IMPERIAL TOBACCO PENSION FUND

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2026

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Pensions Scheme Registry
Registration Number 10019300

IMPERIAL TOBACCO PENSION FUND

Trustee and Advisers to the Fund

Trustee	Imperial Tobacco Pension Trustees Limited
Directors of the Trustee	See page 2.
Actuary	Lorna Johns, Towers Watson Limited
Independent auditors	RSM UK Audit LLP
Legal adviser	Osborne Clarke LLP
Employer covenant adviser	Towers Watson Limited
Investment adviser	Isio Group Limited
Risk Transfer adviser	Hymans Robertson LLP
Investment managers	AXA Investment Managers Paris Hayfin Capital Management LLP Legal & General Investment Management Limited
Annuity provider	Standard Life
Investment custodian	The Northern Trust Company
Property managers	DTZ Investment Management Limited PGIM Real Estate (UK) Limited
Property valuers	Jones Lang LaSalle Limited (to 31/03/2026) CBRE (from 01/04/2026)
Additional Voluntary Contribution provider	Legal & General Assurance Society Limited
Defined Contribution Section provider	Legal & General Assurance Society Limited
Bankers	The Royal Bank of Scotland PLC
Name and address for enquiries	Head of UK Pensions: R J A Egginton (from 01/05/2025), J Killick (to 30/04/2025) Pensions Manager: L J Callaghan Financial Controller: R Harris (from 20/04/2026), D J Lee (to 19/04/2026) Imperial Tobacco Pension Fund, PO Box 3242, Winterstoke Road, Bristol, BS3 9GY Email: pension.enquiries@impbrands.com Website : www.myimperialpension.com

The above appointments were those during the year to 31/03/2026 and to date of signing the financial statements.

TRUSTEE REPORT

Imperial Tobacco Pension Fund has a corporate Trustee, Imperial Tobacco Pension Trustees Limited, which has a number of Directors. These Directors are referred to as Trustees throughout this section.

The Trustee of Imperial Tobacco Pension Fund (the "Fund") present their annual report together with The Chair's Annual Governance Statement, the investment report, financial statements, summary of contributions, compliance statement and actuarial statements and certificate for the year ended 31 March 2026. The report provides information about the management of the Fund and details of activities during the year, including sections on directors, the Fund's current financial position and the Statement of Trustee's Responsibilities.

The Fund is the pension scheme for Imperial Tobacco Limited, the sponsoring employer, referred to in this Report as "the Company", whose address is 121 Winterstoke Road, Bristol, BS3 2LL. The Fund is also the pension scheme for Imperial Brands PLC. Historically the Fund's provision has been on a "Defined Benefit" basis, with pensions linked to members' final salaries, but since 1 October 2010 provision for new entrants is on a "Defined Contribution" basis and since 1 October 2023 all active members' benefits are on a "Defined Contribution" basis.

Trustees

The Board of directors of the Trustee comprises up to six persons nominated by the Company, plus one person nominated from the employee members of the Fund and two persons nominated from the pensioner and deferred pensioner members of the Fund. Provisions covering the appointment and removal of Trustee directors are contained in the Trustee articles of association. The three member-nominated directors are selected by a panel established by the Board of directors of the Trustee. Other than the three member-nominated directors, the powers of appointment and removal of directors are only exercisable by the Board of the Trustee but are subject to the consent of the Company. Member-nominated directors are appointed to serve a four-year term.

The directors of the Trustee during the year and up to the date of approval of the Annual Report were:-

Dalriada Trustees Limited, represented by T Lukic (Chair from 1 June 2025)
T Dunnage
K E Green-Mann
L M Hall
K Hill
J W King
L Malt (appointed 1 March 2026)
R J Parker (resigned 10 October 2025)
M G Staunton (appointed 1 April 2025)
H F Clatworthy (resigned as a Trustee director and Chair on 31 May 2025)

The directors selected by pensioner and deferred pensioner members were K Hill and K E Green-Mann. The director selected from the employee members was L Malt, appointed on 1 March 2026, replacing RJ Parker who resigned 10 October 2025. H F Clatworthy resigned as a Company nominated director and as the Chair, after nine years in office, on 31 May 2025. M G Staunton was appointed as Company nominated director on 1 April 2025. Dalriada Trustees Limited is a Company nominated independent director, represented by T Lukic and it was appointed as Chair from 1 June 2025. The Chair, the independent Trustee and the member-nominated directors are paid for their services (2026: £200,000; 2025: £200,000 see Note 24, page 67).

The Secretary to the Trustee is R J A Egginton. He was appointed on 1 May 2025. J Killick resigned as Secretary to the Trustee on 30 April 2025. The Trustee Board meet quarterly to discuss current issues, reports prepared by the Pensions team, the Fund's advisors, investment performance and policy. Decisions are taken by a majority of the votes of those present with the Chair having a casting vote.

Investment Committee

The Investment Committee monitors the activities of the Fund's external investment managers on behalf of the Board and considers all matters relating to the Fund's investment strategy. The Committee is appointed by the Board and comprises three directors, namely the Chair, serving ex-officio, together currently with one member-nominated director and one Company-nominated director. The Head of UK Pensions, who is responsible for relationships with the Fund's investment managers on a day-to-day basis, acts as Secretary to the Committee and meetings are also attended by the Fund's external investment advisers. Members of the Committee at the year- end were K Hill. MG Staunton and Dalriada Trustees Limited, represented by T Lukic.

Advisers

Written agreements are in place between the Trustee and each of the Fund's advisers, as listed on page 1, and also between the Trustee and the Company in relation to the administrative services provided to the Trustee by the Company's Pension Fund Office. The performance of the advisors is monitored on an on-going basis by the Trustee.

Membership

During the year the following changes, including the closure to DB accrual (see section on benefits), occurred in the membership of the Fund:

Defined Benefit Section			**Deferred Pensioners**			
	Pensioners	**Dependants**	**Full**	**GMP**	**Over NRA**	**Total**
At 1 April 2025	9,842	2,323	1,654	658	9,023	23,500
Adjustments*	-	-	-	-	(7)	(7)
New Dependants	-	140	-	-	-	140
Over normal retirement age (NRA)	39	-	(26)	(61)	48	-
Retirements	201	-	(130)	(71)	-	-
Child allowances ceased	-	(3)	-	-	-	(3)
Deaths	(430)	(193)	(6)	(33)	(64)	(726)
Transfers Out	-	-	(6)	(5)	(4)	(15)
Full Commutations	(24)	(43)	(11)	(36)	(40)	(154)
EPB settlements	-	-	-	-	(40)	(40)
At 31 March 2026	9,628	2,224	1,475	452	8,916	22,695

*Adjustments listed above relate to closure of historic test records as well as one record which was revoked but not closed.

Defined Contribution Section	Members In Service	Deferred Pensioners Full	Total
At 1 April 2025	1,155	1,107	2,262
Adjustments**	10	(10)	-
New Entrants	176	-	176
Retirements	(2)	(7)	(9)
Deferrals	(92)	92	-
Transfers Out	-	(62)	(62)
Surrendered	-	(20)	(20)
At 31 March 2026	1,247	1,100	2,347

**Adjustments listed above relate to retrospective changes to L&G's records between Active and Deferred status as at 31 March 2025.

Total Membership	2026	2025
Members in service	1,247	1,155
Pensioners	11,852	12,165
Members entitled to deferred benefits	11,943	12,442
	25,042	25,762

The membership numbers shown in the Defined Benefit Section above include 8,916 (2025: 9,023) deferred members over normal retirement age who have not yet claimed their benefits. The vast majority of these are members with very small EPB pensions (8,170), which on payment would be fully commuted for a one-off lump sum. There are also 240 full deferred members and 556 GMP only members in this category. Some of the members in this category will be members that the Trustees have been unable to trace and others will be members who have decided not to draw their benefits on reaching their normal retirement age. Deferred pensioners with GMP only or EPBs are entitled to statutory benefits only having received refunds of their contributions on leaving service. GMP stands for Guaranteed Minimum Pension (under the Social Security Pensions Act 1975) and EPB stands for Equivalent Pension Benefit (under the National Insurance Act 1965).

