

**Europ Assistance Holdings Limited Pension and Life Assurance  
Plan**

**Trustee annual report and financial statements for the year  
ended  
31 December 2022**

**Scheme Registration Number: 10009729**

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
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**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Trustee and advisers**

<b>Trustee</b>	<p><b>Employer appointed</b> PAN Trustees UK LLP</p> <p><b>Designated Members</b> JP Breedon (appointed 15 August 2022) N Chadha SJ Delo AJ Firbank CDJ Goddard R Nathan MA Roberts LC Stewart-Brindle JD Walters (appointed 20 June 2022) PAN Professional Trusteeship Limited</p>
<b>Principal Employer</b>	Europ Assistance Holding S.A.S 2 Rue Pillet-Will, 75309 Paris, France
<b>Actuary</b>	Christopher Martin FIA First Actuarial LLP
<b>Independent Auditor</b>	RSM UK Audit LLP
<b>Investment Manager</b>	Mobius Life Limited
<b>Investment Adviser</b>	First Actuarial LLP
<b>AVC Provider</b>	Prudential Assurance Company Limited
<b>Legal Adviser</b>	Shoosmiths LLP
<b>Employer Covenant Advisor</b>	BTG Advisory LLP
<b>Bank</b>	Barclays Bank plc
<b>Plan Administrator</b>	First Actuarial LLP
<b>Contact for Plan queries</b>	<p>First Actuarial LLP Fosse House, 182 High Street Tonbridge, Kent TN9 1BE</p> <p>Telephone: 01732 207 500 E-mail: <a href="mailto:jennifer.dean@firstactuarial.co.uk">jennifer.dean@firstactuarial.co.uk</a></p>

# Europ Assistance Holdings Limited Pension and Life Assurance Plan

## 31 December 2022

### Trustee's annual report

#### Introduction

The Trustee of the Europ Assistance Holdings Limited Pension and Life Assurance Plan (the Plan) is pleased to present its report together with the financial statements for the year ended 31 December 2022.

The Plan is governed by a Trust Deed and Rules dated 22 March 2002. The Trustee holds Plan funds on trust for the purpose of paying pensions and other benefits in accordance with the Trust Deed and Rules.

The Plan is a defined benefit scheme, closed to both new members and future accrual, and was established to provide benefits to the staff of the former Principal Employer, Europ Assistance Holdings Limited and the former Participating Employer, Legal Recovery Services Limited.

The Plan will remain in operation and benefits will continue to be paid from the Plan as they fall due. Where required the Principal Employer will pay contributions into the Plan in order to eliminate any deficit on an ongoing basis over a suitable time period.

#### Management of the Plan

The Plan rules contain provisions for the appointment and removal of Trustees. In accordance with the Trust Deed and Rules the power of appointment or removal of the Trustees rests with the Principal Employer.

In accordance with section 241(8) of the Pensions Act 2004 and regulations 1 and 2 of the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006 (SI 2006/714), the Plan became exempt from the Member Nominated Trustee requirements, as the sole Trustee of the Plan is independent within the meaning given by section 23(3) of the Pensions Act 1995.

The Trustee who served during the year under review and since the year end is listed on page 2.

The Trustee met three times during the year.

#### Changes to the Plan

There were no significant changes to the Plan during the year to 31 December 2022.

#### Principal Employer

The Plan's Principal Employer is Europ Assistance Holding S.A.S, whose registered address is shown on page 2. Other employers may be admitted to the Plan from time to time by the Principal Employer with the consent of the Trustee.

#### Financial development and actuarial status

The financial statements on pages 15 to 27 have been prepared and audited in accordance with the Regulations made under Sections 41(1) and (6) of the Pensions Act 1995. They show that the value of the Plan's net assets decreased from £30,023,202 at 31 December 2021 to £19,748,866 at 31 December 2022.

The actuarial position of the Plan is disclosed in the Report on Actuarial Liabilities shown on page 28 of this report. The next full actuarial valuation is due as at 31 December 2024.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

## **Going Concern**

The Trustee has designed and implemented the Plan's investment strategy taking a long-term view and has built in resilience to withstand short-term fluctuations. The Trustee has been actively monitoring both the financial security of the Plan and the suitability of the investment strategy and will continue to do so.

The Trustee also continues to monitor the employer covenant and has been receiving regular updates from the Employer about the impact of the current worldwide economic climate on their business.

The financial statements have been prepared on the going concern basis. The Trustee has assessed the impact of the current worldwide economic climate in terms of the predicted effect on the Plan's assets, technical provisions and the employer covenant. At the date of signing these financial statements the Trustee believes that due to its investment strategy the Plan is able to comfortably cover its related outgoings until at least 12 months from signing. As a result, the Trustee considers the preparation of the financial statements on a going concern basis to be appropriate.

## **Pension increases**

All pensions in payment were increased during the year as set out under the Plan Rules and in line with statutory requirements.

The Plan grants pension increases in payment at the following rates:

- Statutory rates on Guaranteed Minimum Pensions.
- 3% per annum in respect of benefits in excess of Guaranteed Minimum Pensions accrued prior to 6 April 1997.
- LPI pension increases in respect of benefits accrued on or after 6 April 1997 (except that for members who joined the Plan prior to 6 April 1997, a minimum of 3% per annum will also apply).

Limited Price Indexation (LPI) increases are increases which are in line with inflation (currently Consumer Price Indexation (CPI)) up to a maximum of 5% per year.

The actual LPI pension increase in the year was 5.0%.

Deferred pensions were increased in accordance with statutory requirements.

No discretionary increases were granted during the year.

## **Contributions**

The contributions payable during the year are shown in the Summary of Contributions signed on page 30 and reported on by the Auditor on page 29.

After the year-end, a new Schedule of Contributions was agreed by the Trustee and Employer and certified by the Scheme Actuary on 31 January 2023 and a copy of the certification is included on page 31.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

**Membership**

	2022	2021
<b>Deferred members</b>		
As at the start of the year	233	242
Retirements	(10)	(7)
Full commutations	(1)	(1)
Transfers out	(4)	(1)
Deaths	(1)	-
<b>As at the end of the year</b>	<b>217</b>	<b>233</b>
<b>Pensioner members</b>		
As at the start of the year	134	128
Deferred members retiring	10	7
Deaths	(5)	-
Full commutations	(4)	-
New dependants	11	-
Pension cessation (child reaching maximum age)	(1)	-
<b>As at the end of the year</b>	<b>145</b>	<b>134</b>
<b>Total membership at the end of the year</b>	<b>362</b>	<b>367</b>

Pensioners include dependants. Six of the new dependants in the year were child dependants.

