additional Voluntary Contribution ("AVC") policies provided by Clerical Medical, Prudential and Phoenix Life. There are no default strategies associated with these arrangements.

The Trustee undertook a review of AVCs at the end of 2022. This review noted that the membership was fairly mature, with a number of members reaching Normal Retirement Age within the next 3 to 5 years.

## **2. Requirements for processing financial transactions**

The Trustee has a specific duty to ensure that core financial transactions (or key processes) are processed promptly and accurately. This includes the investment of contributions, transfer of members' assets into and out of the Plan, switches of members' assets between different investment options available in the Plan; and payments from the Plan to, or in respect of, members.

The Plan's Risk Register outlines the risks to Plan members and is reviewed and updated when required and at each quarterly Trustee meeting by the Trustee. The Risk Register details the internal controls that the Trustee has put in place, with the administrator, to manage these risks.

The administration for the Plan is delegated to Mercer Limited, who administer the DC assets on the Scottish Widows platform. In addition, the AVC providers (Prudential, Clerical Medical and Phoenix Life) administer their respective Plan AVC holdings.

The Trustee has agreed, in its contractual arrangements with the Plan's administrators, minimum timescales for all services, including core financial functions.

The administration reports produced by Mercer, which show performance against timescales and service levels (outlined in the Service Level Agreement (SLA)), are reviewed quarterly by the Trustee and are considered against the timescales set. Mercer has a process of peer review which ensures the accuracy of the work they undertake on behalf of the Trustee. Sample calculations are checked each year as part of the audit process.

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During the reporting period, Mercer reported completing 97% of key processes within the agreed SLAs. Below is a list of those key processes:

<b>Work Type</b>	<b>Service Standard</b>
Death Acknowledgements	2 Working Days
Death Quotation	! 2 Working Days
Death Settle	! 2 Working Days
Leaver Option Quotation	! 15 Working Day
Leaver Deferred Quotation	15 Working Days
Leaver Deferred Settle	10 Working Days
Retirement Quotation	10 Working Days
Retirement Settle	10 Working Days
Transfer Out Quotation	20 Working Days
Transfer Out Settle	20 Working Days
Divorce	20 Working Days

The cases processed outside of the service levels agreed were on average completed within five working days of agreed timescales.

The Trustee monitors performance against the SLAs on a quarterly basis and receives an annual Assurance Report on Internal Controls (AAF 01/20) from Mercer. The Trustee also performs regular assessments of methods and efficiency of the Plan's administrators and will challenge them in terms of efficiency where necessary.

Overall, the Trustee is satisfied that the administrator's controls to process transactions promptly and accurately functioned well during the year and there have been no material administration errors in relation to the processing of core financial transactions.

The Trustee has delegated the day-to-day management of the DC assets to a range of professional investment managers who are accessed through the Scottish Widows investment platform.

The Trustee also appoints an independent auditor, Crowe, to carry out an annual audit of the Plan, including the core financial transactions which have taken place during the Plan Year. The Trustee can confirm these core financial transactions were processed promptly and accurately during the Plan Year.

During the Plan Year, the Trustee has considered the anticipated requirements in meeting the Pensions Regulator's ("TPR's") upcoming General Code of Practice. The Trustee expects the General Code to require trustees to have in place Effective Systems of Governance and Own Risk Assessments for their scheme. At the Trustee meeting of 14 June 2022, the Trustee noted it had completed a review of the Effective Systems of Governance for the Plan

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and noted that the Plan was in a good position versus TPR's anticipated requirements. There were a small number of gaps that the Trustee had identified and the Trustee has been working to implement the new policies.

### **3. Charges and Costs**

As required by the Administration Regulations, the Trustee is required to report on the charges and transaction costs for the investments used in the default arrangement as well as the wider fund choices available to members. This includes the Trustee's assessment on the extent to which the charges and costs represent good value for members.

