

THE FUJIFILM UK LIMITED PENSION AND LIFE ASSURANCE SCHEME CHAIR'S STATEMENT REGARDING DC GOVERNANCE

1 JANUARY 2024 – 31 DECEMBER 2024

This Chair's Statement is produced pursuant to Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended by subsequent legislation. It explains how the FUJIFILM UK Limited Pension and Life Assurance Scheme (the "Scheme") is meeting the governance standards that apply to occupational pension schemes that provide money purchase benefits (i.e. Defined Contribution ("DC") benefits). This Statement covers the DC section of the Scheme, which is a hybrid arrangement together with Additional Voluntary Contribution ("AVC") funds members of the Defined Benefit ("DB") section of the Scheme had the option to pay into. This Statement covers the period between 1 January 2024 and 31 December 2024 (the "Scheme Year"), and references to the Scheme in this Statement will refer to the DC Section unless otherwise specified.

This statement covers six key areas:

- The investment strategy relating to the Scheme's default arrangement;
- The processing of core financial transactions;
- Charges, transaction costs and investment performance within the Scheme;
- The effect of charges on members' retirement savings pots;
- Value for Members; and
- The Trustees' compliance with the statutory knowledge and understanding ("TKU") requirements.

This statement and all its contents and attachments will be made publicly available at <https://www.fujifilm.com/uk/en/about/us/pension>. Members will be notified of its availability via their Annual Benefit Statement.

1. The Default Arrangement

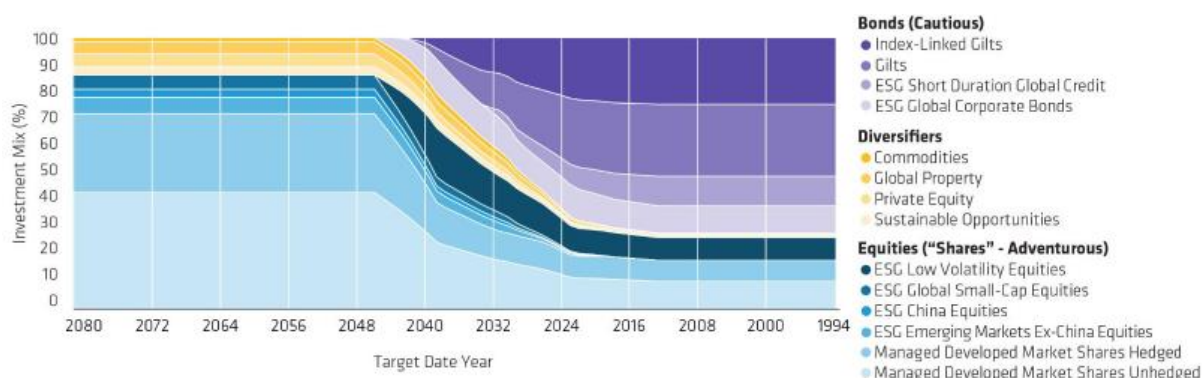
Members of the Scheme who do not make an explicit choice regarding the investment of their funds will be invested in the default strategy arrangement (the "default") chosen by the Trustees with the advice from their Investment Consultant.

The default utilises Alliance Bernstein's Target Date Funds ("TDF") strategy. A TDF is a single fund in which a member stays invested during their membership in the Scheme until their Target Retirement Age ("TRA") is reached. If a member does not select a TRA, age 65 is assumed.

TDFs are set in three-year vintages, for example, the Target Date Fund 2032 – 2034 will include members with a TRA in 2032, 2033 and 2034. Each TDF will invest in a way that reduces risk for members as they approach their TRA. In essence this means when a member is further away from their TRA the TDF will target growth (i.e. more volatile assets with a higher anticipated return, such as equities).

As a member approaches their retirement, the asset allocation will gradually de-risk (i.e. so move into assets with lower expected volatility and thus lower expected return) to reduce the risk of large market swings causing members to lose money when they do not have enough time before retirement for their investments to recover. Once the member reaches their TRA, their savings will be invested predominantly in corporate and government bonds but will also continue to have some exposure to equities.