**Transfer values**

Transfer values, where paid, are calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments. No transfer values are paid less than the amount provided by the Act. No discretionary benefits are allowed for in the calculation of transfer values.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Trustee's annual report (continued)**

**Investments**

*The Trustee investment policy*

The Trustee is responsible for the Plan's investment strategy, acting on the advice of their investment adviser. In taking decisions regarding the Plan's investment strategy, the Trustee takes into account the membership profile and the structure and duration of the liabilities.

The Trustee invests all of the Plan's assets through an investment platform operated by Mobius Life Limited (MLL). The Trustee has appointed MLL as its investment manager but then accesses underlying pooled funds through the MLL investment platform. The underlying pooled funds are managed by investment managers and those managers have full discretion for stock selection.

At the year end, the Plan's assets were invested in the following underlying funds which were accessed through the MLL platform:

Mobius Life Fund	Proportion of Plan's invested assets at year end
L&G Life DB World Equity Index Fund	7.9%
L&G Life W Asia Pacific (ex Japan) Dev Equity Index Fund	8.7%
ML SS Structured Equity Unit-Linked Fund	32.1%
L&G Life MAAA Diversified Fund	14.2%
BMO LDI Nominal Dynamic LDI Fund Weekly	22.0%
BMO LDI Real Dynamic LDI Fund Weekly	4.9%
BMO LDI Short Profile Real Dynamic LDI Fund	3.6%
M&G Total Return Credit Investment Fund	6.6%
	<b>100.0%</b>

During the year, the Trustee removed the ML R&M Structured Equity B (8359) Fund and the BG IF Multi Asset Growth Fund and added the L&G Life W Asia Pacific (ex Japan) Dev Equity Index Fund, the ML SS Structured Equity Unit-Linked Fund and the M&G Total Return Credit Investment Fund to the Plan's portfolio.

When considering the suitability of an investment manager, the Trustee (in conjunction with their investment adviser), will take account of all matters which are deemed to be financially material<sup>1</sup> over the appropriate time horizon<sup>2</sup>. This includes assessment of how ESG (Environmental, Social and Governance) risks are mitigated by the investment manager.

The Trustee regularly reviews the Plan's investments for all matters considered to be financially material over the appropriate time horizon. This includes reviewing that the assets continue to be managed in accordance with each investment manager's mandate and that the choice of investment managers remains appropriate.

The Trustee does not take non-financial matters<sup>3</sup> into account in the selection, retention and realisation of investments or when determining the Plan's investment strategy. The Trustee will review this policy as appropriate.

The Trustee's policy in relation to the exercise of rights attaching to investments, and undertaking engagement activities in respect of investments, is that they wish to encourage best practice in terms of stewardship.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

## **Investments**

### *The Trustee investment policy (continued)*

However, the Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by each investment manager's own policies on such matters. If it is identified the investment manager is not engaging with issuers of debt or equity, the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect their investment adviser to raise the Trustee's concerns with the investment manager. Thereafter, the Trustee, in conjunction with their investment adviser, would monitor the performance of the fund to assess whether the situation improves.

As the Plan's assets are held in pooled funds, the Trustee has limited influence over the investment managers' investment decisions. In practice, investment managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. The Trustee assesses this when selecting and monitoring managers.

The Trustee assesses the performance of each fund held on a quarterly basis. This monitoring includes an assessment of whether the investment manager continues to operate the fund in a manner that is consistent with the factors used by the Trustee to select the fund.

The Trustee will consider the transaction costs incurred on each pooled fund and, as part of this analysis, the Trustee will consider whether the incurred turnover costs have been in line with expectations. This will be taken into account when assessing the ongoing suitability of each pooled fund.

The Trustee will consider how the investment manager defines and measures the targeted portfolio turnover and turnover range.

The Trustee normally expects that pooled funds will be held for several years. As part of the periodic strategic asset allocation reviews (which take place at least every three years), the Trustee will review whether the ongoing use of each fund remains consistent with their investment strategy.

### *Notes*

1. "Financially material considerations" includes (but is not limited to) ESG considerations (including but not limited to climate change), which the Trustee considers financially material.
2. The Trustee believes that the "appropriate time horizon" will be the period over which benefits are expected to be paid from the Plan.
3. In the relevant regulations "non-financial matters" refers to the views of the members. This includes, but is not limited to, ethical views, views on ESG factors and views on the present and future quality of life for the members.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

## **Investments**

### *Objectives of the pooled investment vehicles*

The objectives of the funds used by the Trustee over the course of the year are specified below.

#### L&G Life DB World Equity Index Fund

The investment objective of the fund is to track the performance of the FTSE World Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.

#### L&G Life W Asia Pacific (ex Japan) Dev Equity Index Fund

The investment objective of the fund is to track the performance of the FTSE Developed Asia Pacific ex Japan Index to within +/-0.75% p.a. for two years out of three.

#### ML SS Structured Equity Unit-Linked Fund

The fund aims to reduce the client's equity risk by investing in equity options which, when combined with the client's cash (cash component), provide a shaped exposure to specified equity indices.

#### L&G Life MAAA Diversified Fund

The investment objective of the fund is to provide long-term investment growth through exposure to a diversified range of asset classes. The fund will hold between 20% and 50% in bonds, the remaining 50% to 80% will be held in a range of assets which may include equities, property, commodities and the shares of infrastructure companies. Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes where LGIM believes there is an advantage in doing so. The asset allocation will be reviewed periodically (typically annually), and the fund will not take short term, tactical asset allocation positions.

#### BMO LDI Nominal Dynamic LDI Fund Weekly

The fund aims to provide liability hedging by offering interest rate protection which replicates the liability profile of a typical UK defined benefit pension scheme. The manager constructs the portfolio using a blend of hedging instruments selected to provide the required hedging characteristics whilst favouring the instruments that offer the highest yield.

#### BMO LDI Real Dynamic LDI Fund Weekly

The objective of the fund is to provide a hedge against real rate liabilities (i.e., nominal and inflation risks inherent in the liabilities) by the manager's use of a number of hedging assets.

#### BMO LDI Short Profile Real Dynamic LDI Fund

The fund aims to provide liability hedging by offering interest rate and inflation protection which replicates the liability profile of a mature (ie. short duration) UK defined benefit pension scheme.

#### M&G Total Return Credit Investment Fund

The fund aims to maximise total return principally through prudent investment management. It aims to provide investors with attractive returns from capital and income from a diversified pool of debt and debtlike assets, including but not limited to, debt instruments with a fixed, variable or floating rate coupon. The fund will identify opportunities at the market, sector, issuer or security level. There is no geographic limitation to the investment universe.

During the Plan year, funds were also invested in:

#### BG IF Multi Asset Growth Fund

The objective of the fund is to achieve attractive returns over the long term at lower risk than equity markets by investing in a multi asset portfolio.