We note that while transaction costs and charges are an important consideration, they are not the only criteria the Trustee assesses. A number of other qualitative and quantitative factors are also considered in a holistic manner when making strategic decisions in relation to investment strategy with good outcomes for members being the ultimate goal for the Plan. The Trustee has taken account of statutory guidance in preparing this section.

The Trustee fully supports transparency of charges and costs for members. However, a key consideration for members is the performance produced, net of combined charges and costs. Moreover, a cheaper fund does not necessarily deliver the best value for money.

Investment options are provided on an 'unbundled' basis, whereby charges consist of investment management, platform services and insurance intermediary services only; costs for administration, advisory, legal, and member communication resources are not included and are met separately by the Sponsoring Employer.

Below we provide the Total Expense Ratio ('TER') for each fund. The TER is a measure of the total charges deducted within a fund. The TER is paid by the member and is reflected in the unit price of the funds. In addition, we have reported the transaction costs associated with each fund; these are not components of the TER, but are the costs incurred when the Plan's investment managers buy and sell assets within investment funds. The transaction costs represent the difference between the expected trading price of a security within a fund and the price at which the trade is actually executed at (as typically a trade is executed a few working days after an order is placed). Therefore, in a buy order, for example, if the execution price is less than the expected price, a transaction cost may be negative.

#### DC investments with Scottish Widows

Investments with Scottish Widows are provided on an 'unbundled' basis, which means the member charges do not include non-investment services such as member administration. The current charges and transaction costs are provided below:



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Scottish Widows Funds	Total Expense Ratio (TER) (%)	Transaction Costs (% p.a.)
Active Combined Equity	0.74	0.150
Active UK Equity Fund	0.71	0.267
Active UK Smaller Companies Fund	0.63	0.098
Active Global Equity Fund	0.72	0.045
Active Emerging Markets Equity Fund	1.08	0.160
Diversified Growth Fund	0.66	0.440
Passive Global Equity Fund	0.15	0.057
Passive Index-Linked Gilt Fund	0.09	0.082
Passive UK Corporate Bond Fund	0.09	0.064
<b>Equity and Diversified Growth Fund</b>	0.40	0.245
Passive Fixed Interest Gilt Fund	0.09	0.012
<b>Pre-Retirement Multi-Asset Fund</b>	0.36	0.045
Pre-Retirement Bond Fund	0.12	0.018
<b>Cash Fund</b>	0.15	0.013
Passive Global Sustainable Equity	0.14	0.104

Data provided by Scottish Widows. Charges as at 30 June 2022, transaction costs for the year to 30 June 2023. Funds in **bold** are components of the section's default strategy.

DC investments with Prudential

Prudential provide the Prudential With-Profits Fund for investment by members of the former ALU Scheme on an 'unbundled' basis, outside of the main DC section. The ongoing charge for investing in this fund as at 30 June 2023 has not been confirmed. The transaction cost associated with this fund was 0.20% over the year to 31 December 2022 (latest available data for transaction costs). Note that Prudential are unable to provide information over the year to 30 June 2023. All non-investment related charges associated with the Plan are paid by the Trustee.

AVC investments with Prudential

Prudential also provide AVC investment arrangements to members of the former NSN Plan on a 'bundled' basis, meaning they undertake all the main administrative services also in running those member policies. The funds available under this policy are:

- Deposit Fund (only available to existing investors)
- With Profits Cash Accumulation

There are no explicit charges associated with the Deposit fund as at 30 April 2023 and the fund had a transaction cost of 0.00% for the year to 31 December 2022. For the Cash fund, there is an ongoing charge of 0.55% to members as at 30 April 2023 and the transaction costs were nil for the year to 31 December 2022 (latest available data for transaction costs). Note that Prudential are unable to provide information over the year to 30 June 2023.