The number of new entrants to the DC Section include members who were automatically enrolled but then opted-out within one month of joining. The opt-outs are either recorded as withdrawals or refunds where they were entitled to receive a refund of their contributions (less tax) on opting-out.

Pension Increases

Details of pension increases are shown in the Compliance Statement on page 71.

Transfer values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits (see Compliance Statement on page 71).

Report on Actuarial Liabilities for the defined benefit section

The most recent triennial actuarial valuation of the Fund was carried out at 31 March 2025, the results of which are set out in the Scheme Actuary's report dated 16 March 2026. As required by the Pensions Act 2004 (the "Act"), the Trustees formulated a Statement of Funding Principles ("SFP") relating to the Defined Benefits section, agreed with the Company, in connection with this valuation.

The Act requires that the outcome of an actuarial valuation must be communicated to members in a Summary Funding Statement. The following is an extract from the Statement due to be issued to members in summer 2026 in the annual report to members giving the results of the triennial valuation as at 31 March 2025, compared with the position of the annual actuarial report as at 31 March 2024. The triennial valuation as at 31 March 2028 will be made available before 30 June 2029. In intervening years, the Trustee will obtain annual actuarial reports on developments affecting the Fund's funding position. The level of contributions will be reassessed as part of the 2028 triennial valuation.

Results of the 2025 valuation

The Fund now has two main funding objectives: the first comes from UK pensions law and the second is specific to this Fund.

1. Statutory funding objective. This assumes the Fund continues to operate as it does now. The objective is to have enough assets to pay for all pensions in the future. The assumptions used to calculate the statutory funding objective are required by law to be prudent.

2. Winding-up objective. This is for the Fund to have enough assets to cover the cost of securing benefits with an insurer if the Fund was discontinued.

The table below shows the results of the most recent actuarial valuation as at 31 March 2025 and the annual actuarial report as at 31 March 2024.

1. Statutory funding objective	2024	2025
Assets	£2,661m	£2,316m
Technical Provisions	£2,444m	£2,163m
Surplus/(deficit)	£217m	£153m
Funding level	109%	107%

2. Winding-up objective	2024	2025
Assets	£2,661m	£2,316m
Winding-up cost	£2,711m	£2,313m
Surplus/(deficit)	(£50m)	£3m
Funding level	98%	100%

Figures may not sum due to rounding.

Development of the Fund's position over the year to 31 March 2025

The funding position on the winding up objective has improved since 31 March 2024 and is now slightly above 100%, partly as a result of improved pricing from insurers. The statutory funding objective continues to show a strong surplus despite a slight reduction to the funding level over the year.

The trustee board believes that, together with the continuing commitment from the Company, members have a high degree of security for the benefits they have been promised.

Company contributions and Contingent Funding Arrangements

As a result of the strong funding position no Company contributions are due this year in the year to March 2026, and the full c£8m held in a separate escrow account outside the Fund has been returned to the Company.

The Fund continues to benefit from additional security:

- Company agreement to pay deficit contributions if required in future, depending on the size of the winding up deficit.
- Increased contributions of three times the annual deficit contribution each year if the credit rating of Imperial Brands PLC falls below investment grade.
- The continuing formal parent company guarantee from Imperial Brands PLC.
- The Fund has previously held surety guarantees which could be called upon by the trustee board in specified circumstances, such as the Company's liquidation. Due to the strong funding position and the continued improvement over 2025 the Trustee has released the existing guarantees subject to reviewing annually with the Company whether these should be put back in place.

Method

The actuarial method used in the calculation of the statutory funding objective (the 'SFO') is known as the Projected Unit Method.

The actuarial method to be used in connection with the winding-up objective (the 'WUO') is known as the Defined Accrued Benefit Method.

Significant actuarial assumptions

The assumptions set out below in respect of the WUO have been used to calculate liabilities for members covered by the buy-in and those not covered with the exception of the discount rate. At 31 March 2025, the discount rate assumption used to calculate the liability value of the benefits insured by the buy-in was set in line with the gilt yield curve plus 0.49%, consistent with the premium paid for the insurance contract. The same assumptions have been used to calculate liabilities for members covered by the buy-in for the SFO so that the liability value, on all bases, of the benefits insured by the buy-in are the same.

Discount interest rate:

SFO: For the 2025 actuarial valuation a gilt yield curve approach plus 0.4% for all members.

WUO: For the 2025 valuation and specifically for the members not covered by the buy-in, a gilt yield curve approach for pensioners plus 0.45% and a gilt yield curve approach less 0.05% for all other members.

Future Consumer Price inflation:
SFO: For the 2025 actuarial valuation the assumed level of price inflation, as measured by the Consumer Prices Index ("CPI") was derived using the RPI assumption less a margin (0.8% per annum up to 2030 and Nil thereafter).

WUO: For the 2025 actuarial valuation the assumed level of price inflation, as measured by the Consumer Prices Index ("CPI") was derived using the RPI assumption less a margin (0.7% per annum to 2030 and 0.1% per annum thereafter).

Future pension increases:
The assumptions for the 2025 actuarial valuation are set out in the table below:

	SFO	**WUO**
Fund increases relating to pre-2002 joiners	In line with RPI	In line with RPI plus a margin of 0.2% p.a.
Fund increases relating to post-2002 joiners	In line with RPI adjusted to allow for the 5% cap by using the Black model with a volatility assumption of 1.6% p.a.	In line with RPI

Future Retail Price inflation:
For the 2025 actuarial valuation the assumption of the long-term level of price inflation, as measured by the Retail Prices Index ("RPI") was derived by looking at market expected rates of inflation across the whole curves as implied by the yield gap between the fixed-interest and index-linked Government bond yield curves.

Mortality rates:
For the 2025 valuation the pensioner mortality rate assumption was set according to the Fund's own recent mortality experience, also taking into account nationally compiled data, together with an allowance for continuing future improvements. Investigation of the Fund's mortality experience since the last valuation has shown the Fund has experienced slightly higher death rates than the assumptions made at that time.

The Fund's most recent four years of experience, covering 2021 to 2025, has been compared with the Self Administered Pension Schemes (SAPS) S4 tables, as published by the actuarial profession and based on the Continuous Mortality Investigation (CMI)_2023 improvements up to the mid point of the data, and a reasonably good fit has been found using the 'best fit' tables and 'best fit' multipliers for the pension population.

At the 2025 valuation a postcode mortality study was also undertaken and the results of the Fund experience and postcode analyses were combined to produce the base table assumptions. A weighting of 75% has been applied to Fund experience and 25% to the postcode mortality results except for male works non-pensioners and female non-pensioners, where a weighting of 35% was applied to Fund experience and 65% to the postcode results. This results in the following tables:

Group	Base table	Multiplier
Males		
staff pensioner	SAPS S4 Normal Health Male Amounts	100%
staff non-pensioner	SAPS S4 Normal Health Male Amounts	101%
works pensioner	SAPS S4 All Pensioner G2 Male Amounts	109%
works non-pensioner	SAPS S4 All Pensioner G2 Male Amounts	100%
Females		
pensioner	SAPS S4 All Pensioner G2 Female Amounts	115%
non-pensioner	SAPS S4 All Pensioner G2 Female Amounts	106%
widow pensioner	SAPS S4 Dependant G3 Female Amounts	100%
widow non-pensioner	SAPS S4 Dependant G3 Female Amounts	100%

Future mortality improvements

SFO: For the 2025 actuarial valuation the CMI 2024 projection model has been adopted with a smoothing parameter of 7.0, a long-term annual rate of mortality improvement of 1.5% and an initial addition of 0.75% for Male Staff members and 0.25% for Female members, dependants and Male Works members.

WUO: For the 2025 actuarial valuation future mortality improvements were assumed to be in line with the CMI 2023 projection model with a smoothing parameter of 7.0, core weightings for 2020, 2021, 2022 and 2023 experience and a long-term annual rate of mortality improvement of 1.5%, with an initial addition of 0.75% for Male Staff members and 0.25% for Female members, dependants and Male Works members.

