Pensionshub

For members of the GXO Logistics Pension Scheme

December 2024

GXO

Welcome

Welcome to another issue of *Pensions hub*, the newsletter for members of the GXO Logistics Pension Scheme.

A good number of you have already registered to use BWebstream, the secure portal provided by our administrator, Barnett Waddingham. Barnett Waddingham recently enhanced the online service, moving from member self-service to pension self-service and relaunching it as 'Clarity from BW'.

Clarity from BW gives you access to a one-stop service to manage all your pension requirements. This really is the best way to keep track of your Scheme pension and make any changes you might need. Register now to ensure you never lose touch. Find out more on page 4.

We're also delighted to let you know that we have launched a GXO Pensions microsite, which doesn't require password access. Find out more on page 5 or visit **www.GXOUKPensions.co.uk**

We know that not all of our members have access to the internet, so if you do need to get in touch with the team at Barnett Waddingham, you can continue to do so using the usual contact details on the back page.

There have been a number of changes to the Trustee Board this year. David Thomas and Adam Parker resigned from the Trustee Board and we thank them both for their service to the Scheme. We welcome James Gill who will be joining the Trustee Board, and further details can be found on page 10.

Finally, we have noticed that some of our members are past their Normal Retirement Date but have not yet taken their benefits from the Scheme. If you believe you have an unclaimed pension, please get in touch with Barnett Waddingham. You can find details of your benefits in the Scheme by using Clarity from BW.

I hope you find this issue of *Pensions hub* useful and interesting. As always, please get in touch if there's a particular topic you'd like to see more about in a future issue.

Vassos Vassou
Chair of the Trustee

At a glance

£697.6 million

The value of the Scheme's assets as at 31 December 2023

104%

The Scheme's funding level as at 31 December 2023 check-up

9,985

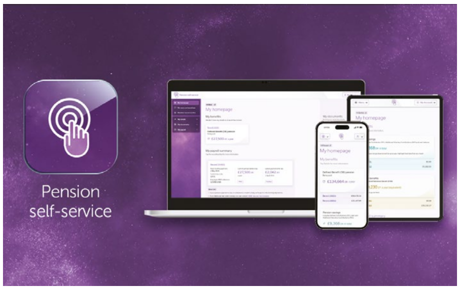
The number of members in the Scheme as at 31 December 2023

In this issue

Scheme noticeboard

Discover a new pension self-service

Barnett Waddingham recently released an update to their secure member online portal – rebranded as ‘Clarity from BW’ – which includes the launch of pension self-service to replace member self-service. The new pension self-service has enhanced functionality that will enable you to confidently manage key aspects of your pension arrangements in a safe and secure digital environment.



You can easily and securely access your latest Scheme communications, submit documents and explore all aspects of your pension, including running quotations or payment and tax information, if you’re already in receipt of your pension.

If you’ve already registered for BWebstream, your login details will remain the same. You can continue to use the BWebstream link to reach your account and it will redirect you to the new login screen for Clarity from BW.

How to register for the first time

If you’ve never used our online services before, you’ll need a registration key as well as your email address.

1. Go to **https://account.claritybw.co.uk** (and remember to save the link as a favourite on your browser).
2. Choose ‘Create an account’ to get started.
3. Enter your registration key. If your key has expired, Barnett Waddingham might be able to send a new one out automatically.

Your registration key is unique to you, and Barnett Waddingham uses it to make sure only you can access your information. You can find your registration key in your registration letter. However, if you’ve lost your registration key or don’t think you’ve received your letter, please contact Barnett Waddingham on 0141 447 0799 and they’ll be happy to help.

Review your information

To enable us to support you better, we need to know some key information. Please take five minutes to check your information is up to date. Using Clarity from BW (was BWebstream) is the quickest way to update your details, and the changes take effect straight away. If you don't have internet access, you can call Barnett Waddingham to update your details (telephone: 0300 373 2448).

To help you with this, use the checklist below...

- **Update your contact details** – We won't pass your details on to any other organisations that are not connected to the Scheme.
- **Expression of Wishes** – Updating your Expression of Wishes tells us how you would like any lump sum benefit, that might be due in the event of your death, to be distributed. By telling us your wishes, the Trustee can use its discretion whilst being guided by you.