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### AVC investments with Phoenix Life

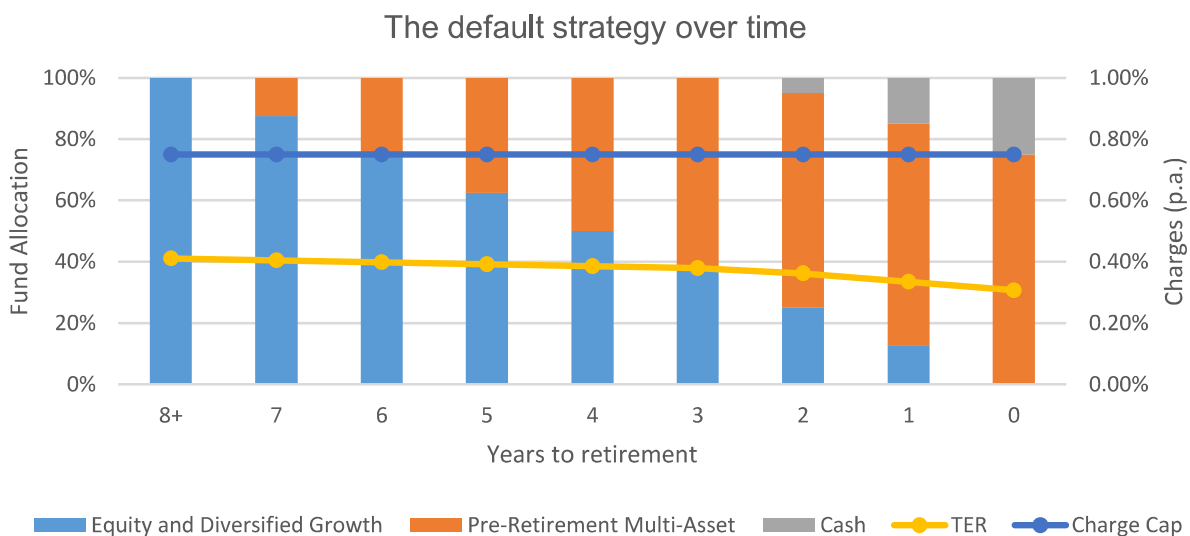
Phoenix Life provide the Phoenix Life With Profits Fund for AVC investment by members of the former ALu Scheme on a 'bundled' basis. The Total Expense Ratio (TER) on the fund is 0.57% on Pre 1990 Regular premiums, 0.65% on Post 1990 Regular premiums, 1.02% on pre 1990 Single premium, and 0.99% on post 1990 Single premium. The transaction costs for the one-year period to 30 June 2023 were 0.07%.

### AVC investments with Clerical Medical

Clerical Medical provide the Clerical Medical With-Profits Fund for AVC investment by members of the former ALu Scheme on a 'bundled' basis. The Annual Management Charge associated with this fund is 1.00% p.a., which also constitutes the total expense ratio for the fund. Clerical Medical have confirmed the transaction costs associated with this fund for the year to 30 June 2023 is 0.39% p.a..

### Charges for the Plan's default investment options

The Plan complies with the regulations on charge cap controls introduced from April 2015. Specifically, the Plan's default investment options have TERs that are well below the charge cap of 0.75% p.a. at each stage of the lifestyling process, as shown in the below graphs.



### Illustration of the cumulative impact of transaction costs and charges

Using the charges and transaction cost data provided by Scottish Widows and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot. The statutory guidance has been considered when providing these examples.

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Plan's relevant funds/strategies listed in brackets):

- The fund or strategy with the most members invested (*The default lifestyle strategy*)
- The most expensive fund (*Active Emerging Markets Equity*)
- The least expensive fund (*Passive Fixed Interest Gilts*)

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The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on member's' pension pots, we have provided the below illustrations, which accounts for all estimated member costs, including the TER, transaction costs and inflation.

### **Illustration 1: A typical member invested in the DC fund range**

This illustration is based on a typical member of the DC fund range invested in the key funds within the range as outlined above, showing how the investment (both before and after charges) changes as the member approaches retirement. As all members of the Plan are deferred, the member is assumed to be making no further contributions to the Plan.