#### ML R&M Structured Equity B (8359)

The investment objective of the fund aims to deliver equity exposure that is tailored to the Trustee's risk and return preferences through the use of downside equity protection derivatives and the capping of returns.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

## Investments

### *Statement of Investment Principles*

The Trustee has produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995. This Statement was updated in September 2020 and a copy is available on request. At the year end, the investments held were not in line with the Statement of Investment Principles as the portfolio has been updated to reflect changes to the Trustees' investment strategy. The Statement is being reviewed in order to reflect the latest agreed strategy. The split of the Scheme's assets between growth and liability matching assets is not regularly rebalanced and will vary over time as market conditions change. The Trustee will review the strategic asset allocation periodically, at least every three years, to ensure that the investment strategy remains consistent with the Trustee's funding objectives.

### *Custodial arrangements*

The Plan's assets are invested in pooled investment vehicles and the Trustee has not appointed a custodian in relation to those investments. For each pooled investment vehicle, the investment manager appoints a custodian.

The custodians are responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of custodians' nominee companies, in line with common practice for pension scheme investments.

### *Investment performance review*

The Trustee, in conjunction with its investment adviser, reviews investment strategy and investment performance on an ongoing basis.

During the year the average annualised returns for the investment funds were as follows:

<b>Mobius Life Funds</b>	<b>1 Year %</b>	<b>3 Years % pa</b>	<b>5 Years % pa</b>
<b>Total assets invested</b>	<b>(29.8)</b>	<b>(6.0)</b>	<b>(1.7)</b>
L&G Life DB World Equity Index Fund	(7.1)	8.5	8.7
L&G Life W Asia Pacific (ex Japan) Dev Equity Index Fund	(1.3)	5.1	n/a
ML SS Structured Equity Unit-Linked Fund	n/a	n/a	n/a
L&G Life MAAA Diversified Fund	(9.0)	1.7	3.2
BMO LDI Nominal Dynamic LDI Fund Weekly	(92.9)	(57.1)	(36.9)
BMO LDI Real Dynamic LDI Fund Weekly	(91.5)	(50.3)	(33.7)
BMO LDI Short Profile Real Dynamic LDI Fund	(99.2)	(77.4)	(58.4)
M&G Total Return Credit Investment Fund	0.6	3.5	3.2

Note: the returns stated in the table above are before the deduction of fees and are provided by the investment manager.

Returns shown represents returns for the underlying funds and the Plan may not have invested in those funds throughout the entirety of the period reported.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
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**Trustee's annual report (continued)**

## **Investments**

### *Investment performance review (continued)*

As has been well publicised, the UK Chancellor of the Exchequer's mini budget in September 2022 had a very dramatic impact on the gilt market. This caused gilt yields to soar and the value of pension scheme liabilities to plummet. LDI funds, which move in line with pension scheme liabilities, also fell sharply and LDI leverage increased dramatically as a consequence.

At the height of the crisis, some LDI funds were forced to sell gilts in order to control leverage. This opened up the possibility of wider contagion; a scenario under which gilt sales would further depress the gilt market, forcing more LDI funds to sell gilts – which would drive values even lower. To prevent this scenario, the Bank of England (BoE) intervened by stating that it would purchase gilts as required to support the market. This had the desired result and, in effect, established a floor for the price of gilts.

The BoE's intervention was time limited and came with conditions which were designed to ensure that, when the BoE stepped away, the gilt market would not come under threat from systemic risks or from speculators. The conditions required that LDI providers:

- reduced the standard operating leverage of their LDI solutions thereby increasing the capacity to withstand a material increase in gilt yields;
- lowered leverage limits, thereby requiring that future recapitalisation payments would be requested after a smaller movement in gilt yields; and
- shortened recapitalisation periods, thereby ensuring that, when a leverage limit was reached, leverage would be brought back down to target sooner.

These changes were understandable and have undoubtedly materially reduced the risk of an LDI recapitalisation crisis arising again in the future.

The key consequence of the new regime is that LDI providers must now (and will continue to have to) operate with significantly lower leverage than was the case previously. This makes it more challenging for pension schemes to gain both growth and liability matching from the same portfolio.

### *Further information about the Plan's investments*

Further details about the nature, marketability, security and valuation of investments are shown in the notes to the financial statements on pages 17 to 27.

Further details about the Plan's investment strategy in relation to risk are given in note 14 to the financial statements.

### *Employer related investments*

There were no employer related investments held during the year.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Trustee's annual report (continued)**

**Statement of Trustee's responsibilities**

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year, and
- contain information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

**Contact for further information**

Any query about the Plan, including requests from individuals for information about their benefits, should be sent to the Plan Administrator's address shown on page 2.

Signed on behalf of the Trustee:

<b>LLP Designated Member</b>	<b>Date:</b>
<b>Authorised Signatory</b>	<b>Date:</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Independent Auditor's Report to the Trustee of the Europ Assistance Holdings**  
**Limited Pension and Life Assurance Plan**

## **Opinion**

We have audited the financial statements of the Europ Assistance Holdings Limited Pension and Life Assurance Plan for the year ended 31 December 2022 which comprise the fund account, the statement of net assets (available for benefits) and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 December 2022, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial documents, we have concluded that the Plan's Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Plan's Trustee with respect to going concern are described in the relevant section of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Plan's Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Independent Auditor's Report to the Trustee of the Europ Assistance Holdings**  
**Limited Pension and Life Assurance Plan (continued)**

### **Other information (continued)**

Our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Trustee**

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objective of our audit is to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations for the prevention and detection of fraud.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Independent Auditor's Report to the Trustee of the Europ Assistance Holdings Limited Pension and Life Assurance Plan (continued)**

**The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Plan operates in and how the Plan is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS102, including the Financial Reports of Pension Scheme 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale to significant unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Plan's Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan and the Plan's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK AUDIT LLP**  
Statutory Auditor  
Chartered Accountants  
Centenary House  
69 Wellington Street  
Glasgow G2 6HG

Date:

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Fund Account**

	Note	2022 £	2021 £
<b>Contributions and benefits</b>			
Employer contributions	4	432,969	291,799
<b>Total contributions</b>		<b>432,969</b>	<b>291,799</b>
Benefits paid or payable	5	(1,114,066)	(756,976)
Payments to and on account of leavers	6	(1,146,299)	(62,714)
Administrative expenses	7	(106)	(93)
		<b>(2,260,471)</b>	<b>(819,783)</b>
<b>Net withdrawals from dealings with members</b>		<b>(1,827,502)</b>	<b>(527,984)</b>
<b>Return on investments</b>			
Change in market value of investments	8	(8,413,290)	2,371,938
Investment management expenses	9	(33,544)	(31,056)
<b>Net return on investments</b>		<b>(8,446,834)</b>	<b>2,340,882</b>
<b>Net increase in the fund during the year</b>		<b>(10,274,336)</b>	<b>1,812,898</b>
<b>Net assets of the Plan</b>			
Opening net assets of the Plan as at 1 January		30,023,202	28,210,304
<b>Closing net assets of the Plan as at 31 December</b>		<b>19,748,866</b>	<b>30,023,202</b>