Next actuarial valuation
The next triennial actuarial valuation of the Fund will be carried out as at 31 March 2028 and will include a full assessment of long-term market expectations at that date. The results of the valuation will be available before 30 June 2029.

The Fund's actuarial statutory certificate is on page 73.

Preparation and Audit of Financial Statements
The Trustee confirms that the financial statements have been prepared and audited in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Changes in Benefits and Provisions

Between 1 October 2023 and 30 September 2027, the contributions for former active members of the DB section to the DC Section, are subsidised by the Company. The Company paid a one-off contribution for each individual in this group on 1 October 2023 and for certain members it paid the second instalment of an agreed additional contribution in October 2024, with one further instalment in October 2025.

The Lifetime Allowance (LTA) was abolished at the start of the 2024-25 tax year and was replaced by the "Lump Sum Allowance" (LSA) and the "Lump Sum and Death Benefit Allowance" (LSDBA), which limits the amount of lump sum and lump sum death benefits that an individual could receive tax-free from registered pension schemes. Where a member has used up either or both of their lump sum allowances they are able to take a new form of payment instead – a taxable "pension commencement excess lump sum" (PCELS). The Rules of the Defined Benefit section were amended to permit payment of a PCELS.

The Rules of the Defined Contribution section were updated to allow employee members to effect a partial transfer of their DC pension pot. Such transfers are permitted, subject to certain operational limits.

Contributions
The Actuary's certificate regarding contributions from the Company and the members is on page 73 and the associated Schedule of Contributions is on page 74. No contributions were made to the Fund in the year to 31 March 2026 (2025 - £nil). Following the results of the March 2025 valuation the amount previously credited to an escrow account (an Imperial Tobacco Limited account pledged to Imperial Tobacco Pension Trustees Limited) was returned to the Company in March 2026.

Employer covenant
The Trustee monitors the Company's financial ability and legal obligation to support the Fund in a number of ways, including an independent review by Towers Watson Limited ("TWL") every three years; ongoing dialogue with the Company; review of the Company's financial results and announcements and its credit rating provided by rating agencies. The independent assessment in 2025 concluded that the covenant was "strong" on the Pensions Regulator's scale. The Trustee considers the position is unchanged and will undertake a further independent assessment as part of the 2028 valuation.

Management and custody of investments

Defined Contribution Section

The Trustee provides members access to a number of individual funds via the DC Provider, Legal and General Assurance Society Limited ('L&G').

The Trustee is required to designate a default investment arrangement into which members who do not make their own choice of investment have their monies invested. The Trustee has designated "target-dated" funds with L&G, the L&G Target Date Fund range aligned to members' target retirement age as the default investment arrangement for the Scheme.

There is a range of pooled investment funds which serve to meet the needs and risk tolerances of the members in the DC Section. The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different time horizons and attitudes to risk. The Trustee believes that members should be able to make their own investment decisions based on their individual circumstances. The Trustee provides suitable information for members so that they can make appropriate investment decisions.

Defined Benefit Section

Changes in investment arrangements

In September 2022 and the following months in 2022 there were significant changes to investments linked to UK Government bonds as expectations of future interest rates and inflation rose. This was because of various factors, including the Government's 'mini-budget' at the end of September, which led to fluctuations across investment markets and the need at short notice for additional collateral in the Liability Driven Investment (LDI) strategy. To provide additional liquidity the Trustee entered into a revolving credit facility with a consortium of banks and took out temporary loans to provide additional collateral in the LDI portfolio. These loans have subsequently been repaid.

Prior to September 2022 the LDI portfolio was 100% hedged on interest rates and inflation. With the need for additional collateral the hedge level was reduced. It was increased from 92% at the start of the year back to the target level of 100% by the year end. The LDI portfolio has a collateral buffer that is in line with the Pensions Regulator's guidance on resilience standards.

Distribution of DB assets

A statement of the value of the Fund's DB investments at the year-end appears in the audited financial statements, which are incorporated in this Report (see page 42). The table below shows the distribution of the Fund's investments between the various asset classes in percentage terms, with any cash allocated to an asset class included as part of the Fund's exposure to that asset class.

Since May 2023 the Trustee has not set ranges around the asset allocation. The Trustee reviews the asset allocation at regular Investment Committee meetings and considers whether adjustments are appropriate.

Details of the DB investment strategy are documented in the Statement of Investment Principles (SIP) adopted in January 2026. The SIP is available at: www.myimperialpension.com

Asset Class	**31 March 2026 Actual** %	%	**31 March 2025 Actual** %	%
Cashflow-Driven Alternatives		**16.7**		**30.4**
Property	**1.7**		**9.5**	
Private (Illiquid) Debt	**4.5**		**5.2**	
Multi Asset Credit	**0.0**		**0.0**	
Secured Finance	**5.5**		**8.3**	
Ground Leases	**5.0**		**7.4**	
Bond-like assets		**81.9**		**69.0**
LDI (Index-linked)	**29.4**		**20.0**	
Corporate Bonds	**8.9**		**3.6**	
Bulk annuity policy	**43.6**		**45.4**	
Cash		**1.4**		**0.6**
		100.0		**100.0**

Investment managers

The Trustee maintains a policy of appointing specialist investment managers for particular asset classes. The managers during the year, together with the asset classes for which they are responsible and their effective dates of appointment, are as follows.

Type of mandate	Manager	Effective Date
Liability Driven Investments	Legal & General Investment Management Ltd.	25 January 2017
Corporate Bonds	Legal & General Investment Management Ltd.	28 November 2018
Cashflow-Driven Investments		
- Property	DTZ Investment Management Limited	1 August 1999
- Ground lease property	PGIM Real Estate (UK) Limited	8 September 2011
- Private debt	Hayfin Capital Management LLP	3 February 2017
- Secured Finance	AXA Investment Managers Paris	31 October 2018

Each above manager has full discretion to select investments for the Fund within the designated asset class subject to objectives and restrictions set out in the relevant Investment Management Agreement between the Trustee and the manager or, in the case of pooled funds in the relevant fund prospectus. The Trustee monitors the performance of each manager against an agreed benchmark on a quarterly basis.

Investment managers are remunerated on a fee basis, invoiced quarterly (page 41 and also Note 11 to the Financial Statements) or, in some cases, via deduction from the investment held. No investment managers are remunerated on a performance fee basis.

The Pension Fund Office ("PFO") requests reports from the investment managers on their policies and procedures prepared in accordance with the framework for reporting known as AAF 01/20 issued by the Institute of Chartered Accountants in England and Wales (or its US equivalent). Where produced, the results of these reports are reviewed during the year received and any significant exceptions are reported to the Trustee. Whilst investment managers are not required to provide these reports, most of them do so with the only exception being PGIM Real Estate (UK) Limited. Whilst Hayfin does not produce its own report, it does submit those of their administrators.

The bulk purchase annuity policy with Standard Life was entered into on 3 December 2021. The policy is for the benefit of the Fund as a whole and does not change the position of individual members who see no change as to how their pensions are provided. However, the policy receipts are dependent on the longevity of specific pensioner members.

Property

At the year-end the Fund held a portfolio of 5 (2025: 20) freehold and leasehold properties in the UK substantially let on both long and short term leases and subject to regular rent reviews. The distribution of the portfolio by sector comprised 52% invested in retail and 48% in offices (2025 split: 20% retail; 65% industrial; 15% offices). The Fund also holds a portfolio of 17 (2025: 22) freehold ground leases in the UK. The properties are all valued quarterly by independent valuers. (See Note 14 to the Financial Statements).

Custody of investments

Custody arrangements are in place which, in the opinion of the Trustees, adequately safeguard the Fund's assets.

The appointed global custodian for the securities held in the Fund's segregated portfolios during the year was The Northern Trust Company. Securities are held in the names of the custodian or its sub-custodians or nominees. Comparisons are made between the monthly reports received from the investment managers and the custodian to confirm that the assets held by the custodian correspond with those reported by the managers. The custodian produces bi-annual reports on its policies and procedures. These are reviewed and tested by its auditors in accordance with the framework for reporting known as The Statement on Standards for Attestation Engagements No.16 (SSAE 16) – Reports on the Processing of Transactions by Service Organisations, issued by the American Institute of Certified Public Accountants.

