



Russia and Ukraine

The impact on the Nestlé UK Pension Fund

From the Trustees of the Nestlé UK Pension Fund

As Trustees of the Nestlé UK Pension Fund, we have been monitoring the position following the Russian invasion of Ukraine and have reviewed, and continue to review, the impact of the crisis on the Fund.

Like all of you, our thoughts are with those suffering as a result of the invasion.

In light of the situation, we have reviewed our pension fund operations and investments, and can provide the following update, which we hope will reassure you about the position and security of your pension fund benefits.

Operations

Our in-house pension team, based in the UK, continues to operate as normal, with no disruption to services. Our ability to pay pensions in payment, process transactions, and respond to questions from pension fund members, remains unchanged.

Investments

There are two aspects to consider when it comes to the Fund's investments:

- Firstly, the significant market uncertainty and volatility that recent events have caused, and
- Secondly, whether the Fund has any direct holdings in Ukraine and Russia.

Taking each point in turn:

The crisis in Ukraine has caused significant volatility in investment markets around the world. Many stock markets have fallen in value and there is uncertainty surrounding investments which may continue for some time. It's normal for shares and other assets to go up and down in value in the short term, and the way the Fund's assets are invested aims to take account of this volatility.

In relation to the Fund's holdings in Russian and Ukrainian assets, these are very small. In the defined benefit section of the Fund, they amount to less than 0.1% (around £5m) of the Fund's defined benefit assets of £6.5 billion. In the defined contribution section of the Fund they amount to around 0.6% (less than £1m) of the defined contribution assets of around £150m (based on pre-invasion values).

The underlying investment managers for the Fund's defined benefit assets and defined contribution assets have confirmed they are complying with the sanctions imposed on Russia.

As a pensioner, you are receiving a monthly pension from the Fund. The Fund has over £6 billion of assets, and the Nestlé UK Pension Fund has an investment strategy in place that ensures there is enough money each month to pay pensions as and when they are due. Our ability to pay your pension is not affected by short term volatility in investment markets or by the current crisis in Ukraine.

If you have any questions or concerns, please contact Nestlé Pensions in the usual ways:

By email:

pensions@uk.nestle.com

By phone:

From the UK:

(0208) 667 6363

or

08459 243444 (calls charged at local rate only)

Phone lines are open 9am - 5pm

From outside the UK:

+44 208 667 6363

In writing:

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Steve Delo

Chair of the Nestlé UK Pension Fund Trustee Board

On behalf of the Nestlé UK Pension Fund Trustee Board

Legal note

This update is intended to give you some general information about the impact of the crisis in Ukraine on the Fund. It's based on the information the Trustees currently have about what is a fluid situation.

The impact on you will depend on what types of benefits you have in the Fund, if you're in the defined contribution section, what your money is invested in at the moment and on how the situation evolves.

If you are considering making any changes in the light of recent events, we recommend that you consider taking independent financial advice that's specific to you before making any such decisions.

Nothing in this update constitutes financial advice and you should not rely on information in this update when making any decisions about your benefits or Fund membership.

This document contains references to the Trustees. These are the Directors of the Nestlé UK Pension Trust Ltd.