The notes on pages 17 to 27 form an integral part of these financial statements.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Statement of Net Assets (available for benefits)**

	Note	2022 £	2021 £
<b>Investment assets</b>	<b>8</b>		
Pooled investment vehicles	<b>11</b>	18,966,102	29,396,029
AVC investments	<b>12</b>	177,457	203,343
<b>Total net investments</b>		<b>19,143,559</b>	<b>29,599,372</b>
<b>Current assets</b>	<b>16</b>	<b>668,366</b>	<b>445,117</b>
<b>Current liabilities</b>	<b>17</b>	<b>(63,059)</b>	<b>(21,287)</b>
<b>Net assets of the Plan at 31 December</b>		<b>19,748,866</b>	<b>30,023,202</b>

The notes on pages 17 to 27 form an integral part of these financial statements.

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan which does take into account such liabilities, is dealt with in the Report on Actuarial Liabilities on page 28 of the annual report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustee on:

<b>LLP Designated Member</b>	<b>Date:</b>
<b>Authorised Signatory</b>	<b>Date:</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements**

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (revised 2018).

As noted in the Trustee’s Report on page 4, the Trustee has assessed the impact of the current world economic climate in terms of the predicted effect on the Plan’s assets, technical provisions and the effect on the Principal Employer. In such unprecedented times, management forecasting can be difficult, however the Principal Employer continues to provide regular updates to the Trustee. The Trustee expects the Principal Employer to continue to provide such information in a timely manner and to report any material uncertainty that casts significant doubt upon the ability of the Plan to continue on a going concern basis. From the perspective of the Plan, the Trustee remains confident that the Principal Employer will continue to support the Plan and the benefits arising from it. The Trustee considers the preparation of the financial statements on a going concern basis to be appropriate.

**2. Identification of the financial statements**

The Plan is established under the laws of England and Wales. The address for enquiries to the Plan is First Actuarial LLP, Fosse House, 182 High Street, Tonbridge, Kent TN9 1BE.

**3. Accounting policies**

The principal accounting policies of the Plan are as follows:

- (i) The Plan’s functional and presentation currency is pounds sterling.
- (ii) Contributions:
  - Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustee.
  - The Employer has agreed to pay additional contributions to top up individual transfer values above the level set by the Trustee. Any top ups required are paid into the Plan on an annual basis.
- (iii) Payments to members:
  - Pensions in payment are accounted for in the period to which they relate.
  - Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
  - Individual transfers out of the Plan are accounted for when the member liability is accepted which is normally when the transfer amount is paid.
- (iv) The Principal Employer meets all the expenses of administering the Plan, other than investment management and other minor expenses which are met from Plan assets.
- (v) Investment income generated by the pooled investment vehicles is not distributed but is retained within the Fund and is reflected in the market value of units.
- (vi) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**3. Accounting policies (continued)**

(vii) Investments are included at fair value as described below:

- Pooled investment vehicles have been valued at the swinging single price provided by Mobius Life.
- AVC with profit insurance policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

**4. Contributions**

	2022 £	2021 £
<b>Employer contributions</b>		
Augmentations (transfer value top-up payments)	432,969	35,805
Additional	-	255,994
	<b>432,969</b>	<b>291,799</b>

Until 31 December 2022, the Employer has agreed to pay additional contributions to top up individual transfer values above the level set by the Trustee. During the year to 31 December 2021, the Employer, with the agreement of the Trustee, also made an additional contribution of £255,994 to the Plan.

After the year-end, a new Schedule of Contributions was agreed by the Trustee and Employer and certified by the Scheme Actuary on 31 January 2023 and a copy of the certification is included on page 31. Under the new Schedule, to eliminate the funding shortfall, the Employer will pay an annual contribution of £650,000 by 31 January 2023, increasing by £25,000 per annum until 31 December 2028 and by £30,000 per annum from 1 January 2029 to 31 December 2031. The payments will be due by 31 January in each year.

**5. Benefits paid or payable**

	2022 £	2021 £
Pensions	697,966	633,777
Commutation of pensions and lump sum retirement benefits	392,578	123,199
Taxation where lifetime or annual allowance has been exceeded	23,522	-
	<b>1,114,066</b>	<b>756,976</b>

**6. Payments to and on account of leavers**

	2022 £	2021 £
Individual transfers out to other schemes	1,146,299	62,714
	<b>1,146,299</b>	<b>62,714</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**7. Administrative expenses**

	2022 £	2021 £
Bank charges	105	93
	<b>105</b>	<b>93</b>

**8. Reconciliation of investments**

	Value at 31 December 2021 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 December 2022 £
Pooled investment vehicles	29,396,029	18,056,910	(20,047,352)	(8,439,485)	18,966,102
AVC investments	203,343	-	(52,081)	26,195	177,457
	<b>29,599,372</b>	<b>18,056,910</b>	<b>(20,099,433)</b>	<b>(8,413,290)</b>	<b>19,143,559</b>

**8.1 Concentration of investments**

The following funds represented more than 5% of net assets at the year-end:

	2022 £	2022 %	2021 £	2021 %
<b>Mobius Life</b>				
ML SS Structured Equity Unit-Linked Fund	6,084,641	30.8	-	-
BMO LDI Nominal Dynamic LDI Fund Weekly	4,173,105	21.1	1,656,314	5.5
L&G Life MAAA Diversified Fund	2,697,257	13.7	8,432,206	28.1
L&G Life W Asia Pacific (ex Japan) Dev Equity Index Fund	1,650,329	8.4	-	-
L&G Life DB World Equity Index Fund	1,502,828	7.6	2,527,693	8.4
M&G Total Return Credit Investment Fund	1,243,876	6.3	-	-
BG IF Multi Asset Growth Fund	-	-	8,262,569	27.5
ML R&M Structured Equity B (8359)	-	-	5,777,693	19.2

**8.2 Transaction costs**

There are no direct transaction costs from investment in Mobius Life funds. However, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. These costs are not separately identifiable.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**9. Investment management expenses**

	2022 £	2021 £
Administration, management and custody	33,544	31,056
	<b>33,544</b>	<b>31,056</b>

**10. Taxation**

The Plan is a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income and capital gains taxes.

Members were contracted out of the State Second Pension ("S2P"), although the contracting out certificate covering the Plan was surrendered following its closure to future benefit accrual.