UK properties and ground leases are held in the name of the Trustee or a nominee company wholly owned by the Trustee with all title documents for properties in England under the custody of the Fund's solicitors, Osborne Clarke, and for properties in Scotland under the custody of Brodies LLP, solicitors in Scotland, as required by their law.

Investment performance

Over the year to 31 March 2026, investment markets delivered positive performance, supported by improving economic conditions and expectations of gradually easing monetary policy, although geopolitical developments and inflation concerns introduced periods of volatility across asset classes. Over the 12-month period, falling government bond yields led to an increase in the value of DB pension scheme liabilities and liability-driven investment assets.

Global equities recorded strong positive returns, driven by continued enthusiasm around artificial intelligence, robust corporate earnings, and a more supportive monetary backdrop. Over the year, index-linked gilts outperformed nominal gilts, reflecting higher inflation expectations amid geopolitical uncertainty. Investment grade and high yield credit delivered positive returns of 4.6% and 6.1% respectively, supported by carry and modest spread tightening, with the latter driving the outperformance of high yield over investment grade.

Property markets also achieved positive returns despite geopolitical tensions. In the UK, this was largely driven by retail, industrial and residential assets, while the office sector lagged slightly, albeit still generating positive returns.

The Fund's credit mandates delivered positive performance over the year, while property mandates were flat to marginally negative due to disposals of certain assets at discounts to NAV, which more than offset income gains. Overall, the Fund returned 3.3% for the year, compared to a benchmark return of 4.5%.

The following table provides the Fund's investment performance over various periods to 31 March 2026.

Period to 31 March 2026	Fund return % p.a.	Benchmark return* % p.a.
1 year	3.3	4.5
3 years	-1.0	0.0
5 years	-6.0	-5.7

* The benchmark return is the weighted average 'strategic target' which is based upon the WTW modelling analysis used to set the investment strategy. The 'strategic target' was updated from 31/12/2025 to reflect WTW's updated return assumptions for each asset class.

Despite underperforming the benchmark, the Fund's overall funding position remained at 104% over the 12-month period ending 31 March 2026. Longer-term (3 and 5 year) returns were negative due to rising bond yields which reduced the value of both assets and liabilities.

The Trustee's primary objective for the DB Section is to invest the Fund's assets in an appropriate and secure manner such that members' benefit entitlements can be paid as and when they fall due. The investment strategy is set to achieve that objective, whilst also being mindful of the other risks identified in the Fund's Statement of Investment Principles. Performance is considered against a range of metrics, including the strategic return but also mindful of considerations such as liquidity.

Statement of Investment Principles

In accordance with section 35 of the Pensions Act 1995, the Trustee has produced two Statements of Investment Principles ("SIP"), one for the Defined Benefit section and one for the Defined Contribution section (both updated in January 2026), which explain the Fund's investment strategy and investment management structure, together with an account of the risks to which the Fund is exposed and the Trustee's policies in relation to these risks. Copies of the SIP are available to members on request (see page 72) and online at www.myimperialpension.com. The SIP for the Defined Contribution section is appended to this report (see page 80).

Environmental, Social and Corporate Governance

The Trustee has formalised its approach to environmental, social, and corporate governance ("ESG") in an ESG Policy Statement. The Statement was last reviewed in March 2026, with no change. It covers the Trustees' ESG beliefs and the policy on how ESG factors should be integrated in investment decision-making. The Statement is available to members upon request. The Trustee believes that environmental, social, and corporate governance factors can be financially material; identifying and mitigating these risks where possible forms part of the Trustee's fiduciary duty.

The Trustee, with support from its investment consultant, produced its first Task Force on Climate-related Financial Disclosures ("TCFD") report covering the period from 1 October 2022 to 31 March 2023. The most recent report for the year ended 31 March 2026 is available online at https://myimperialpension.com/library/tcfd-report-taskforce-on-climate-related-financial-disclosures-2026. A climate delegation framework has been prepared, setting out the roles and responsibilities for managing climate-related risks and opportunities and climate risk has been included in the risk register.

Within each asset class, the Trustee delegates the day-to-day investment decision making to the investment managers e.g. holding a bond issued by a particular company or exposure to a particular sector. In appointing and reviewing the Fund's investment managers, the Trustee, with the assistance of its investment consultant, considers the managers' expertise, track record and stated policies and frameworks on ESG related issues.

The Fund's investment managers should sign up and comply with common codes and practices such as the UNPRI and the UK Stewardship Code. If they do not sign up, they should provide a valid reason why. They should engage and collaborate with other market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, social issues, risk management and debtholder rights.

The Trustee will seek to understand each investment manager's approach to engaging with portfolio companies and the effectiveness of these activities. Engaging with investment managers is an effective way of initiating change and ensuring better alignment with the Trustee's ESG beliefs.

The Trustee has not set any investment restrictions on the appointed Investment Managers in relation to particular products or activities but may consider this in future where the Trustee feels that these investments will generate superior long-term returns and/or lower risk.

Employer-Related Investments

Details of the Fund's investments in Imperial Brands PLC are disclosed in Note 23 to the Financial Statements, as follows:

There were no employer-related investments in the ordinary shares and corporate bonds of Imperial Brands PLC held directly by the Fund, or indirectly through pooled funds, at 31 March 2026. The value of self investment at 31 March 2026 was £1,213,000 in respect of administration costs due from the Company (see Note 20), representing 0.051% of the Fund's Net Assets (2025: £1,007,000 representing 0.037%).

Statement of Trustee's Responsibilities
The Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK ("FRS 102"), 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 Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; 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, 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 Fund will not be wound up.

The Trustee is also responsible for making available certain other information about the Fund in the form of an Annual Report.

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

The Trustee is responsible for the maintenance and integrity of the pension and financial information included on the Imperial Tobacco Pension Fund website.

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 Fund by or on behalf of the employer and the active members of the Fund 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 Fund and for adopting risk-based processes to monitor whether contributions are made to the Fund 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 to members.

The Trustee is satisfied that these responsibilities have been properly carried out in respect of the year ended 31 March 2026.

The Trustee's report was approved by the Trustee and signed on its behalf by:

Dalriada Trustees Limited, represented by T Lukic – Chair
On behalf of the Imperial Tobacco Pension Trustees Limited Board

THE CHAIR'S ANNUAL STATEMENT REGARDING GOVERNANCE OF THE DEFINED CONTRIBUTION FUNDS IN THE IMPERIAL TOBACCO PENSION FUND ("the Fund")

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to prepare an annual statement regarding governance, which must be included in the annual Trustee report and accounts and published online. These governance requirements apply to all defined contribution ("DC") pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement covers the period from 1 April 2025 to 31 March 2026 ("the Fund Year") and is signed on behalf of the Trustee by the Chair.

This statement covers governance and charge disclosures in relation to the following:

1. Changes to the defined contribution arrangements over the year
2. The default arrangement used to invest members' funds and other funds members can select;
3. Net investment returns;
4. The charges and transaction costs borne by members (and illustrations of the cumulative effect of these costs and charges);
5. Processing of core financial transactions;
6. A value for members assessment; and
7. Trustee knowledge and understanding.

The Fund has two arrangements providing DC benefits to members:

- The Defined Contribution section which was opened for new Fund entrants on 1 October 2010 (total value at 31 March 2026 £155,515,903). Since 1 October 2023, all active members have built up benefits in the DC section. The assets of the DC section are managed by Legal and General Assurance Society Limited ("L&G"). L&G also administers the DC section (other administration services are provided by Imperial's Pensions Fund Office ("PFO")); and
- Defined Benefit section members' Additional Voluntary Contributions ("AVCs") which are also invested with L&G (value as at 31 March 2026, £2,604,122 is included in the total DC section total value above).

Following the appointment of L&G, the Trustee agreed to offer Defined Benefit members access to the investment options in the DC section for the purposes of investing AVCs. These arrangements are considered as part of the DC section throughout this statement.