Age	Most popular fund: Default lifestyle		Highest cost fund: Active Emerging Markets Equity		Lowest cost fund: Passive Fixed Interest Gilts	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
56	£80,320	£80,320	£80,320	£80,320	£80,320	£80,320
60	£87,980	£85,998	£89,192	£84,886	£88,658	£88,332
61	£89,402	£86,958	£91,559	£86,068	£90,875	£90,457
62	£90,601	£87,716	£93,989	£87,266	£93,147	£92,634
63	£91,475	£88,189	£96,483	£88,481	£95,475	£94,862
64	£91,924	£88,293	£99,044	£89,712	£97,862	£97,144
65	£91,937	£88,024	£101,673	£90,961	£100,309	£99,481

### **Notes**

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator. The assumed member is age 56, with a normal retirement age of 65 and using a starting pot size of £80,320. The Plan is closed to future accrual so no further contributions are being paid.
4. Inflation is assumed to be 2.5% per annum.
5. Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
<b>Default lifestyle</b>	0.40% p.a. for members 8 or more years from retirement, decreasing to 0.30% p.a. for members at retirement	0.21% p.a. for members 8 or more years from retirement; an average of 0.10% for members within 8 years of retirement and beyond	5.00% p.a. before inflation for members 8 or more years from retirement, falling to 2.50% p.a. before inflation for members at retirement



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<b>Active Emerging Markets Equity</b>	1.08% p.a.	0.15% p.a.	5.00% p.a. before inflation
<b>Passive Fixed Interest Gilts*</b>	0.09% p.a.	0.00% p.a.	5.00% p.a. before inflation

Charge and costs figures provided by Scottish Widows; growth rate assumptions provided by Mercer. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. Therefore, the transaction costs shown above are an average of the costs provided for the 5 year period to 30 June 2023.

\*This fund has reported a negative transaction cost over the period of this Statement; we have therefore assumed these costs to be nil, as negative costs are not expected to continue consistently over time.

### **Illustration 2: The youngest member invested in the DC fund range**

This illustration is based on the youngest members of the Scottish Widows fund range (i.e. those members whose ages are within five years of the youngest member) invested in the key funds within the range, showing how the investment (both before and after charges) changes as the member approaches retirement. As all members of the Plan are deferred, the member is assumed to be making no further contributions to the Plan.

Age	Most popular fund: Default lifestyle		Highest cost fund: Active Emerging Markets Equity		Lowest cost fund: Passive Fixed Interest Gilts	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
42	£78,430	£78,430	£78,430	£78,430	£78,430	£78,430
45	£84,998	£83,444	£84,842	£81,751	£84,461	£84,228
50	£97,188	£92,522	£96,713	£87,601	£95,559	£94,858
55	£111,128	£102,587	£110,246	£93,870	£108,117	£106,831
60	£125,033	£112,132	£125,673	£100,588	£122,324	£120,314
61	£127,054	£113,383	£129,008	£101,988	£125,382	£123,209
62	£128,757	£114,372	£132,432	£103,408	£128,517	£126,173
63	£130,000	£114,989	£135,947	£104,847	£131,730	£129,208
64	£130,637	£115,124	£139,555	£106,307	£135,023	£132,316
65	£130,657	£114,774	£143,258	£107,787	£138,398	£135,499

### **Notes**

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator. The assumed member is age 42, with a normal retirement age of 65 and using a starting pot size of £78,430. The Plan is closed to future accrual so no further contributions are being paid.