**11. Pooled investment vehicles**

	2022 £	2021 £
Equity funds	9,237,798	8,305,386
Bond funds	7,031,047	4,395,868
Diversified growth funds	2,697,257	16,694,775
	<b>18,966,102</b>	<b>29,396,029</b>

**12. AVC investments**

The Trustee holds assets invested separately from the main defined benefit investments in order to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement as at the year-end confirming the amounts held in their accounts and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2022 £	2021 £
Prudential Assurance (with profits insurance policy)	176,720	200,096
Prudential Assurance (cash insurance policy)	737	3,247
	<b>177,457</b>	<b>203,343</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**13. Fair value determination**

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

At 31 December 2022				
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	18,966,102	-	18,966,102
AVC investments	-	737	176,720	177,457
	-	18,966,839	176,720	19,143,559

At 31 December 2021				
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	29,396,029	-	29,396,029
AVC investments	-	3,247	200,096	203,343
	-	29,399,276	200,096	29,599,372

**14. Investment risk disclosures**

**14.1 Investment risks**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Plan has exposure to these risks because of the investments made by the Trustee to implement its investment strategy.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**14.2 Investment strategy (risk management)**

The Trustee has set an investment strategy that reflects the following primary investment objectives:

- Ensure that assets are sufficient and available to pay members' benefits as and when they fall due.
- Generate an appropriate level of investment returns to improve the funding position and thereby improve security for members.
- Protecting the financial position to limit the scope for adverse investment experience reducing security for members.

It is recognised that targeting strong levels of investment return introduces investment risk which increases the volatility of the funding position.

The Trustee's strategic asset allocation is determined after considering written advice from the investment adviser and is designed to strike a balance between the above objectives.

The Trustee views the investments as falling into two broad categories:

- Growth assets that are expected to deliver long-term returns in excess of liability growth. The use of growth assets is expected to generate strong investment returns.
- Liability matching assets that are expected to react to changes in market conditions in a similar way to the liabilities of the Plan. The use of liability matching assets is expected to protect the financial position of the Plan.

The day-to-day management of the Plan's assets is delegated to one or more investment managers.

The Trustee is satisfied that the investment managers have the appropriate knowledge and experience to manage the investments effectively. The Trustee considers each investment manager's mandate carefully to ensure it is appropriate. Where pooled investment vehicles are used, it is recognised that the mandate cannot be tailored to the Trustee's particular requirements. However, the Trustee ensures that any pooled investment vehicles used are appropriate to the circumstances of the Plan.

The Trustee, in conjunction with its investment adviser, reviews each of the investment managers regularly to ensure that the manager remains competent and that the assets continue to be managed in accordance with that manager's mandate.

The Trustee sets the investment strategy taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding arrangement that has been agreed with the Employer.

Further information regarding the Trustee's investment strategy is set out in the Statement of Investment Principles.

Further information on the Trustee's approach to risk management and the controls over credit and market risk is set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Plan.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

### **14.3 Credit risk**

The Plan is directly exposed to credit risk through cash balances and investments in pooled investment vehicles. The Plan is also indirectly exposed to credit risk arising on the financial instruments held within the pooled investment vehicles.

An analysis of how direct credit risk and indirect credit risk are managed is provided below.

#### **14.3.1 Direct credit risk**

The Trustee, in conjunction with its investment adviser, carries out due diligence checks on the funds and investment managers used and, on an ongoing basis, monitors any changes to the regulatory and operating environment.

In addition, Mobius Life Limited (Mobius) conducts ongoing due diligence on all funds offered on its platform which includes assessment of the risks associated with external investment managers.

The mitigation of direct credit risk for each of the Plan's investments is as follows:

#### **Cash**

Cash is held with a bank that is investment grade rated.

#### **Investments in pooled investment vehicles**

The Trustee's investment via the Mobius platform is made through a unit-linked insurance policy written by Mobius. Assets backing the policy are held in a long-term fund separate to Mobius' shareholder and other assets. Mobius is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. Direct credit risk is mitigated by capital requirements and the Prudential Regulatory Authority's regulatory oversight.

The funds available via the Mobius platform may invest in external open-ended investment vehicles and external unit-linked insurance policies. In the case of the latter, the investment is implemented through a reinsurance agreement between Mobius and the other insurance company. In such cases a 'Floating Charge' agreement on the reinsured assets is established to afford Mobius' policyholders the same rights as a direct policyholder.

The Trustee bears the credit risk associated with external pooled funds accessed via the Mobius platform. Credit risk is mitigated by the legal structure of the pooled funds held and by regulatory oversight.

Details of the legal structure of each of the Plan's pooled funds are summarised below.

#### **Unit-linked insurance policies**

The following funds are accessed via unit-linked insurance policies:

- L&G Life MAAA Diversified Fund (accessed via the Mobius platform)
- L&G Life DB World Equity Index Fund (accessed via the Mobius platform)
- L&G Asia Pacific (ex-Japan) Developed Equity Index Fund (accessed via the Mobius platform)
- ML SS Structured Equity Unit-Linked Fund (accessed via the Mobius platform)

The assets backing unit-linked insurance policies are held in long-term funds alongside assets backing other pooled funds. An insurer's long-term funds are held separately from shareholder assets and insurers are subject to capital requirements and are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**14.3.1 Direct credit risk (continued)**

**Investment companies with variable capital**

The following funds are accessed via an investment company with variable capital:

- M&G Total Return Credit Investment Fund (accessed via the Mobius platform)
- BMO LDI Nominal Dynamic LDI Fund Weekly (accessed via the Mobius platform)
- BMO LDI Real Dynamic LDI Fund Weekly (accessed via the Mobius platform)
- BMO LDI Short-Profile Real Dynamic LDI Fund (accessed via the Mobius platform)

The assets backing an investment in an investment company with variable capital are ring-fenced from the assets of the investment managers and from other funds held within the investment company.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2022 £	2021 £
Unit Linked insurance contracts	18,966,102	29,396,029
	<b>18,966,102</b>	<b>29,396,029</b>

**14.3.2 Indirect credit risk**

Indirect credit risk arises from the financial instruments held by the pooled investment vehicles. The funds listed below invest in asset classes which are exposed to credit risk:

- M&G Total Return Credit Investment Fund
- L&G Life MAAA Diversified Fund
- BMO LDI Nominal Dynamic LDI Fund Weekly
- BMO LDI Real Dynamic LDI Fund Weekly
- BMO LDI Short-Profile Real Dynamic LDI Fund

Whilst the funds below do not invest in asset classes which are exposed to credit risk, indirect credit risk does arise because the investment managers may temporarily lend some of the assets of the pooled fund to a third party (stock lending):

- L&G Life DB World Equity Index Fund
- LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund

**14.3.3 Exposure to credit risk**

The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

The Plan's exposure to direct and indirect credit risk at the year-end was as follows:

	2022 £	2021 £
Pooled investment vehicles	18,966,102	29,396,029
	<b>18,966,102</b>	<b>29,396,029</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**14.4 Market risk, comprising currency risk, interest rate risk, and other price risk**

**14.4.1 Currency risk**

Currency risk arises because some of the investments are held in overseas markets via pooled investment vehicles. When selecting a pooled investment vehicle, the Trustee considers the exposure to overseas markets and the investment manager's currency hedging approach. The position for the pooled investment vehicles held is set out below.