The default is designed to allow for flexibility in terms of how and when members choose to access their savings. This strategy and the indicative underlying asset allocations of the TDFs can be illustrated using the following graph:



Source: Alliance Bernstein as at 31 December 2024

The default is described in further detail in the Scheme's Statement of Investment Principles ("SIP") which was last updated by the Trustees in March 2025, after the Scheme Year, and a copy of which is appended to this Chair's Statement. Changes made to the latest SIP, as well as details on how the Trustees have followed policies within the SIP can be found in the Trustees' Implementation Statement which can be downloaded by going to the link in the opening section to this Statement. The SIP will be reviewed a minimum of every three years or as soon as any significant developments in investment policy or member demographics take place.

During the Scheme Year, the Trustees carried out a review of the appropriateness of the Scheme's investments including the default with support from their Investment Consultant. The review commenced on 22 November 2023 and considered:

- a review of the Trustee's investment beliefs and objectives;
- the demographics of Scheme members and their expected retirement adequacy;
- risk, diversification and potential returns within the default;
- the design and balance of investments within the default, and;
- the balance of the Scheme's self-select investment range;

The review concluded on 21 November 2024 with the Trustees agreeing that the default remains appropriate and continues to meet their objectives due to the profile of the membership and modelling carried out which demonstrated the strategy can lead of good member outcomes at retirement. In addition, the self-select fund range provides reasonable coverage across core asset classes for members who wish to select their own investments. The Trustees considered adding to the self-select range to include funds with a greater focus on

sustainable investments approach. However, in light of the limited number of members who make self-select options it was decided to defer adding to the range without clear member demand. The next investment strategy review is scheduled for 2027.

The Trustees review the performance of the Scheme's funds at regular Trustees' meetings. They also seek input from their Investment Consultant as appropriate. The Trustees are comfortable with investment performance over the Scheme Year in the context of challenging investment markets. The Trustees believe the Scheme's investment strategy remains on track to meet the Trustees' aims and objectives.

Asset Allocation of the Default

The Occupational Pension Schemes (Administration, Investment, Charges and Governance and Pensions Dashboards (Amendment) Regulations 2023 (the "2023 Regulations") introduced requirements for trustees and managers of certain occupational pension schemes to disclose the asset allocations of investments in their default arrangements.

	Percentage allocation 25 years (%)	Percentage allocation 45 years (%)	Percentage allocation 55 years (%)	Percentage allocation 65 years (%)
Cash	0.0	0.0	0.0	0.0
Bonds	0.0	9.5	39.2	66.1
Listed Equities	88.1	78.6	52.1	31.6
Private Equity	6.1	5.4	3.6	0.7
Infrastructure	0.0	0.0	0.0	0.0
Property/Real Estate	4.2	4.1	2.9	1.0
Private Debt/Credit	0.0	0.0	0.0	0.0
Other	1.6	2.4	2.2	0.6
Total	100.0	100.0	100.0	100.0

Source: Alliance Bernstein as at 31 December 2024

Notes

The following describes the types of investments covered by the above asset classes:

Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.

Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.

Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.

Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including

- Venture Capital – Small, early-stage businesses that may have high growth potential, albeit at significant risk.
- Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth.

- Buyout funds – Invested in more mature businesses, often taking a controlling interest. Leveraged buyout funds take out loans to raise the funds required to invest.

Infrastructure - Physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.

Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt – Other forms of loan that do not fall within the definition of a ‘Bond’.

Other – Any assets that do not fall within the above categories.

For more information on the investment options offered by the Scheme please refer to the Scheme’s Investment Guide and Fund Factsheets.

2. Processing Core Financial Transactions

The Trustees have a duty to ensure that core financial transactions relating to the Scheme are processed promptly and accurately. These include the investment of contributions, transfer of member assets into and out of the Scheme, switches between different investments within the Scheme and payments to and in respect of members.

These transactions are undertaken on the Trustees’ behalf by the Scheme administrator, Aptia, the investment platform provider, Mobius, and its investment managers Legal and General Investment Management (“LGIM”), Alliance Bernstein, Newton and the AVC providers Standard Life and Phoenix.

The Trustees periodically review the processes and controls implemented by those organisations and consider them to be suitably designed to achieve these objectives. The Trustees have service level agreements (“SLA”) in place with the Scheme administrator, which covers the accuracy and timeliness of all core transactions, examples of which are shown in the table below.

Work type	Service standard (working days)
Benefit quotation	10
Benefit payment*	5
Death benefit quotation	1
General	10
Investment/disinvestment request*	5
Data change	5
HMRC enquiries	20

* core financial transaction

The processes adopted by Aptia to help meet SLAs include the use of a sophisticated workflow system, checklists, daily monitoring of bank accounts, a dedicated contribution processing team. Any financial transaction involves two independent checks before being processed.