1.1. Changes to the Defined Contribution arrangements over the year

Over the year, there have been no material changes to the structure of the DC arrangement. The Trustee completed a significant review of the default arrangement in the previous year, concluding that it was fit for purpose but not reflective of the best-in-class arrangements available. This resulted in the appointment of L&G as the Fund's investment and administration provider, replacing Aegon. Contributions for active members began being invested with L&G from 1 October 2024, with the bulk transfer of assets for active and deferred members completing on 8 January 2025, and AVC assets for Defined Benefit members transferred on 10 February 2025.

Following the implementation of the changes, the Trustee has continued to monitor the default arrangement and remains satisfied that it continues to be appropriate for the membership.

L&G reviewed its default investment strategy, Target Date Fund, during the Fund year and agreed to increase the allocation to growth assets within the growth phase from c.89% to 100%, which was implemented Q4 2025. L&G also agreed to increase the allocation to growth assets in the at-retirement phase, which is due to be implemented using a phased approach post Fund year end.

2.1 The default arrangement

The Defined Contribution section is used as a Qualifying Scheme for auto-enrolment purposes.

When members are automatically enrolled into the Defined Contribution section, their retirement age is set as age 65 and contributions are invested in the default arrangement, which is the L&G PMC Target Date Funds 3 range of funds.

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default investment strategy and take account of the level of costs and the risk profile that are appropriate for the Fund's membership.

Details of the objectives and the Trustee's policies regarding the default arrangement can be found in the 'Statement of Investment Principles' ("SIP"). The Fund's current SIP is included on page 80 of this report. The SIP was updated during the Fund Year, in January 2026, to reflect the Trustee's compliance with the General Code of Practice and the latest investment offering available to members.

The aims of the default fund are detailed in the SIP. Extracts are set out below:

- The lifestyle strategy targeting a flexible retirement outcome has been chosen as the default option by the Trustee. The strategy initially aims to maximise return, at an appropriate level of risk for the majority of members' working lives before switching into diversified funds as retirement approaches, to target a flexible retirement outcome for members to decide how they wish to access their savings.

- The lifestyle strategy's growth phase invests in equities and other growth-seeking assets that provides growth along with some downside protection and some protection against inflation erosion. As a member's pot grows, the investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default strategy which seeks to reduce investment risk as the member approaches retirement is appropriate.

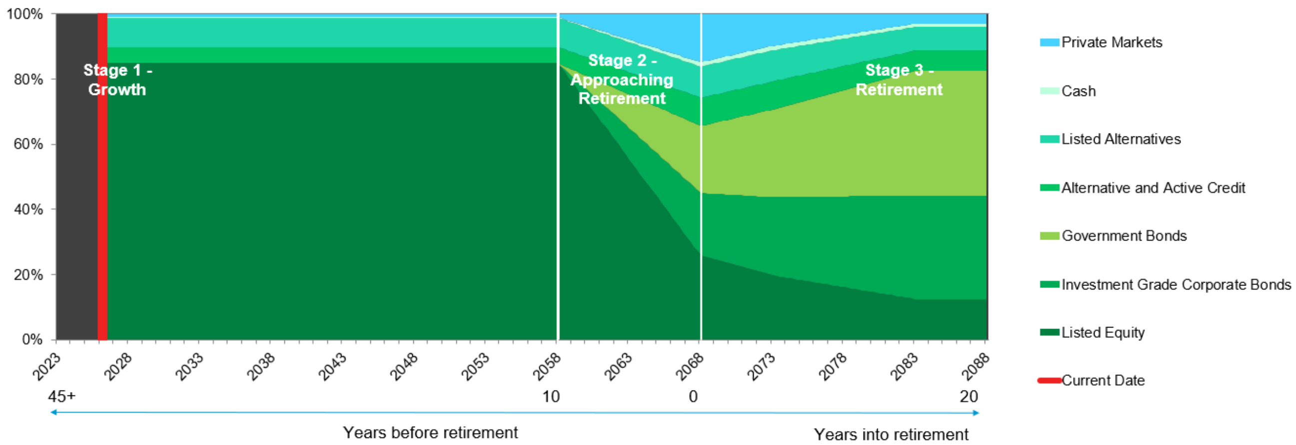
The L&G PMC Target Date Funds 3 adjust the way members' pension savings are invested as they move closer to retirement, spreading risk by investing in a range of asset classes throughout, and reducing investment risk as members approach retirement age.

The aim of the L&G PMC Target Date Funds 3 is to provide opportunity for growth in the early years of investment by investing predominantly in equities. As retirement approaches, assets are switched to lower risk investments which have historically been less volatile, with the aim of protecting the value of the accumulated fund.

The chart below shows the structure of the L&G PMC Target Date Funds 3 2065-2070 'vintage', which is the fund a member would be put in if they had a target retirement date between 2065-2070. This means as at 31 March 2026 the member invested in this fund would be between 39 and 44 years from retirement. The member will stay invested in this vintage for their entire savings journey. The asset allocation shown is dynamic and is expected to evolve over time. Other target date fund 'vintages' may have a different asset allocation to the one shown below.

Over the year, L&G updated the asset allocation of the growth phase of the Target Date Funds to increase exposure to growth assets and in turn the potential for better member outcomes.

The chart also shows the asset allocation for members that choose to continue contributing or defer taking their pension beyond their normal retirement age ('Stage 3 – Retirement' in the chart). Please note that the Fund does not offer a drawdown facility so members will not be able to stay invested in the Fund while taking their pension benefits. To access retirement options such as lump sums and drawdown, members must transfer out to another arrangement. Members considering taking flexible income can access the Legal & General WorkSave Mastertrust Pension Access Scheme or they can switch to another provider. Members can find out more about the Pension Access Scheme at https://www.legalandgeneral.com/imperialpas



Source: L&G

The Trustee is responsible for the Defined Contribution section's investment governance, which includes setting and monitoring the investment strategy for the default arrangement. The Investment Committee is responsible for monitoring and reviewing the investment performance and suitability of the fund range offered, including the default arrangement for the DC section.

2.2. The asset allocation of the default arrangement

The Trustee is required to disclose the full asset allocation of the default arrangements.

The table below shows the percentage of assets allocated in the default arrangement to specified asset classes for members of different ages (with a retirement age of 65) for the current default arrangement managed by L&G.

Table 1 Asset class	Strategic and Actual asset allocation as at 31 March 2026 (%)			
	25 years old	45 years old	55 years old	One day to State Pension Age
Cash	0.2	0.2	0.9	7.1
Bonds	5.0	5.0	17.7	51.5
Fixed Interest Government Bonds	-	-	4.2	6.3
Index Linked Government Bonds	-	-	1.6	11.1
Investment Grade Bonds	-	-	6.4	26.8
Non-Investment Grade Bonds	5.0	5.0	5.5	7.3
Equities	87.1	87.1	76.9	20.0
UK Equities	4.6	4.6	5.6	1.7
Developed Market Equities	70.8	70.8	63.1	15.8
Emerging Market Equities	10.0	10.0	7.4	2.4
Private Equities	1.8	1.8	0.8	0.2
Infrastructure	4.2	4.2	2.0	2.9
Property / Real Estate	3.1	3.1	2.5	4.5
Private Debt / Credit	0.2	0.2	0.0	13.4
Other	0.2	0.2	0.0	0.6
Total	**100**	**100**	**100**	**100**

Source: L&G, Isio calculations

2.3. Specified performance-based fees

Where a fee is calculated by reference to the returns from investments held by the Fund and is not calculated by reference to the value of the member's rights under the Fund, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement.

During the Fund Year there were no such fees levied on the default arrangement and accordingly no assessment of the extent to which they represent good value has been carried out.

2.4. Review of the investment strategy and performance of the default arrangement

The Trustee undertakes a formal investment strategy review of the default arrangement at least every 3 years.

The last review concluded on 20 June 2024 and as a result the strategic changes detailed earlier in this statement were implemented. The next review is due in 2027.

The Investment Committee reviews the performance of the default arrangement against the benchmark(s) set by L&G on a quarterly basis as well as receiving presentations from L&G when appropriate. The performance review includes an analysis of the value of the funds invested in the default strategy and the self-select funds and of fund performance to check that the risk and return levels meet expectations. The relevant performance reviews carried out by the Investment Committee over the Fund Year concluded that the default arrangement with L&G was performing broadly both as expected and remains consistent with the aims and objectives set out in the SIP.