The following funds have no currency risk:

- BMO LDI Nominal Dynamic LDI Fund Weekly
- BMO LDI Real Dynamic LDI Fund Weekly
- BMO LDI Short-Profile Real Dynamic LDI Fund

The following funds are exposed to currency risk:

- L&G Life DB World Equity Index Fund
- L&G Life MAAA Diversified Fund
- L&G Asia Pacific (ex-Japan) Developed Equity Index Fund
- ML SS Structured Equity C (8359)
- M&G Total Return Credit Investment Fund

The Plan's exposure to indirect currency risk at the year-end was as follows:

	2022 £	2021 £
Pooled Investment vehicles	13,178,930	25,000,161
	<b>13,178,930</b>	<b>25,000,161</b>

**14.4.2 Interest rate risk**

Interest rate risk arises principally from the allocation to the funds listed below which are invested in derivatives, bond-related instruments and fixed income and variable rate securities. These funds are invested via pooled investment vehicles and are held because their sensitivity to interest rates acts to reduce the volatility of the Plan's funding position.

- BMO LDI Nominal Dynamic LDI Fund Weekly
- BMO LDI Real Dynamic LDI Fund Weekly
- BMO LDI Short-Profile Real Dynamic LDI Fund

Interest rate risk also arises from bond investments held within the following funds:

- LGIM Diversified Fund
- M&G Total Return Credit Investment Fund

At the year-end assets subject to indirect interest rate risk comprised:

	2022 £	2021 £
Pooled investment vehicles	9,728,304	21,090,643
	<b>9,728,304</b>	<b>21,090,643</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**14.4.3 Other price risk**

Other price risk arises principally from the allocation to the funds below and, to manage this risk, a diversified portfolio of growth assets is held. This is designed to avoid excessive reliance on a single asset class or region and, in particular, to reduce the impact of a large fall in equity markets.

- L&G Life DB World Equity Index Fund
- L&G Life MAAA Diversified Fund
- LGIM Asia Pacific (ex-Japan) Developed Equity Index Fund
- ML SS Structured Equity Unit-Linked Fund
- M&G Total Return Credit Investment Fund

Other price risk also arises from the sensitivity of the following funds to the market's expectation for future levels of inflation:

- BMO LDI Real Dynamic LDI Fund Weekly
- BMO LDI Short-Profile Real Dynamic LDI Fund

At the end of the year the Plan's exposure to investments subject to other price risk comprised:

	2022 £	2021 £
Pooled investment vehicles	17,030,759	25,000,161
	<b>17,030,759</b>	<b>25,000,161</b>

**15. Self-investment**

There was no direct self-investment during or at the year end (2021: £nil).

**16. Current assets**

	2022 £	2021 £
Employer contributions due	432,969	35,805
Cash balances	182,417	366,323
Pensions prepaid	51,134	42,989
Other debtors	1,846	-
	<b>668,366</b>	<b>445,117</b>

All contributions due to the Plan were paid in full after the year end.

**17. Current liabilities**

	2022 £	2021 £
Unpaid benefits	31,375	16,228
Taxation due	23,522	-
Accrued expenses	8,162	5,059
	<b>63,059</b>	<b>21,287</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Notes to the financial statements (continued)**

**18. Related party transactions**

During the year the Trustee received fees of £55,983 (2021: £35,023) for its services to the Plan. The Designated Members of the Plan are considered to be Key Management Personnel.

As required by the Schedule of Contributions certified by the actuary on 21 February 2020 the Employer meets the costs of administration and other services provided to the Plan.

**19. Subsequent events**

There were no subsequent events requiring disclosure in the financial statements.

**20. GMP Equalisation**

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women for unequal guaranteed minimum pension benefits (GMP). This is known as GMP equalisation. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

Under the ruling schemes are required to backdate benefit adjustments to allow for GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined. However, the Scheme Actuary has included an allowance for GMP equalisation for current members in the actuarial valuation as at 31 December 2021.

The Trustee has taken actuarial and legal advice on an appropriate method to be used for GMP equalisation and will be carrying out the necessary individual calculations for GMP equalisation.

On 20 November 2020, the High Court handed down a further judgment in the Lloyds Banking Group case which related to past transfers out. This will require trustees to revisit past transfer payments for members whose benefits include those earned benefits between 17 May 1990 and 5 April 1997 and establish whether a top up payment is due.

The Trustee of the Plan has taken actuarial and legal advice but is not yet in a position to obtain a reliable estimate of the top up payments (and related interest). The actuarial valuation as at 31 December 2021 includes an allowance for top ups to past transfers, based on a number of approximations.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Report on Actuarial Liabilities (forming part of the Trustee's report)**

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to, based on pensionable service at the valuation date or date of leaving if earlier. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles dated 31 January 2023, which is available to the Plan members on request.

### Results of the latest actuarial investigation

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2021. Since that date an actuarial update has been carried out as at 31 December 2022.

	31 December 2022	31 December 2021
The value of the technical provisions was	£23,622,000	£36,738,000
The value of the assets was	£19,609,000	£29,820,000

The method and significant actuarial assumptions used to determine the technical provisions are as follows:

### Method

The actuarial method to be used in the calculation of the technical provisions is the projected unit method.

### Significant actuarial assumptions

Assumption		Value as at 31 December 2022	Value as at 31 December 2021
Discount rate	Derived as the Bank of England nominal gilt yield curve plus 2.0% pa gradually reducing to the Bank of England nominal gilt yield curve plus 1.1% pa in 2038.	Example gilt yield at duration 20 years: 4.2% pa	Example gilt yield at duration 20 years: 1.2% pa
Retail Prices Index (RPI) inflation	Derived as the Bank of England implied inflation yield curve.	Example implied inflation at duration 20 years: 3.6% pa	Example implied inflation at duration 20 years: 3.8% pa
Consumer Prices Index (CPI) inflation	Derived from RPI less 1.3% pa before 2030 and equal to RPI after 2030.		
Pension increases in payment	The assumed pension increase rate for benefits linked to RPI and CPI inflation, but subject to an annual cap, is set consistently with the relevant inflation assumption and calculated by reference to a probability distribution derived from historic inflation.		
Mortality	For the period before and after retirement, the S3PMA/S3PFA tables with future improvements in line with CMI 2021 model with a long term rate of improvement of 1.5% pa.		
Partner/Spouse:	85% of males and 75% of females are assumed to be married at retirement or earlier death, with husbands three years older than their wives.		
Cash commutation allowance	Members are assumed to take 75% of the maximum cash lump sum available based on the factors in force at the valuation date.		