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4. Inflation is assumed to be 2.5% per annum.
5. Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
<b>Default lifestyle</b>	0.40% p.a. for members 8 or more years from retirement, decreasing to 0.30% p.a. for members at retirement	0.21% p.a. for members 8 or more years from retirement; an average of 0.10% for members within 8 years of retirement and beyond	5.00% p.a. before inflation for members 8 or more years from retirement, falling to 2.50% p.a. before inflation for members at retirement
<b>Active Emerging Markets Equity</b>	1.08% p.a.	0.15% p.a.	5.00% p.a. before inflation
<b>Passive Fixed Interest Gilts*</b>	0.09% p.a.	0.00% p.a.	5.00% p.a. before inflation

Charge and costs figures provided by Scottish Widows while growth rate assumptions provided by Mercer. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. Therefore, the transaction costs shown above are an average of the costs provided for the 5 year period to 30 June 2023.

\*This fund has reported a negative transaction cost over the period of this Statement; we have therefore assumed these costs to be nil, as negative costs are not expected to continue consistently over time.

The Trustee fully supports transparency of costs for members. We also reiterate that while costs and charges are an important consideration, they are not the only criteria the Trustee assesses. A variety of factors is typically considered in a holistic manner when making strategic decisions in the best interests of the Plan's members.

### Value for Members

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of "good value", but the Trustee considers that it broadly means that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Plan membership as a whole, when compared to other options available in the market. The assessment was undertaken taking account of the Pensions Regulator's Code of Practice No.13 (Governance and administration of occupational trust-based schemes providing money purchase benefits).

The assessment examines the current investment management charges relative to standard institutional fees for equivalent size mandates, Mercer Manager Research Ratings and historical performance. Where funds offered to members are highly rated by Mercer, are being offered at a competitive fee rate, and are performing in line with their objectives over the longer term, they can be considered to be offering good value for money for members.

The Trustee's assessment concluded that the Plan has provided "reasonable" value over the Plan Year for members. The reasons underpinning this conclusion include:

- Benchmarking conducted by our advisors has shown investment charges to offer "Reasonable" value for eight funds, and "Good" value for seven funds.
- The majority of funds remain highly rated by Mercer's Research Ratings Team.
- The members are also in receipt of additional benefits that are paid for by the Company.
- The performance of funds has been rated to be "Reasonable". The majority of members are invested in the Default investment, which comprises two active funds that have slightly underperformed their benchmarks and targets.

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- It is worth noting that the assessment period (12 months to 30 June 2023), has seen challenging market conditions, including rising inflation and interest rates, geopolitical tensions, Russia's invasion of Ukraine and a generally uncertain economic outlook. These conditions have been taken into account by the Trustee when reviewing Plan performance over the 12 month period, and the Trustee believes the strategy in place remains appropriate for the membership.

### **4. Net Return on Investments**

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021, trustees of all relevant pension schemes, regardless of asset size, are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below set out annualised net performance for the 1 and 5 year periods for the default lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range.

### **Lifestyles**

Lifestyle strategies Target Drawdown Strategy	Annualised returns to 30 June 2023 (%)	
	1 year	5 years
Age of member		
25	8.2	5.1
45	8.2	5.1
55	8.2	4.9

*Source: Scottish Widows and Mercer. Performance shown net of all charges and transactions.*

*Fund performance is net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.*

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**Self-Select Funds**

Self-select funds	Annualised returns to June 2023 (%)	
	1 year	5 years
Active Combined Equity	9.0	4.3
Active UK Equity Fund	12.3	0.8
Active UK Smaller Companies Fund	-5.9	-0.9
Active Global Equity Fund	10.6	8.6
Active Emerging Markets Equity Fund	2.7	2.6
Diversified Growth Fund	4.8	2.8
Passive Global Equity Fund	11.6	7.0
Passive Index-Linked Gilt Fund	-17.7	-5.8
Passive UK Corporate Bond Fund	-7.0	-1.6
<b>Equity and Diversified Growth Fund</b>	8.2	5.1
Passive Fixed Interest Gilt Fund	-24.5	-8.2
<b>Pre-Retirement Multi-Asset Fund</b>	2.7	-
Pre-Retirement Bond Fund	-14.2	-4.3
<b>Cash Fund</b>	3.1	0.9
Passive Global Sustainable Equity	13.1	-

Source: Data from Scottish Widows, as at 30 June 2023. Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore, performance is shown in a different format to the lifestyle performance on the previous page. Funds in bold are components of the section's default strategy. Funds marked N/A have insufficient performance history.