New GXO Pensions microsite

We've launched a new microsite for the pension scheme where you can find key Scheme documents. Make a note of the address: **www.GXOUKPensions.co.uk**

It will host all of the Scheme's statutory documents, such as our TCFD (Climate) Report, Statement of Investment Principles and Implementation Statement, along with our recently updated Privacy Notice, copies of *Pensions hub* and links to Scheme documents.

Scan the QR code to visit our new site:

SCAN ME

We're going paperless

We're keen to do our bit for the environment, so the Trustee has made the decision to move future general Scheme communications, such as *Pensions hub*, online unless you tell us you wish to stay with paper. We'll write to all members three times before we finally stop sending you a paper copy (this notice counts as the first). If you've registered for Clarity from BW (was BWebstream), we'll send you an email each time a new communication becomes available for you to view securely. Or, if you prefer to continue receiving paper copies, you can log in to update your communication preferences on the My details screen. *Pensions hub* is classed as a Scheme document.

How does the Trustee protect your personal data?

The Trustee takes the safeguarding of your personal data very seriously, and we work with our advisers to protect confidential information held by the Scheme. Governance policies and processes are in place to ensure robust cyber-security management, and the Trustee has an escalation procedure in place to enable it to respond effectively in the event of a cyber attack. You can find out more about the personal data that the Scheme holds and why it needs to hold this information in the Scheme's Privacy Notice, available at **www.GXOUKPensions.co.uk**

Identify yourself!

We occasionally write to our pensioners, asking them to complete a proof of identity check. We realise it can feel intrusive to be asked this, particularly if you've been in receipt of a pension for many years. However, the Trustee has a duty to safeguard the Scheme's assets by ensuring we only pay benefits to those people who are entitled to them.

If we lose contact with you because you've not told us you've moved, we can't successfully complete these checks – and we may need to suspend your pension.

What's in a name?

If you've only recently got back in touch with the Scheme, you may have missed some of the announcements about changes to the Scheme name over the years. As a reminder, the GXO Logistics Pension Scheme used to be called the XPO Pension Scheme. The XPO Pension Scheme was established in 2016, and the members of the TDG Pension Scheme and the Christian Salvesen Pension Scheme were transferred into that scheme. In October 2021, the XPO Pension Scheme was renamed the GXO Logistics Pension Scheme.

Pensions news

Will voluntary NI contributions boost your State Pension?

You have until 5 April 2025 to pay voluntary contributions to make up for gaps in your National Insurance (NI) record between April 2006 and April 2016 if you're eligible. After 5 April 2025, you'll only be able to pay voluntary contributions for the past six years.

The concession allows people to rebuild their NI credits so they can get the full State Pension – a boost that will be particularly welcomed by people who took time out to raise a family, carers and those who have worked abroad. Find out out more at **www.gov.uk/voluntary-national-insurance-contributions**

You can use the digital service at **www.gov.uk/check-state-pension** to check if you have gaps in your NI record and see by how much your State Pension could increase – and how much it would cost.

Remain vigilant to scammers

Pension scams are on the rise, and scammers are becoming increasingly sophisticated. We encourage you to stay alert against any suspicious calls, texts or emails which could be a scam. If you do receive any suspicious messages or calls, please do not hand over any information such as your bank account details. Instead, hang up, or delete any worrying texts or emails.

Common scams to watch out for include:

Phishing scams – Phishing is mostly email-based but can also be via telephone calls. Scammers try to lure victims under false pretences to websites which look legitimate to get them to provide personal information, including bank account and credit card details, under the guise of an apparent issue – for example, unpaid postage on a package or an unpaid bill.

Investment scams – These scams offer seemingly attractive 'investment opportunities' to encourage you to transfer your retirement savings into their funds. These scams could result in the loss of all your retirement savings, and you could also face significant tax penalties.

Follow these tips to reduce the risk of you falling foul of a scam:

- Protect your email with a **strong password** (tip: use three random words to create a single password that's difficult to crack).
- **Do not share your password** with anyone.
- Install the **latest security updates** to your browser software and personal computing devices.
- If in doubt, **do not open emails** from senders you do not recognise.
- **Check links** look correct before you click on them.
- **Be suspicious** of anyone who asks for your bank account or credit card details.
- If the email contains **spelling mistakes**, this can be a sign that this is a phishing scam. Do not open the email or attachments.

Learn more about how to spot the warning signs on the Financial Conduct Authority's ScamSmart website: **www.fca.org.uk/scamsmart**

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The perks of being a pensioner

Whether you've only just retired or are a dab hand at it, we hope you're enjoying your retirement. Once you're over 60, there are some great perks that can help you save money on travel or days out, making it easier to enjoy the things you love.