2.5. AVCS

The AVC arrangements do not have a default arrangement, as defined in the Occupational Pension Scheme (Investment) Regulations 2005 since they relate only to AVCs of members of the DB section. Members have to choose which funds their AVCs are invested in.

3. Net Investment Returns

The Trustee is required to report the net investment returns for each default arrangement and for each non-default fund which members of the Fund are invested in. Net investment return refers to the return on a fund minus all member-borne transaction costs and charges.

The net investment returns reported here have been prepared with regard to statutory guidance. The guidance states that, for arrangements where the net returns vary with age, such as the L&G PMC Target Date Funds 3, net investment returns should be shown for a member aged 25, 45 and 55 at the start of the investment reporting period. For completeness, we have reported the net investment returns for all L&G PMC Target Date Funds 3 'vintages' held over the Fund Year.

Performance has been shown over 1 and 5 year periods where available. Some funds were launched less than 5 years ago, therefore 5-year returns are not available.

It is important to note that past performance is not a guarantee of future performance.

3.1 Defined Contribution section - default arrangement – L&G PMC Target Date Funds 3

Table 2 Age of member at the start of the investment reporting period	Net investment return to 31 March 2026	
	1 year (%)	5 years (% p.a.)
25	14.7	6.6
45	14.7	6.2
55	13.3	5.3

Source: L&G

3.2 Defined Contribution section – all L&G PMC Target Date Funds 3 and self-select funds invested in during the Fund Year

Table 3 Fund name	Net investment return to 31 March 2026	
	1 year (%)	5 years (% p.a.)
L&G PMC 2065 - 2070 Target Date Fund 3	14.7	6.6
L&G PMC 2060 - 2065 Target Date Fund 3	14.7	6.5
L&G PMC 2055 - 2060 Target Date Fund 3	14.7	6.5
L&G PMC 2050 - 2055 Target Date Fund 3	14.7	6.5
L&G PMC 2045 - 2050 Target Date Fund 3	14.7	6.2
L&G PMC 2040 - 2045 Target Date Fund 3	14.7	5.6
L&G PMC 2035 - 2040 Target Date Fund 3	13.3	5.3
L&G PMC 2030 - 2035 Target Date Fund 3	10.7	4.2
L&G PMC 2025 - 2030 Target Date Fund 3	8.5	3.3
L&G PMC 2020 - 2025 Target Date Fund 3	7.3	3.1
L&G MT Active Global Equity Fund	-1.6	n/a
L&G MT UK Smaller Companies Fund	12.3	n/a
L&G MT Emerging Markets Index Fund	17.4	4.3
L&G MT Global Fossil Fuel Exclusions Equity Index Fund	13.7	n/a
L&G MT Future World Multi-Asset Fund	10.8	4.3
L&G MT Global Developed Index Equity Fund	15.8	10.9
L&G MT Short Dated Bond Index Fund	4.5	2.0
L&G MT Smaller Companies Index Fund	21.1	6.2
L&G PMC AAA-AA-A Corporate Bond All Stocks Index Fund 3	3.5	-1.1
L&G PMC Cash Fund 3	4.1	3.3
L&G PMC Ethical Global Index Equity Fund 3	17.1	11.5
L&G PMC FW Global Multi-Factor Equity Index Fund	21.6	9.8
L&G PMC Global Diversified Bond – GBP Currency Hedged Fund 3	4.8	n/a
L&G PMC HSBC Islamic Global Equity Index Fund 3	17.3	12.9
L&G PMC Multi-Asset Fund 3	11.4	4.4
L&G PMC Future World Annuity Aware Fund 3	2.4	-5.1
L&G PMC Sustainable Property Fund 3	5.6	2.9
L&G PMC CT Managed Equity 3	12.7	5.9
L&G PMC UK Index Equity Fund 3	22.0	11.0
L&G PMC World (Ex-UK) Equity Index Fund 3	17.0	11.0

Source: L&G

Note: Given that new contributions were transferred to L&G on the 1 October 2024 and existing members were transferred on 8 January 2025, fund returns over 5 years are indicative and not reflective of actual member experience.

3.3 AVCs

Members with AVCs have access to the fund range available to members of the DC section. For AVCs the net investment returns apply as shown in section 3.1.

4. Member-borne Charges and Transaction Costs

The Trustee must report the level of charges and costs borne by members through their investments during the Fund Year. These comprise:

- Charges – which represent the explicit costs associated with operating and managing a members' account or policy.

- Transaction costs, which are incurred when the fund manager buys and sells assets within investment funds. These are implicit and are reflected in the unit price of funds, or the fund value quoted for With Profits funds.

The Trustee is also required to produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required following the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The Trustee has taken account of statutory guidance when compiling the information in this section, which uses a median aged member and the youngest member in the Fund.

Except as stated below, all costs and expenses relating to DC benefits (including advisory costs) are borne by the Trustee and are not passed onto members.

4A.1. Defined Contribution section

Members of the Defined Contribution section pay the following charges:

- An administration charge (Annual Management Charge ("AMC")) which covers the cost of running their policy. This is met by cancelling units each month as shown on members' annual benefit statements and transaction history;

- A Fund Management Charge ("FMC") which covers the cost of managing the fund(s) in which members are invested, including any additional expenses disclosed by the fund manager. This is met by adjusting the unit price of the funds members invest in (so it's not shown separately on members' annual benefit statements or transaction history).

- The Total Expense Ratio ("TER") is the term used to describe the total of all explicit charges members pay. This is made up of the AMC and FMC.

- Members also bear transaction costs.

The table below shows the explicit costs (the AMC and the FMC) and annual and five-year average implicit costs (transaction costs) on funds held through the Defined Contribution section as at 31 March 2026. These have been provided by L&G.

The TER on the default arrangement (the L&G PMC Target Date Funds 3) is 0.19% p.a. which is below the statutory charge cap of 0.75% p.a.

Table 4 **Fund name**	**AMC (% p.a.)**	**FMC (% p.a.)**	**Annual transaction cost (%)**	**Average transaction costs (% p.a.)**	**Total costs and charges (% p.a.)**
L&G PMC Target Date Funds 3 **(the default arrangement)**	0.04	0.15	0.06-0.12	0.04-0.09	0.23-0.28
L&G MT Active Global Equity Fund	0.04	0.68	0.19	0.09	0.81
L&G MT UK Smaller Companies Fund	0.04	0.51	0.15	0.11	0.66
L&G MT Emerging Markets Index Fund	0.04	0.26	0.04	0.04	0.34
L&G MT Global Fossil Fuel Exclusions Equity Index Fund	0.04	0.16	0.00	0.02	0.22
L&G MT Future World Multi-Asset Fund	0.04	0.16	0.05	0.04	0.24
L&G MT Global Developed Equity Index Fund	0.04	0.10	0.00	0.01	0.15
L&G MT Short Dated Bond Index Fund	0.04	0.12	0.00	0.00	0.16
L&G MT Smaller Companies Index Fund	0.04	0.22	0.00	0.03	0.29
L&G PMC AAA-AA-A Corporate Bond - All Stocks - Index Fund 3	0.04	0.12	0.00	0.00	0.16
L&G PMC Cash Fund 3	0.04	0.09	0.04	0.00	0.13
L&G PMC Ethical Global Equity Index Fund 3	0.04	0.30	0.01	0.00	0.34
L&G PMC FW Global Multi-Factor Equity Index Fund	0.04	0.24	0.20	0.10	0.38
L&G PMC Global Diversified Bond – GBP Currency Hedged Fund 3	0.04	0.37	0.27	0.06	0.47
L&G PMC HSBC Islamic Global Equity Index Fund 3	0.04	0.20	0.00	0.00	0.24
L&G PMC Multi-Asset Fund 3	0.04	0.13	0.01	0.02	0.19
L&G PMC Future World Annuity Aware Fund 3	0.04	0.12	0.00	0.00	0.16
L&G PMC Sustainable Property Fund 3	0.04	0.55	0.04	0.00	0.59
L&G PMC CT Managed Equity 3	0.04	0.49	0.46	0.19	0.72
L&G PMC UK Equity Index Fund 3	0.04	0.10	0.00	0.00	0.14
L&G PMC World (Ex-UK) Equity Index Fund 3	0.04	0.12	0.00	0.02	0.18

Note: Given that new contributions were transferred to L&G on the 1st October 2024 and existing members were transferred on 8th January 2025, average transaction costs over the last five years are indicative and not reflective of actual member experience. In relation to the average transaction costs, a floor of 0% p.a. has been used for the transaction costs if these were negative when aggregated so as not to potentially understate the effect of charges on fund values over time. Total costs and charges (p.a.) reflect the AMC, FMC and average transaction costs.