**5. Trustee knowledge and understanding**

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee is required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables it to properly exercise its functions and duties in relation to the Plan.

The Trustee has put in place arrangements for ensuring that each Trustee takes personal responsibility for keeping up-to-date with relevant developments, including the monitoring of Continuing Professional Development ("CPD") points, and the Trustee board carries out a self-assessment of training needs on an ongoing basis, following each

# THE NOKIA RETIREMENT PLAN FOR FORMER NSN AND ALU EMPLOYEES YEAR ENDED 30<sup>th</sup> JUNE 2023

## THE CHAIRMAN'S STATEMENT REGARDING DC GOVERNANCE AT 30 JUNE 2023 (CONTINUED)

Trustee meeting. As Professional Trustees the APPT/PMI requirement is that the Trustee undertakes and record a minimum of 25 hours of CPD activity each calendar year, this could be structured, for example a formal event such as a conference, seminar or formal trustee training session with fellow trustees or non-structured such as reading of relevant trade press and websites. This requirement was met in the reporting year.

- The Trustee keeps a log of training undertaken, which includes the modules of the Pension Regulator's Trustee Toolkit. The log is reviewed regularly;
- The Trustee undertakes ongoing training to keep abreast of relevant developments;
- The Trustee's meetings held in the period for this Statement were attended by the Plan's advisers. Training and advice delivered as part of the business at these meetings is incorporated by the Trustee into its decision making processes.

RTSL have undertaken the following training over the relevant year:

- Integrated Risk Management (IRM) and Funding Code (January 2023)
- Senior Management Training – Pension scheme exercises that could impact Scheme Sponsor's balance sheets (January 2023)
- Cyber Resilience Framework (February 2023)
- Senior Management Training on takeover transactions 2023 (February 2023)
- The underlying trends revealed by the LDI crisis (March 2023)
- AAF Training (March 2023)
- DC Pensions: Today, tomorrow and the future (May 2023)
- Diversity & Inclusion in PCST (June 2023)

As a business RTSL also schedules various training sessions for all staff on a variety of topics and request they also undertake regular monthly online training via Thomson Reuters. Staff at all levels are encouraged to continue their learning and industry reading to keep abreast of industry changes and developments.

Part of the trustee knowledge and understanding requirements include being conversant with the Plan's own documentation. The combined knowledge and understanding, together with advice enables the Trustee to properly exercise its functions as it is fully conversant with the Plan's latest Trust Deed & Rules as well as the duties and responsibilities required by a trustee. The combined knowledge of the Plan and pension matters in general (being an Independent Trustee) enables the Trustee to challenge its advisers where necessary. The Trustee is familiar with the Pension Regulator's guidance and Codes of Practice to aid in ensuring that it is properly exercising its functions. The combined knowledge helps the Trustee to ensure that good Plan governance is a priority and where any improvements can be made to existing procedures and processes. The relevant Directors of RTSL who represent the Plan Trustee communicates and meets regularly with the Plan Secretary to facilitate compliance with best practice and the smooth administration of the Plan.



# THE NOKIA RETIREMENT PLAN FOR FORMER NSN AND ALU EMPLOYEES YEAR ENDED 30<sup>th</sup> JUNE 2023

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## THE CHAIRMAN'S STATEMENT REGARDING DC GOVERNANCE AT 30 JUNE 2023 (CONTINUED)

This Statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.

The Chair's statement regarding DC governance was approved by the Trustees and signed on their behalf by:

Signature:

Name: Richard Cousins

Date: 7 December 2023