- Enjoy 25% off National Trust membership if you're over 60 and have been a National Trust member for three consecutive years; English Heritage also offers a concession for the over-60s.

  www.nationaltrust.org.uk/membership/senior-membership

  www.english-heritage.org.uk/join

- Travel light with 1/3 off rail fares using a Senior Railcard, or get a 1/3 off with a National Express Senior Coach card.

  www.senior-railcard.co.uk

  www.nationalexpress.com/en/offers/coachcards/senior

- Showcase and Odeon cinemas offer discounted screenings for those over 60 – often with a hot drink and a biscuit included.

  www.odeon.co.uk/silvers

  www.showcasecinemas.co.uk/events/silver-screenings

Updated Retirement Living Standards

The Retirement Livings Standards, produced by the Pensions and Lifetime Savings Association, are designed to help people understand how much money they'll need in retirement, depending on the lifestyle they want. The figures are updated each year; the most recent research indicates you would need the following annual income in retirement, depending on your lifestyle of choice:

Single		Couple
£14,400	**Minimum**	£22,400
£31,300	**Moderate**	£43,100
£43,100	**Comfortable**	£59,000

For a more in-depth look at the figures, go to **www.retirementlivingstandards.org.uk**

SCAN ME

Looking after your pension

The Trustee Board consists of six Trustee Directors, who are collectively referred to as the 'Trustee'. Two are nominated by the members and the remaining four are appointed by GXO.

The Trustee has a duty to run the Scheme in line with the Trust Deed and Rules and current pensions law. The Board holds regular meetings throughout the year to discuss the affairs of the Scheme. Support is available to the Trustee from the GXO Pensions Team and a range of professional advisers.

Changes to your Trustee Board

Sadly, we had to say goodbye to Company-appointed Trustees David Thomas and Adam Parker this year. David retired earlier this year after being a Company-appointed Trustee for many years. We thank David for his considerable contribution to the Trustee Board and the Board of the predecessor schemes.

Adam Parker had been a Company-appointed Trustee for nearly four years, and we would like to thank Adam for his contribution over this period.

We are delighted to welcome James Gill who will be joining the Board as Company-appointed Trustee. James is the new Senior Vice President of Finance — UK & Ireland, replacing David Thomas who retired earlier this year. The Company will appoint a further Trustee Director and this will be announced in next year's *Pensions hub*.