**Europ Assistance Holdings Limited Pension and Life Assurance Plan  
31 December 2022**

**Independent Auditor's Statement about Contributions, under Regulation 4 of  
The Occupational Pension Schemes (Requirement to obtain Audited Accounts  
and a Statement from the Auditor) Regulations 1996, to the Trustee of the  
Europ Assistance Holdings Limited Pension and Life Assurance Plan**

**Statement about contributions payable under the Schedule of Contributions**

We have examined the Summary of Contributions payable to the Europ Assistance Holdings Limited Pension and Life Assurance Plan on page 30 in respect of the Plan year ended 31 December 2022.

In our opinion the contributions for the Plan year ended 31 December 2022 as reported in the Summary of Contributions on page 30 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 21 February 2020.

**Scope of work on statement about contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 30 have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedule of Contributions.

**Respective responsibilities of Trustee and the auditor**

As explained more fully in the Statement of Trustee Responsibilities on page 11, the Plan's Trustee is responsible for ensuring that there is a prepared, maintained and from time to time revised Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

**Use of our statement**

This statement is made solely to the Plan's Trustee as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan and the Plan's Trustee as a body, for our audit work, for this statement, or for the opinions we have formed.

<b>RSM UK AUDIT LLP</b> Statutory Auditor Chartered Accountants Centenary House 69 Wellington Street Glasgow G2 6HG	<b>Date:</b>
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**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Summary of Contributions**

The Plan's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a Schedule of Contributions showing the rates of contributions payable to the Plan by or on behalf of the Employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Plan's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the Employer in accordance with the Schedule.

**Trustee Summary of Contributions payable under the Schedule in respect of the Plan year ended 31 December 2022**

This Summary of Contributions has been prepared by and is the responsibility of the Trustee. It sets out the Employer and member contributions payable to the Plan under the Schedule of Contributions certified by the Actuary on 21 February 2020 in respect of the Plan year ended 31 December 2022. The Plan Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions. During the year ended 31 December 2022 the contributions payable to the Plan by the Employer were as follows:

Contributions payable under the Schedule of Contributions	£
Employer deficit funding contributions	-
<b>Total contributions required by the Schedule of Contributions as reported on by the Plan Auditor</b>	<b>-</b>
Employer additional contributions:	
Augmentations	432,969
<b>Total contributions shown in the financial statements</b>	<b>432,969</b>

Signed on behalf of the Trustee of Europ Assistance Holdings Limited Pension and Life Assurance Plan on:

<b>LLP Designated Member</b>	<b>Date:</b>
<b>Authorised Signatory</b>	<b>Date:</b>

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Actuary's Certification of Schedule of Contributions**

**Actuarial Certificate for the purposes of Section 227(5) of The Pensions Act 2004**

Name of scheme: Europ Assistance Holdings Limited Pension and Life Assurance Plan (the Plan)

**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 31 January 2023

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 31 January 2023

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the plan's liabilities by the purchase of annuities, if the plan were to be wound up.

Signature: 	Date: 31-Jan-2023
Name: Christopher Martin	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: First Actuarial LLP Fosse House 182 High Street Tonbridge Kent TN9 1BE	

# Europ Assistance Holdings Limited Pension and Life Assurance Plan 31 December 2022 Implementation statement

## Europ Assistance Holdings Limited Pension and Life Assurance Plan Implementation Statement Year Ending 31 December 2022

### Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Europ Assistance Holdings Limited Pension and Life Assurance Plan
Scheme Year	1 January 2022 to 31 December 2022
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

### Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

# Europ Assistance Holdings Limited Pension and Life Assurance Plan

## 31 December 2022

### Implementation statement (continued)

#### Relevant Investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following funds which included an allocation to equities:

- LGIM World Equity Index Fund
- LGIM Asia Pacific (ex Japan) Developed Equity Index Fund
- LGIM Diversified Fund

We don't analyse voting records of Mobius Life / Schroders as the Structured Equity holding uses derivative contracts to gain exposure to movements in equity markets, rather than investing in companies. Therefore, the manager(s) do not have voting rights.

#### The Trustee's Policy Relating to the Exercise of Rights

##### Summary of the Policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole and the Trustee wishes to encourage best practice in terms of stewardship.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the investment managers' own policies on such matters.
- When selecting a pooled fund, the Trustee considers, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the pooled fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UNPRI.
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Implementation statement (continued)**

would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- In addition, during the Scheme Year, the Trustee introduced an allocation to the LGIM Asia Pacific (ex Japan) Developed Market Index fund. The Trustee considered the ESG characteristics of the fund before selecting it and this included consideration of the investment manager's approach towards the exercise of voting rights.
- During the Scheme Year, the Trustees considered the voting records of the investment managers over the period ending 31 December 2021.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ending 31 December 2022 has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Scheme is UNPRI signatories.

## Europ Assistance Holdings Limited Pension and Life Assurance Plan 31 December 2022 Implementation statement (continued)

### The Investment Manager's Voting Records

A summary of the investment manager's voting records is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
LGIM	150,000	76%	23%	1%

#### Notes

*These voting statistics are based on the manager's full voting record over the 12 months to 31 December 2022 rather than votes related solely to the funds held by the Scheme.*

### Use of Proxy Voting Advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
LGIM	ISS and IVIS	ISS and IVIS provide research and ISS administer votes. However, all voting is determined by guidelines set by LGIM.

### The Investment Manager's Voting Behaviour

The Trustee has reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of their voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes they cast in the year to 31 December 2022 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager's policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with their peers over the same period.

# Europ Assistance Holdings Limited Pension and Life Assurance Plan

## 31 December 2022

### Implementation statement (continued)

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

The Trustee's key observations are set out below.

#### Voting in Significant Votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The Trustee considers votes to be more significant if they are closely contested, i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustee considered each investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

#### Analysis of Voting Behaviour

##### LGIM

LGIM has a greater tendency than many other investment managers to oppose management in closely contested votes. The high incidence of opposition is consistent with the broad range of policies covered within LGIM's corporate governance documentation; each policy provides a set of criteria which can be used to justify a vote against management.

LGIM has supported shareholder proposals designed to tackle ESG issues and has held directors to account regarding their energy transition proposals (proposals setting out how greenhouse gas emissions will be reduced).

The Trustee has no concerns regarding LGIM's voting record.

The Trustee's Investment Advisers provide regular feedback to the Scheme's investment managers where online voting disclosure is lacking or where an investment manager's voting behaviour differs materially from their peers.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Implementation statement (continued)**

**Conclusion**

Based on the analysis undertaken, the Trustee has no material concerns regarding the voting records of LGIM.