The Trustees receive monitoring reports quarterly from Aptia, which are discussed at each meeting. The Trustees hold Aptia to account where poor service levels or complaints arise and

will intervene and meet with them more regularly outside of the Trustees meetings where necessary.

In addition, the Trustees receive an annual Assurance Report on Internal Controls (AAF 01/06) from Aptia and review its conclusions and request additional information or assurances as required. The Trustees maintain a Risk Register that covers the processing of financial transactions, which is considered as part of each Trustees meeting.

During the Scheme Year, 95% of core financial transactions were completed within the agreed service levels, which is a further improvement of performance compared to prior years. The Trustees have worked with Aptia closely to improve SLAs and members' experience over the last two Scheme Years, after poor SLA performance over 2022. The Trustees were in regular contact where cases had not met SLAs. The Trustees are pleased that SLAs have improved, and many of the historic complaint cases have now been resolved.

The Trustees recognise that the quality of the Scheme's data plays a role in the processing of core financial transactions as missing data can cause delays in the processing of cases or can cause the Scheme's communications to not reach members. The Scheme's data was last assessed in August 2023 and "common" data (which consists of, for example, names, dates of birth and addresses) scored 93%. The Trustees will aim to work with Aptia to improve data quality.

Considering the above, the Trustees consider that the requirements for processing the core financial transactions specified in the Administration Regulations (The Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been met.

3. Charges, Transaction Costs and Net Investment Returns

The law requires the Trustees to disclose the charges and transactions costs borne by DC Scheme members and to assess the extent to which those charges and costs represent good value for members. Explicit charges known as the Total Expense Ratio ("TER") consist principally of the manager's annual charge for managing and operating a fund but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions and stamp duty.

Transaction costs have been provided by the Scheme's investment managers, and these are calculated using slippage methodology. That is, the transaction costs represent the difference between the expected trading price of a security within a fund and the price at which the trade is actually executed at (as typically a trade is executed a few working days after an order is placed). Therefore, in a buy order, for example, if the execution price is less than the expected price, a transaction cost may be negative.

Details of the Total Expense Ratios (TERs) payable for each fund as well as the transaction costs are shown in the tables below. The Trustees have taken account of the statutory guidance when preparing this section of the report.

Default TDFs

Default Funds	TER (%)	Transaction Cost (%)
Fujifilm Target Date 2023 - 2025 Retirement Fund	0.30	-0.02
Fujifilm Target Date 2026 - 2028 Retirement Fund	0.30	-0.03
Fujifilm Target Date 2029 - 2031 Retirement Fund	0.30	-0.04
Fujifilm Target Date 2032 - 2034 Retirement Fund	0.30	-0.05
Fujifilm Target Date 2035 - 2037 Retirement Fund	0.30	-0.05
Fujifilm Target Date 2038 - 2040 Retirement Fund	0.31	-0.06
Fujifilm Target Date 2041 - 2043 Retirement Fund	0.31	-0.09
Fujifilm Target Date 2044 - 2046 Retirement Fund	0.30	-0.13
Fujifilm Target Date 2047 - 2049 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2050 - 2052 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2053 - 2055 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2056 - 2058 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2059 - 2061 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2062 - 2064 Retirement Fund	0.30	-0.14
Fujifilm Target Date 2065 - 2067 Retirement Fund	0.30	-0.14

Source: Alliance Bernstein, effective 31 December 2024. Transaction costs are for the year to 31 December 2024.

These are lower than the maximum TER permitted by legislation of 0.75% for default arrangements.

Performance Based Fees

The Trustees are required to report performance-based fees (often associated with illiquid assets) incurred in relation to each default arrangement, as a percentage of the average value of the assets held by that default arrangement in this statement. The Trustees must also assess the extent to which any such fees represent good value for members. As there are no performance-based fees relating to any of the default arrangements in the Plan, no additional disclosures have been included in this Statement.