Your Trustee directors

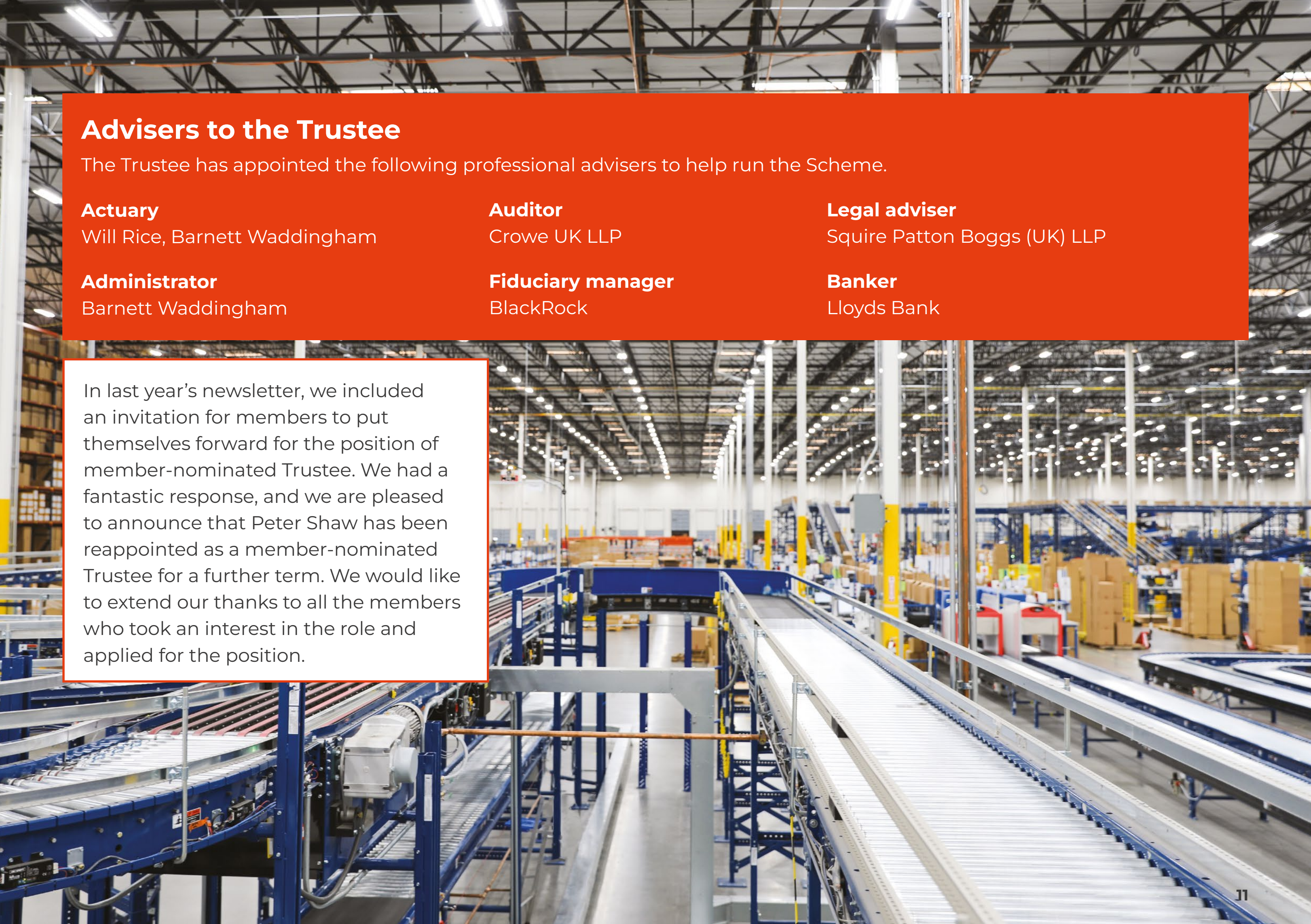
Dalriada Trustees Ltd, represented by Vassos Vassou (Chair)
James Gill - appointment pending
Zeeshan Naqvi
Peter Shaw*
Christopher Wells*
Company Appointed Trustee - vacancy.

*nominated by members.

In-house support

Pensions Manager
Robert Egginton

Secretary to the Trustee
Suzanne Johnson



Advisers to the Trustee

The Trustee has appointed the following professional advisers to help run the Scheme.

Actuary
Will Rice, Barnett Waddingham

Auditor
Crowe UK LLP

Legal adviser
Squire Patton Boggs (UK) LLP

Administrator
Barnett Waddingham

Fiduciary manager
BlackRock

Banker
Lloyds Bank

In last year's newsletter, we included an invitation for members to put themselves forward for the position of member-nominated Trustee. We had a fantastic response, and we are pleased to announce that Peter Shaw has been reappointed as a member-nominated Trustee for a further term. We would like to extend our thanks to all the members who took an interest in the role and applied for the position.

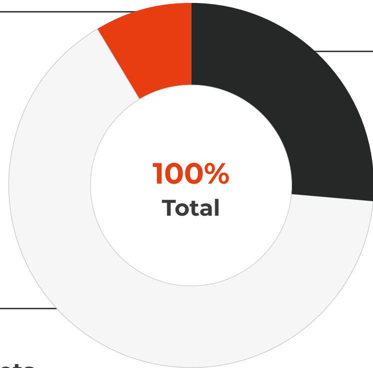
Investment update

The Trustee manages the Scheme's investments with the help of BlackRock, appointed as its fiduciary investment manager in August last year.

'Fiduciary investment management' is a system whereby the Trustee sets the overall investment objectives but delegates the day-to-day investment decisions to the experts so that they can achieve the financial goals. This is good for the Scheme as the fiduciary manager is able to take advantage of market opportunities as they arise, leaving the Trustee to focus on the top-level investment issues and the key strategic investment decisions that the Scheme faces.

The assets of the Scheme as at 31 December 2023 were invested as follows:

Split of assets (at 31 December 2023)



8.6%
Illiquid and alternative assets

26.5%
Liquid assets (including equities and fixed-income)

64.8%
Matching assets (including liability-driven investments and buy & main assets)

Total does not sum to 100% due to rounding.