The Trustee will keep the voting actions of the investment manager under review.



30-Jun-2023

..... Date: .....

Signed on behalf of the Trustee of the Europ Assistance Holdings Limited Pension and Life Assurance Plan

# Europ Assistance Holdings Limited Pension and Life Assurance Plan

## 31 December 2022

### Implementation statement (continued)

#### Significant Votes

The table below records how the Scheme's investment manager voted in the most significant votes identified by the Trustee.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	LGIM
<b>Audit &amp; Reporting</b>					
W. R. BERKLEY CORPORATION	15/06/2022	Ratify KPMG LLP as Auditors	50	50	Against
PALACE CAPITAL PLC	29/07/2022	Receive the Annual Report	68	31	For
MODERNA INC	28/04/2022	Appoint the Auditors	75	24	Against
INVESCO PERPETUAL UK SMALLER COMPANIES	09/06/2022	Re-appoint Ernst & Young LLP as the auditor of the Company	76	24	For
WORLDLINE SA	09/06/2022	Renew Appointment of Deloitte & Associates as Auditor	77	23	Against
<b>Shareholder Capital &amp; Rights</b>					
TULLOW OIL PLC	25/05/2022	Issue Shares for Cash	56	44	For
PLAYTECH PLC	30/06/2022	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	58	42	For
PALACE CAPITAL PLC	29/07/2022	Issue Shares with Pre-emption Rights	62	37	For
SHAFTESBURY PLC	04/02/2022	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital	70	29	For
FERRARI NV	13/04/2022	Grant Board Authority to Issue Special Voting Shares	71	29	Against
<b>Pay &amp; Remuneration</b>					
THE COCA-COLA COMPANY	26/04/2022	Advisory Vote on Executive Compensation	50	49	Against
THE TJX COMPANIES INC.	07/06/2022	Advisory Vote on Executive Compensation	48	49	Against
ORANGE S.A	19/05/2022	Approve Remuneration Policy of Chairman and CEO, CEO and Vice-CEOs	50	49	Against
TRANSNIGM GROUP INCORPORATED	12/07/2022	Advisory Vote on Executive Compensation	51	48	Against
HENRY SCHEIN INC.	18/05/2022	Advisory Vote on Executive Compensation	51	48	Against
<b>Constitution of Company, Board &amp; Advisers</b>					
TE CONNECTIVITY LTD	09/03/2022	Amend Article 5	50	50	Against
INTEL CORPORATION	12/05/2022	Elect Alyssa Henry - Non-Executive Director	50	49	Against
MOTOROLA SOLUTIONS INC.	17/05/2022	Elect Egon P. Durbin - Non-Executive Director	51	49	Against
M&T BANK CORPORATION	25/04/2022	Elect John R. Scannell - Non-Executive Director	51	49	Against
CARRIER GLOBAL CORP	14/04/2022	Elect David Gitlin - Chair & Chief Executive	52	48	Against
<b>Merger, Acquisition, Sales &amp; Finance</b>					
FORESIGHT GROUP HOLDINGS LIMITED	10/08/2022	Approve the Waiver of Rule 9	53	47	Against
BALTIC CLASSIFIEDS GROUP PLC	28/09/2022	Approve Waiver of Rule 9 of the Takeover Code	66	34	For
LUCECO PLC	12/05/2022	Approve Waiver of Rule 9 of the Takeover Code	74	26	Against
BOUYGUES SA	28/04/2022	Authorise Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer	76	24	Against
DASSAULT SYSTEMES SE	19/05/2022	Delegate Power to the Board to Carry Spin-Off Agreements	78	22	Against
<b>Climate Related Resolutions</b>					
GLENCORE PLC	28/04/2022	Climate Progress Report	76	24	Against
M&G PLC	25/05/2022	Approve Climate Transition Plan and Climate-Related Financial Disclosure	78	20	Against
CENTRICA PLC	07/06/2022	Approve Climate Transition Plan	79	20	For
Royal Dutch Shell	24/05/2022	Approve the Shell Energy Transition Progress	77	19	Against
UNITED UTILITIES GROUP PLC	22/07/2022	Approve Climate-Related Financial Disclosures	80	19	For
<b>Other Company Resolutions</b>					
TE CONNECTIVITY LTD	09/03/2022	Allow Proxy Solicitation	62	38	Against
INVESTEC PLC	04/08/2022	Investec plc: Approve Political Donations	70	29	For
LIONTRUST ASSET MANAGEMENT	22/09/2022	Meeting Notification-related Proposal	66	24	Against
SSP GROUP PLC	04/02/2022	Meeting Notification-related Proposal	79	21	For
EASYJET PLC	10/02/2022	Approve Political Donations	78	19	For
<b>Governance &amp; Other Shareholder Resolutions</b>					
ABBVIE INC	06/05/2022	Shareholder Resolution: Submit Severance Agreement (Change-in-Control) to	50	49	For
NORTHROP GRUMMAN CORPORATION	18/05/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	For
GLOBAL PAYMENTS INC	28/04/2022	Shareholder Resolution: Right to Call Special Meetings	50	49	For
APPLIED MATERIALS INC	10/03/2022	Shareholder Resolution: Right to Call Special Meetings	49	49	For
INTERCONTINENTAL EXCHANGE, INC.	13/05/2022	Shareholder Resolution: Reduce Ownership Threshold for Shareholders to Call	49	50	For
<b>Environmental &amp; Socially Focussed Shareholder Resolutions</b>					
PHILLIPS 66	11/05/2022	Shareholder Resolution: Report on Reducing Plastic Pollution	50	49	For
AMAZON.COM INC.	25/05/2022	Shareholder Resolution: Report on Efforts to Reduce Plastic Use	49	51	For
MONDELEZ INTERNATIONAL INC	18/05/2022	Shareholder Resolution: Oversee and Report on a Racial Equity	48	51	Against
APPLE INC	04/03/2022	Shareholder Resolution: Civil Rights Audit	53	46	For
AMERICAN WATER WORKS COMPANY INC.	11/05/2022	Shareholder Resolution: Report on Third-Party Racial Equity Audit	47	50	For

#### Note

Where the voting record has not been provided at the fund level, we rely on periodic information provided by investment managers to identify the stocks held. This means it is possible that some of the votes listed above may relate to companies that were not held within the Scheme's pooled funds at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within the Scheme's pooled funds at the date of the vote.

**Europ Assistance Holdings Limited Pension and Life Assurance Plan**  
**31 December 2022**  
**Implementation statement (continued)**

**Methodology for Determining Significant Votes**

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believes that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis was to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the total number of Significant Votes is large. This is helpful for assessing an investment manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote .
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder resolutions; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about an investment manager's voting behaviour. The Trustee's has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.