Self-select funds

The Trustees also make available a range of funds, which may be chosen by members as an alternative to the default. These funds allow members to take a more tailored approach to managing their own pension investments and attract TERs and transaction costs as follows:

Self-select Funds	TER (%)	Transaction Cost (%)
LGIM UK Equity Index Fund	0.18	0.02
LGIM Overseas Equity Consensus Index Fund	0.25	0.02
LGIM Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged)	0.22	0.07
LGIM World Emerging Markets Equity Fund	0.47	0.05
LGIM Managed Property Fund	0.96	-0.01
LGIM Over 15 Year Gilts Index Fund	0.10	0.05
LGIM Over 5 Year Index-Linked Gilts Index Fund	0.10	0.05
LGIM Active Corporate Bond – All Stocks Fund	0.27	0.08
LGIM Sterling Liquidity Fund	0.13	-0.06
Newton Global Equity Fund	0.75	0.17

Source: LGIM and Newton, effective 31 December 2024. Transaction costs are for the year to 31 December 2024.

The Trustees are comfortable that the costs for the default and self-select funds are reasonable both in terms of the outcomes the funds are targeting and the fees in the wider market applicable to similar investment strategies.

There are currently no performance-based fees associated with the Scheme's investment options available within the Scheme as at 31 December 2024.

Additional Voluntary Contributions (AVCs)

The following provides information on the charges applicable to the AVC funds currently invested in by members of the DB Section of the Scheme. The charges are based on Standard Life's standard charging for AVC contracts. The Trustees are currently ascertaining whether a Scheme level rebate charge applies, confirmation of which is not available at the date of publication.

AVC Funds	TER (%)	Transaction Cost (%)
Standard Life Managed Pension Fund	1.03	0.112
Standard Life Multi Asset Managed (20%-60%) shares	1.02	0.116
Standard Life At Retirement	1.04	0.133
Standard Life Stock Exchange Pension Fund	1.03	0.073
Standard Life Deposit and Treasury Pension Fund	1.01	0.093
Standard Life Pension Millenium With-Profits Fund	n/a*	0.032
Standard Life Pension With-Profits Fund	n/a*	0.026
Phoenix Group With-Profits Fund	1.00	0.110

Source: Standard Life and Phoenix Group at December 2024

*Standard Life state that there are no explicit charges or additional expenses for the With Profits funds, as they allow for these when they calculate the bonus rates. Standard Life state that these charges will be consistent with that for an equivalent unit-linked investment. Standard Life also make deductions for the cost of the with profits guarantees and these vary depending on the fund guarantee and when the fund was launched.

Net return on Investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') require Trustees of 'relevant' occupational pension schemes to calculate and state the return on investments from their default, self-select and AVC funds, net of transaction costs and charges.

The tables below, which have been produced in line with statutory guidance, set out the annualised net performance for the Scheme's default, self-select and AVC funds in which members were invested during the Scheme Year.

The returns are shown for various ages of members in line with statutory guidance, reflecting that the members will be invested in different Target Date Funds depending on their age and expected retirement date.

Default strategy	Annualised returns to 31 December 2024	
Age of member at start of period	One year (%)	Five years (% p.a.)
25	19.0	9.4
45	17.0	8.9
55	8.7	4.3

Self-select fund	Annualised returns to 31 December 2024	
	One year (%)	Five years (% p.a.)
LGIM UK Equity Index Fund	9.3	4.8
LGIM Overseas Equity Consensus Index Fund	19.3	11.6
LGIM Global Equity Fixed Weights (50:50) Index Fund (GBP Hedged)	13.2	7.7
LGIM World Emerging Markets Equity Fund	13.7	3.8
LGIM Managed Property Fund	4.8	2.0
LGIM Over 15 Year Gilts Index Fund	-10.8	-10.6
LGIM Over 5 Year Index-Linked Gilts Index Fund	-10.9	-8.4
LGIM Active Corporate Bond – All Stocks Fund	2.3	-0.7
LGIM Sterling Liquidity Fund	5.3	2.3
Newton Global Equity Fund	21.8	11.8

Source: LGIM, Newton and Alliance Bernstein as at 31 December 2024.

Performance shown net of all charges and transaction costs. Past performance is not a guide to future performance.

AVC fund	Annualised returns to 31 December 2024		
	One year (%)	Three years (% p.a.)	Five years (% p.a.)
Standard Life At Retirement (Multi Asset Universal)	4.6	-0.1	0.6
Standard Life Deposit and Treasury Pension Fund	2.9*	2.0*	0.4*
Standard Life Managed Pension Fund	7.3	0.7	2.7
Standard Life Multi Asset Managed (20%-60%) shares	2.7*	0.3*	2.6*
Standard Life Stock Exchange Pension Fund	3.6*	4.3*	9.6*
Standard Life Pension With-Profits Fund	4.1	-0.5	0.9
Standard Life Pension Millenium With-Profits Fund	10.2	4.2	4.7
Phoenix Group With-Profits Fund	**	**	**

Source: Standard Life and Phoenix Group as at 31 December 2024.