Investment performance

Following their appointment last year, BlackRock managed the transition of the Scheme's assets to the new managers in a risk-controlled and cost-effective way. The transition was completed by the end of November 2023, so performance data is only available for the short period up until the end of 2023. During this period, the Scheme's investments achieved a return of 7.05%. Performance of the total portfolio and the underlying managers is provided to the Trustee on a quarterly basis. In next year's newsletter, we will be able to provide performance figures for a full year.

Investment documents

The Trustee has published its TCFD (Climate) Report, which covers the period from 1 January 2023 to 31 December 2023. The report follows the framework set out by the Task Force for Climate-related Financial Disclosures. It covers the Trustee's assessment of the potential impact of climate-related financial risk on the Scheme and how the Trustee is responding to and managing the risk. You can read the report on the new GXO Pensions microsite at **www.GXOUKPensions.co.uk.** There is also an updated copy of the Statement of Investment Principles (SIP) and Implementation Statement; these two documents set out the Trustee's investment strategy and show how the Trustee has fulfilled its investment responsibilities.

Financial highlights

This table summarise the Trustee's annual report and financial statements for the year to 31 December 2023. The accounts have been independently audited by Crowe UK LLP.

If you would like to see a copy of the full report, you can request one from the Scheme administrator, Barnett Waddingham, using the contact details on the back page.

MEMBERSHIP

The latest report and accounts for the year ending 31 December 2023 showed that there were **9,985 members** in the Scheme on that date.

3,589	**6,396**
(2022: 3,898)	(2022: 6,262)
-309	+134
Deferred members	**Pensioners**

	£'000
Value of the Scheme at the start of the year	**685,021**
Money in less money out	(37,151)
Return on investments	49,748
Value of the Scheme at the end of the year*	**697,618**
MONEY IN	**£'000**
Scheme Employer contributions	1,000
Other income	-
Total money in	**1,000**
MONEY OUT	**£'000**
Pensions paid to members	(35,865)
Payments to leavers	(750)
Administration costs	(1,536)
Total money out	**(38,151)**

* includes members' Additional Voluntary Contributions (AVCs).

Company news

Across the Group, GXO has been making significant strides in 2024. One of the major highlights is our partnership in the US with a number of humanoid robotics suppliers to deploy new warehouse automation technology. This collaboration aims to enhance operational efficiency through a Robots-as-a-Service (RaaS) model, allowing for flexible and rapid deployment of robotics solutions.

In the UK & Ireland, GXO successfully completed* the acquisition of Wincanton for £750 million – further solidifying our presence in the market.

On the ESG front, GXO has made notable progress. Of note is our expansion of our ESG Impact Ambassadors programme, which ensures our initiatives reflect input from employees at all levels. For 2023 we achieved 78% LED coverage across our global operations and diverted 81.9% of waste from landfills. These efforts have earned GXO a top ‘AA’ ESG rating from MSCI for the third consecutive year. Our ESG report can be found here: **https://gxo.com/esg**

If you want to know more about our financial performance, go to **https://investors.gxo.com**

*subject to regulatory approval from the CMA.

These moves are part of GXO’s broader strategy to leverage cutting-edge technology and expand our market footprint while maintaining a strong commitment to sustainability.

Scan me for more details

SCAN ME

Summary Funding Statement

The Summary Funding Statement sets out the GXO Pension Scheme's funding position as at 31 December 2022, the date of the last full triennial valuation of the Scheme. There is also an update of the position as at 31 December 2023.

How is the Scheme's financial security measured?

An in-depth look at the Scheme's finances is carried out at least once every three years. It is an important part of checking the Scheme's financial health and is called an actuarial valuation.

A qualified, independent professional carries out this work for the Trustee and is appointed as the Scheme Actuary. In the years between actuarial valuations, the Scheme Actuary provides the Trustee with an approximate annual funding update.

To measure the Scheme's financial security, the Scheme Actuary compares the value of the Scheme's assets with its liabilities. If the assets are less than the liabilities, it is said to have a 'shortfall'. If the assets are greater than the liabilities, it is said to have a 'surplus'.

What is the Scheme's financial position?

	Update 31 December 2023	Actuarial valuation 31 December 2022
The market value of the Scheme's assets*	**£693 million**	£682 million
The market value of the Scheme's liabilities	**£667 million**	£679 million
Surplus	**£26 million**	£3 million
Funding level	**104%**	100%

*Excluding members' Additional Voluntary Contributions (AVCs).