To give an example in monetary terms, a member invested in one of the L&G PMC Target Date Funds 3 with a fund value of £1,000 will pay an AMC of £0.40 a year (paid by cancelling units) plus a FMC of £1.50 a year, paid by adjusting the unit price. The costs of buying and selling assets in the L&G PMC Target Date Funds were between £0.60 and £1.20 per £1,000 over the year to 31 March 2026. The unit price of the L&G PMC Target Date Funds took account of the costs of buying and selling assets in the Fund.

4A.2. AVCs

Members with AVCs have access to the fund range available to members of the DC section. For AVCs the same transaction costs and charges apply as shown in section 4A.1.

4B. Illustrations to show the cumulative effect of costs and charges

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided illustrations to show their cumulative effect on the value of typical Fund members' savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative example members, and are based on a number of assumptions about the future which are set out at the end of this section.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Fund they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements. The Fund does not offer members access to flexi-access drawdown therefore this option has not been taken into account in these illustrations.

4B.1. Defined Contribution section

For the Defined Contribution section, the Trustee has decided to illustrate two example members.

In addition to the default investment for the example members, the Trustee has included illustrations showing:

- L&G MT Short Dated Bond Index Fund – lowest assumed growth
- L&G MT Smaller Companies Index Fund – highest assumed growth
- L&G PMC Cash Fund – lowest charges
- L&G MT Active Global Equity Fund – highest charges

The tables illustrate the cumulative effect of the costs and charges after different time periods on members' projected retirement pots for the example member invested in the relevant funds. The projected retirement fund is shown in today's terms and so it already takes account of the effect of inflation between now and retirement.

<u>Youngest active member</u>
Current age is 21 and retirement age is 65. The existing fund value is £1,500 and annual contributions paid are £3,500 (£292 each month increasing by 2.5% each year in line with assumed salary increases).

The Trustee has shown the 2065-2070 TDF (as the default investment for the youngest member).

For the youngest active member, the estimated impact of charges on accumulated fund values is shown in the tables below.

Table 5 Age	L&G PMC 2065 - 2070 Target Date Fund 3			L&G MT Short Dated Bond Index Fund			L&G MT Smaller Companies Index Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
22	£5,113	£5,104	£9	£4,984	£4,979	£5	£5,145	£5,136	£9
24	£12,723	£12,665	£58	£11,899	£11,867	£32	£12,936	£12,874	£62
26	£20,876	£20,720	£156	£18,745	£18,665	£80	£21,443	£21,277	£166
31	£43,888	£43,239	£649	£35,564	£35,270	£294	£46,295	£45,582	£713
36	£71,220	£69,626	£1,594	£51,966	£51,335	£631	£77,266	£75,454	£1,812
41	£103,681	£100,543	£3,138	£67,962	£66,877	£1,085	£115,861	£112,165	£3,696
46	£142,235	£136,769	£5,466	£83,563	£81,912	£1,651	£163,957	£157,283	£6,674
51	£188,024	£179,215	£8,809	£98,777	£96,458	£2,319	£223,894	£212,732	£11,162
56	£242,408	£228,950	£13,458	£113,615	£110,530	£3,085	£298,586	£280,878	£17,708
61	£306,999	£287,224	£19,775	£128,085	£124,144	£3,941	£391,667	£364,628	£27,039
65	£367,297	£340,970	£26,327	£139,403	£134,715	£4,688	£482,377	£445,239	£37,138

Table 6 Age	L&G PMC Cash Fund			L&G MT Active Global Equity Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
22	£4,984	£4,980	£4	£5,113	£5,087	£26
24	£11,899	£11,873	£26	£12,723	£12,553	£170
26	£18,745	£18,680	£65	£20,876	£20,427	£449
31	£35,564	£35,325	£239	£43,888	£42,040	£1,848
36	£51,966	£51,453	£514	£71,220	£66,721	£4,499
41	£67,962	£67,078	£884	£103,681	£94,905	£8,776
46	£83,563	£82,218	£1,345	£142,235	£127,089	£15,146
51	£98,777	£96,887	£1,890	£188,024	£163,841	£24,183
56	£113,615	£111,100	£2,515	£242,408	£205,809	£36,599
61	£128,085	£124,870	£3,215	£306,999	£253,734	£53,265
65	£139,403	£135,578	£3,825	£367,297	£296,927	£70,370

Median active member

Current age is 43 and retirement age is 65. The existing fund value is £82,200 and annual contributions paid are £31,400 (£2,620 each month increasing by 2.5% each year in line with assumed salary increases).

The Trustee has shown the 2045-2050 TDF (as the default investment for the median member).

For the median active member, the estimated impact of charges on accumulated fund values is shown in the tables below.

Table 7 Age	L&G PMC 2040 - 2045 Target Date Fund 3			L&G MT Short Dated Bond Index Fund			L&G MT Smaller Companies Index Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
44	£117,022	£116,758	£264	£113,110	£112,954	£156	£117,998	£117,715	£283
48	£268,931	£266,519	£2,412	£235,214	£233,952	£1,262	£278,039	£275,368	£2,671
53	£490,708	£482,592	£8,116	£384,441	£380,762	£3,679	£522,090	£512,770	£9,320
58	£754,110	£735,890	£18,220	£529,974	£522,791	£7,183	£826,222	£804,533	£21,689
63	£1,066,949	£1,032,824	£34,125	£671,906	£660,194	£11,712	£1,205,226	£1,163,105	£42,121
65	£1,207,950	£1,165,458	£42,492	£727,690	£713,894	£13,796	£1,381,778	£1,328,558	£53,220

Table 8 Age	L&G PMC Cash Fund			L&G MT Active Global Equity Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
44	£113,110	£112,983	£127	£117,022	£116,231	£791
48	£235,214	£234,188	£1,026	£268,931	£261,757	£7,174
53	£384,441	£381,449	£2,992	£490,708	£466,800	£23,908
58	£529,974	£524,129	£5,845	£754,110	£700,945	£53,165
63	£671,906	£662,370	£9,536	£1,066,949	£968,323	£98,626
65	£727,690	£716,456	£11,234	£1,207,950	£1,085,614	£122,336

4B.2. AVCs

For the AVC arrangement, the Trustee has also decided to illustrate two example members. No members are currently paying contributions.

Table 9 Example Member	Current Age	Retirement Age	Current fund value (£)
Youngest member	42	65	8,200
Median member	54	65	24,000

In accordance with the guidance, we have produced illustrations to demonstrate the cumulative effect of the costs and charges for the Target Date Fund, L&G MT Global Developed Index Equity Fund and the L&G MT Smaller Companies Index Fund because these are the funds that represent the default and the self-select funds with the lowest and highest charges respectively.

For the AVC example members, the estimated impact of charges on accumulated fund values is shown in the table below.