*As at March 2025 as at the time of publication unable to obtain 31 December 2024 figures

**The Trustee has requested details of the net returns in respect of the AVC benefits for Phoenix Group With-Profits Fund over the Scheme year. However, at the time of writing these are not yet available. The Trustee will work with its advisors to get this information from the provider.

In With Profits funds, members typically receive annual bonuses which do not fully reflect the underlying fund's investment performance due to smoothing (whereby some investment return is 'held back' to support bonus rates in years where the investment return is lower). The amount a member will receive will depend on when they take their benefit and any terminal bonus payable at the time. The level of terminal bonus is dependent on a number of factors and typically is only guaranteed at the normal retirement age under the policy, or death.

4. Cumulative effect of charges

Over time, charges and transaction costs can reduce the fund amount available to the member at retirement. Using the charges and transaction cost data provided by Alliance Bernstein, LGIM and Newton and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustees have prepared illustrations detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot.

The illustrations are shown for an "average member" and a "young member" of the Scheme, based on the Scheme's membership data. The statutory guidance has been considered when providing these examples.

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

- The fund or strategy with the most members invested (*the default strategy*)
- The most expensive fund (*LGIM Managed Property Fund*)
- The least expensive fund (*LGIM Sterling Liquidity Fund*)

All the figures illustrated here are only examples and not guaranteed – they are not minimum or maximum amounts.

The compounding effect of charges on an active member's fund can be illustrated as follows:

Illustrations for an "Average" Active member						
	Default Strategy (the most popular choice)		LGIM Managed Property Fund (most expensive fund)		LGIM Sterling Liquidity Fund (the least expensive fund)	
Years from now	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted
1	£44,690	£44,550	£43,790	£43,370	£43,280	£43,230
6	£83,730	£82,480	£75,690	£72,290	£71,550	£71,110
11	£126,490	£123,400	£108,390	£100,540	£98,770	£97,780
16	£173,140	£167,320	£141,930	£128,150	£124,980	£123,310
21 (Scheme retirement age)	£221,790	£212,130	£176,310	£155,120	£150,230	£147,730

Illustrations for a "Young" Active member						
	Default Strategy (the most popular choice)		LGIM Managed Property Fund (most expensive fund)		LGIM Sterling Liquidity Fund (the least expensive fund)	
Years from now	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted	Before Charges	After Charges and costs deducted
1	£2,620	£2,610	£2,580	£2,560	£2,570	£2,560
3	£14,020	£13,890	£7,780	£7,630	£7,640	£7,620
8	£30,610	£30,080	£21,000	£20,110	£19,990	£19,870
13	£49,850	£48,580	£34,560	£32,310	£31,890	£31,600
18	£72,100	£69,640	£48,470	£44,220	£43,340	£42,820
23	£97,200	£93,020	£62,720	£55,860	£54,380	£53,560
28	£125,090	£118,530	£77,330	£67,240	£65,000	£63,830
33	£152,030	£142,600	£92,310	£78,350	£75,240	£73,660
38	£182,330	£169,300	£107,670	£89,200	£85,090	£83,070
43 (Scheme retirement age)	£206,220	£190,650	£123,420	£99,810	£94,580	£92,070

Assumptions

For the default strategy illustration we have assumed that a member is moved through the TDF vintages as they approach normal retirement age to mimic the changes in asset

allocation and potential impact on charges and assumed investment returns. In practice members will remain invested in their TDF with the underlying asset allocation changing.

The investment return assumptions used are based on the Statutory Money Purchase Illustrations (SMPI) under TM1 v5.1 methodology which is based on historic volatility.

Transaction costs are based on an annualised average over the 5-year period to 31 December 2024. Where transaction costs have been negative, we have assumed zero.

The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their retirement savings pot could buy in today's terms, should members invest in the funds above as shown.