The latest funding update as at 31 December 2023 showed an improvement in the funding level since the actuarial valuation as at 31 December 2022 from 100% to 104%. The main reason for this change is the rise in long-term gilt yields over the year, which has resulted in a reduction in the value of the liabilities. The return on the Scheme's growth assets was higher than assumed which also served to increase the surplus.

The next full actuarial valuation will take place as at **31 December 2025**.

Liabilities: The estimated cost of providing the benefits earned by all the deferred members who are yet to draw their pensions, together with the pension benefits already in payment, is known as the Scheme's liabilities.

Assets: Any contributions the Scheme Employer has made, or will make, together with contributions paid by members in the past, forms part of the assets of the Scheme and are invested to provide the benefits that are due to members of the Scheme. The assets of the Scheme are held in an independent legal entity entirely separate from the Scheme Employer. It is held in a communal fund for all members of the Scheme.

Recovery plan

The results of the valuation showed a small surplus, so deficit reduction contributions are not required. The Scheme Employer has agreed to pay £1 million per annum into the Scheme to pay towards the cost of running the Scheme. The Scheme Employer will also meet the cost of the Pension Protection Fund (PPF) levy.

What if the Scheme was wound up?

The financial objective for the Trustee is for the Scheme to have enough money to pay pensions now and in the future, but this largely depends on the Scheme Employer carrying on in business.

The Scheme Actuary has a statutory duty to calculate the level of Scheme assets required in the unlikely event that the GXO Logistics Pension Scheme was wound up. This would mean that all the Scheme liabilities (pensions and benefits) would be secured by purchasing a contract with an insurance company. The estimate of the value of the liabilities that would need to be secured with an insurer is called a 'buyout' estimate or 'solvency' estimate.

The latest valuation indicated that the estimated extra amount that would be needed to buy out the liabilities as at 31 December 2022 was in the region of £183 million (2019: £353 million). The Trustee is required to provide this information to you – it does not mean that any consideration is being given by GXO to winding up the Scheme. It is common for most UK pension schemes to have a shortfall on a solvency basis.

In the unlikely event that the Scheme Employer failed and did not have enough money to cover the cost of buying all members' benefits with an insurer, the Pension Protection Fund may take over the Scheme and pay compensation to members. There are certain limits on the amounts paid by the PPF, which would not give exactly the same benefits as those provided by the Scheme. Further information and guidance are available at **www.ppf.co.uk**

Why are you showing the solvency position?

The Trustee is required by law to provide you with information on the Scheme's solvency position. It does not imply that there is any intention, either by the Scheme Employer or the Trustee, to wind up or close the Scheme.

Why isn't the Scheme kept fully solvent at all times?

The full solvency position assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future when calculating the value of the liabilities and they include margins for profit and future administration expenses in their valuations. By contrast, the Scheme's funding plan assumes that the Scheme Employer will continue in business and support the Scheme.

Additional information

The Trustee is required to report whether any repayment out of the Scheme has been made to the Scheme Employer during the year ending 31 December 2023. It can confirm that no such payment has been made.

The Pensions Regulator has wide-ranging powers: for example, it can impose funding plans or modify schemes. No such directions have been made for this Scheme.

Documents available on request

The following documents are available on request:

- Schedule of Contributions • Annual Report and Accounts
- Scheme Funding Report • Actuarial Report
- Statement of Investment Principles
- Privacy Policy • Trust Deed and Rules.

If you want a copy of any of the Scheme documents or have a question about the Scheme or your benefits, please contact Barnett Waddingham, the administrator.

The latest versions of the Statement of Investment Principles (SIP), Implementation Statement and TCFD Report are available on the following websites: **www.GXOUKPensions.co.uk** and **https://sites.google.com/view/gxopensionscheme/home**

Thinking of transferring your benefits?

If you are thinking of leaving the Scheme or transferring your pension benefits to another pension scheme, you should consult an independent financial adviser before taking any action.

Get in touch

If you have any questions about the Scheme or your benefits, please contact the administrator, Barnett Waddingham.

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Chiltern Avenue
Amersham
HP6 5FG

0300 373 2448 (UK)
01494 923 245 (Overseas)

GXOPensions@Barnett-Waddingham.co.uk

www.GXOUKPensions.co.uk

Don't be a stranger

Remember to tell Barnett Waddingham if your contact details change. It's quick and easy to update your address on Clarity from BW.

Help for visually impaired members

We can provide this newsletter in alternative formats on request, including large print, braille or coloured paper options.