Age <ul style="list-style-type: none"> • "Average" member • "Young" member 	44 (<i>the average age of the Scheme's membership</i>) 22 (<i>automatic enrolment age</i>)
Scheme Retirement Age	65
Starting Pot Size <ul style="list-style-type: none"> • "Average" member • "Young" member 	£37,500 (<i>median pot size</i>) £0 (<i>pot size for a new joiner</i>)
Starting Salary <ul style="list-style-type: none"> • "Average" member • "Young" member 	£46,800 (<i>median salary</i>) £28,600 (<i>median salary for youngest 10% of members</i>)
Inflation	2.5% p.a.
Rate of Salary Growth	2.5% p.a. (<i>i.e. in line with inflation</i>)
Total annual contributions <ul style="list-style-type: none"> • "Average" member • "Young" member 	13% p.a. (<i>the median contribution rate</i>) 9% p.a. (<i>median rate for youngest 10% of members</i>)
Expected future nominal returns before charges on investment: <ul style="list-style-type: none"> • Default Strategy (AB TDFs) • LGIM Managed Property Fund • LGIM Sterling Liquidity Fund 	Between 1.75% and 3.50% above inflation 0.50% above inflation -0.75% relative to inflation

5. Value for members

In accordance with the required regulations, the Trustees have assessed the extent to which the Scheme offers value for members in line with the detailed requirements for "small schemes" where assets are under £100 million. Having completed the assessment, the Trustees concluded that the Scheme offers good value relative to the peers assessed and across the three key areas required by law:

Assessment area	Type of assessment
Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.

Net investment performance	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.
Governance and administration	Standalone assessment of the Scheme's governance and administration arrangements, covering: core financial transactions; record keeping; default investment strategy; investment governance; trustee knowledge and understanding; member communications; and management of conflicts of interest.

The conclusions of the Trustees' assessment as at 31 December 2024 are set out in the table below:

Assessment area	Summary of assessment and action being taken
Costs and charges	<p>The Trustees have assessed the Scheme's costs and charges as representing good value for members.</p> <p>The Scheme operates on an easy to understand fund management charge, without additional administration charges. The Scheme's default benefited from negative transaction costs during the year, giving total charges lower than all the comparator arrangements (ignoring additional charges and rebates for the comparator funds the impact of which will vary by member and fund value).</p> <p>The Scheme's costs and charges across two most popular self-select options have been priced lower than the values of similar funds within the comparator arrangements.</p>
Net investment performance	<p>The Trustees have assessed the Scheme as offering reasonable to good value from an investment performance perspective relative to the three comparator schemes.</p> <p>Within the default, investment performance for members aged 25 and 45 has outperformed the three comparator schemes by an impactful amount over the one, three and five-year period. However, the default for members over the age of 55 under-performed its comparators due to its allocation in fixed interest assets which has faced challenging market conditions.</p> <p>The performance of the two most popular self-select fund options was assessed against a one, three and five-year period and the performance of the Scheme's funds whilst mixed is explained by the differing allocations to US markets which drove equity performance over the period.</p> <p>While the comparator funds are the most similar available through the comparator schemes, their asset allocation and fund management style may vary.</p> <p>Our assessment of value reflects where members are invested within the Scheme and balances the number of members over the age of 55 where performance has been relatively poor with the level of out-performance of the default for younger members, which form the majority of the membership.</p>

Assessment area	Summary of assessment and action being taken
Governance and administration	<p>The Trustees have assessed the Scheme as offering good value from a governance and administration perspective. An assessment was undertaken against areas set out in legislation and guidance set out by the Department for Work and Pensions. A summary of this assessment is set out below.</p> <p>Promptness and accuracy of core financial transactions. 95% of core financial transactions were completed in line with the agreed timelines that the Trustees have with Aptia. Whilst service level agreement performance has improved, the Trustees continue to work closely with the Aptia to improve service and members' experience.</p> <p>Quality of record keeping. The Trustees acknowledge that further work is required to continue to improve the completeness and accuracy of Scheme and member data.</p> <p>Appropriateness of the default strategy. The default is invested in Target Dated Funds ("TDFs"). At the beginning of a member's working life, a TDF targets a 'growth phase' being composed by riskier assets with a higher expected return and as a member approaches retirement the asset allocation begins a de-risking phase into lower risk assets.</p> <p>The default strategy was reviewed during the Scheme Year, which concluded in November 2024. It was agreed that the default remains appropriate and continues to meet the Trustees' objectives.</p> <p>Quality of investment governance. The Trustees remain competent and compliant on their investment governance requirements as evidenced by Scheme documents covering the reporting period.</p> <p>Quality of communication with scheme members. The Trustees, via their appointed administrator provide all statutory communications to Scheme members as well as Newsletters and ad-hoc communications to engage members and keep them up to date on pension matters. However, members currently do not have online access to their account and fund information. The Trustees continue to consider the feasibility of implementing future online access through Aptia's OneView.</p> <p>Effectiveness of management of conflicts of interest. Conflicts of interest are effectively managed. The Trustees are aware of the need to raise potential conflicts of interest, and these are declared at each Trustee meeting</p>
Summary	Overall, considering all three areas set out above, the Trustees have assessed the Scheme as offering good value for members.

6. Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Scheme assets and other matters to

enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's General Code.

The Trustees keep in place arrangements for ensuring that we take personal responsibility to ensure we are conversant with and have a working knowledge of all Scheme documents and keep up to date with relevant developments. The Trustees carry out a periodical self-assessment of training needs to help identify any knowledge gaps. The Secretary to the Trustees reviews the Trustees' self-assessments and arranges for training to be made available to individual Trustees or to the Trustee body as appropriate. The Secretary to the Trustees maintains a training log, which is reviewed at every full Trustees meeting and forms part of a wider series of governance documents (e.g. Conflicts of Interest Policy, Risk Register, etc.) detailing all Trustees' policies and procedures.

The Trustees undertook several activities over the past year, which demonstrates how they have a working knowledge of pension and trust law, funding and investment principles, Trust Deed and Rules and the SIP. During the Scheme year, the Trustees met on four occasions, in February, April, July and November and during these meetings the Trustees considered many of the Scheme's key documents, including provisions under the Scheme's Trust Deed and Rules and its regulatory governance documents, including the Statement of Investment Principles and Implementation Statement. Some examples of the Trustees demonstrating knowledge of DC pensions and trust law include:

- Reviewing and updating the Trustees' Risk Register in February 2024.
- Carrying out an investment strategy review which was discussed at the July and November Trustees' meetings. Detail on the areas covered in the strategy review can be found in section 1.
- Appointing two new Member Nominated Trustees during the Scheme Year who subsequently were taken through an induction process to familiarise themselves with the Scheme and their role as a pension trustee.

The Trustees' received training from their advisors in line with activity and decisions required by the Trustees throughout the year. For example:

- In February 2024 the Trustees held a governance focussed meeting where training was delivered on the Regulator's General Code of Practice and cyber security.
- In April 2024, training on changes to the way annual benefit statement illustrations are calculated.
- In July 2024, training on DC future planning should the DB Section of the Scheme be in a position to buyout in future.
- In November 2024, training on the Government's Pension Review, the expected 2025 Pension Schemes Bill and the likely impact on the Scheme and the DC market.

The Trustees received advice from professional advisers and fund managers, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors. The Trustees also include legislative updates on the agenda for each of their meetings.

All of the existing Trustees have completed the Pension Regulator's Trustee Toolkit and new Trustees are required to complete this in its entirety within 6 months of appointment. The two new Member Nominated Trustees appointed in April 2024 completed the toolkit within this period.

All the Trustees are also required to familiarise themselves with the Scheme's Trust Deed, Rules and Statement of Investment Principles ("SIP"), which is publicly available on the Sponsoring Employer's website. The Trustees are conversant with, and have demonstrated a working knowledge of, the Trust Deed and Rules as well as the SIP. If there are any ambiguities over the interpretation of the Rules or the SIP legal advice is sought from the Scheme's legal and investment advisors respectively.

Taking account of actions taken individually and as a Trustee body, and the professional advice available, the Trustees consider that we are enabled to properly exercise our functions as Trustees of the Scheme. Throughout the year, consideration has been given to whether formal advice, including legal advice, is required on particular issues.

We believe that knowledge and understanding should also be extended to awareness of member demographics and member behaviour, which we ensure we take into account in all aspects of governing the Scheme.

Given the extent of the above, the Trustees are comfortable that we have demonstrated sufficient knowledge of the law relating to pension schemes and trusts and the principles relating to the funding and investment of pension schemes. The combined knowledge and understanding of the Trustees and our advisers coupled with the self-assessment enabled us to run the Scheme appropriately.

Chair's declaration

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

Signed by the Chair of Trustee Mr D Edgar on 18 June 2025

Appendix 1: copy of SIP - March 2025