Youngest member

Table 10 Age	L&G PMC 2045 - 2050 Target Date Fund 3			L&G MT Global Developed Index Equity Fund			L&G MT Smaller Companies Index Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
43	£8,487	£8,465	£22	£8,487	£8,475	£12	£8,569	£8,545	£24
47	£9,739	£9,613	£126	£9,739	£9,669	£70	£10,219	£10,078	£141
52	£11,567	£11,269	£298	£11,567	£11,400	£167	£12,734	£12,385	£349
57	£13,738	£13,210	£528	£13,738	£13,442	£296	£15,869	£15,221	£648
62	£16,316	£15,486	£830	£16,316	£15,850	£466	£19,776	£18,707	£1,069
65	£18,090	£17,035	£1,055	£18,090	£17,497	£593	£22,568	£21,170	£1,398

Median member

Table 11 Age	L&G PMC 2035 - 2040 Target Date Fund 3			L&G MT Global Developed Index Equity Fund			L&G MT Smaller Companies Index Fund		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
55	£24,648	£24,590	£58	£24,840	£24,804	£36	£25,080	£25,010	£70
57	£25,997	£25,815	£182	£26,609	£26,494	£115	£27,388	£27,161	£227
60	£28,160	£27,768	£392	£29,502	£29,247	£255	£31,254	£30,737	£517
63	£30,503	£29,868	£635	£32,710	£32,285	£425	£35,666	£34,785	£881
65	£32,173	£31,355	£818	£35,039	£34,485	£554	£38,948	£37,776	£1,172

4B.3. Assumptions and Data for Illustrations

All fund values shown are estimates and are not guaranteed.

The projected fund values and the effect of charges on fund values is rounded to the nearest £100.

Fund values shown are in real terms and do not need to be reduced to allow for the effect of inflation. Inflation is assumed to be 2.5% p.a. consistent with the guidance.

For the example active members of the Defined Contribution section, contributions are assumed to continue until retirement and to increase by assumed earnings inflation of 2.5% p.a.

The transaction costs have been averaged over five years in line with statutory guidance to reduce the level of volatility. A floor of 0% p.a. has been used for the transaction costs if these were negative when aggregated so as not to potentially understate the effect of charges on fund values over time.

The projected growth rates and costs and charges used for the illustrations are shown in the table below. These are the same as the growth rates used by the providers for annual benefit statements. We have used a single growth rate for the Target Date Funds, irrespective of the length of time members have to retirement, consistent with L&G's practice for annual benefit statements.

Table 12 **Fund**	**Total costs and charges[1]**	**Growth rate (gross of charges)**
L&G PMC 2065 - 2070 Target Date Fund 3	0.28% p.a.	6.0% p.a.
L&G PMC 2045 - 2050 Target Date Fund 3	0.27% p.a.	6.0% p.a.
L&G PMC 2035 - 2040 Target Date Fund 3	0.24% p.a.	5.2% p.a.
L&G MT Short Dated Bond Index Fund	0.16% p.a.	2.0% p.a.
L&G MT Smaller Companies Index Fund	0.29% p.a.	7.0% p.a.
L&G PMC Cash Fund	0.13% p.a.	2.0% p.a.
L&G MT Active Global Equity Fund	0.81% p.a.	6.0% p.a.
L&G MT Global Developed Index Equity Fund	0.15% p.a.	6.0% p.a.

[1]This is the TER plus the average transaction costs

5. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Fund, transfers between different investments within the Fund and payments from the Fund to and in respect of members/beneficiaries.

5.1. Defined Contribution section

The bulk of the core financial transactions are undertaken on behalf of the Trustee by L&G. The Company is responsible for ensuring that contributions are paid to the Fund promptly. The Pension Fund Office monitors the contributions paid and investigates any anomalies. The Pension Fund Office reports Service Level Agreement ("SLA") performance to the Trustee. The Trustee monitors the allocation of contributions based upon the quarterly administration reports provided by L&G.

The Trustee has an SLA in place with L&G. This details a number of key administration processes to be performed and the target timescale within which each of these processes need to be completed. The SLA covers the accuracy and timeliness of all core financial transactions. Under the current SLA, L&G aims to complete investment of contributions within 24 hours, and all other core financial transactions within 5 working days.

L&G uses automated processes wherever possible, to avoid the need for manual intervention. However, there will always be some manual tasks and L&G has processes in place to ensure these are completed promptly and accurately. L&G have an independent Business Standards Team which carry out the oversight of risk and controls for Operations. This includes:

- Execution of a quality framework;
- Ensuring Operations carry out quality assurance in accordance with the framework; and.
- Review of results on a monthly basis and the production of a monthly quality report in conjunction with the Operations management team to identify any actions that are required where quality assurance has not met the benchmark.

L&G processed all of the core financial transactions within the SLA since its appointment.

The Trustee aims to have appropriate internal controls in place to minimise the risk of inaccurate or late payment of core financial transactions. Key processes include:

- As well as processes described above, the Trustee receives quarterly administration reports on compliance with agreed standards and timescales to help it monitor that the SLAs of the Pension Fund Office and L&G are being met; and
- L&G attends at least one Investment Committee meeting a year, and maintains regular communication with the Fund Secretary.

The Trustee is therefore satisfied that over the period since appointment:

- L&G was operating appropriate procedures, checks and controls;
- There have been no material administration errors in relation to processing core financial transactions; and
- L&G was operating within the agreed SLAs the majority of the time. Most core financial transactions have been processed promptly and accurately since appointment, with appropriate steps being taken to improve performance in instances where expectations have not been met.

5.2. AVCs

The AVCs are processed in the same manner as the DC section, noting that no new contributions are payable, and the relevant findings in section 5.1 also apply.

6. Value for Members Assessment

The Administration Regulations require the Trustee to make an assessment of charges and transaction costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is currently no legal definition of "good value" and so the process of determining this for scheme members is a subjective one. The Trustee, with the support of their advisers, undertake an annual value for member assessment review in respect of the Fund Year to assess whether the Fund represents good value for its members. The review is carried out across seven key areas, covering costs and charges, investment, retirement support governance, administration, contributions and education and engagement. The review includes the use of a detailed scoring mechanism. The Trustee has taken account of the relevant guidance and the Pensions Regulator's General Code of Practice when carrying out this assessment. Outcomes are documented with any areas for improvement captured in the Trustees' remit for the year ahead.

The Trustee's assessment for the year ended 31 March 2026 concluded that the charges and transaction costs borne by members of the Defined Contribution section and AVCs represented good value for members, taking account of the benefits of Fund membership.

A summary of the assessment for both the DC section and AVCs benefit is set out below.

6.1. Cost and charges

Members pay the administration and investment costs of their policy in the Defined Contribution section or the AVC arrangement.

Defined Contribution section - The Trustee identified costs and charges as the AMC and FMC, which make up the TER and transaction costs as set out in section 4 of this statement. Although no benchmarking information is available for transaction costs, those reported for the Defined Contribution section over the period appear reasonable when compared with similar funds. L&G typically uses cash flows to manage and minimise transaction costs and most investments in the Defined Contribution section are in the default Target Date Funds, using index-tracking funds which have lower transaction costs than actively managed funds.

The Trustee arranged for AVC members' funds to be transferred to the same arrangement and terms as the Defined Contribution section, enabling members to benefit from lower costs and charges it provides.

6.2. Investment

The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the delivery of good member outcomes.

Defined Contribution section - the Trustee has chosen L&G's range of target date funds as the default arrangement, following advice from its professional advisers and analysis of the membership. A suitable range of alternative investment options on the risk / return spectrum is made available to members, including a Shariah-compliant fund and funds with ethical and environmental, social and governance biases.

The Statement of Investment Principles sets out the aims and objectives of the Defined Contribution section default investment strategy and this is reviewed at least every three years.

The Investment Committee reviews investment performance after investment charges and transaction costs against the benchmarks set by L&G on quarterly basis. The investment performance reviews carried out since the appointment of L&G identified no major concerns in relation to the relevant investment objectives.

The Trustee undertakes a formal review of the investment strategy every three years. The last review was completed on 24 June 2024. As a result of the review the Trustee agreed to appoint L&G as investment and administration provider, replacing the incumbent, Aegon. From 1 October 2024 contributions from active members were paid to L&G and on 8 January 2025 the funds held by Aegon for active and deferred members of the Defined Contribution section were transferred to L&G.

The Trustee has concluded that the processes it has in place to review and monitor investments are suitable.

6.3. Retirement support

The Trustee believes that retirement processes that enable members to make informed decisions and select appropriate option(s) at retirement help members understand and improve retirement outcomes.

The Defined Contribution section allows members to access their funds as an uncrystallised fund pension lump sum (i.e. cash) or to take their entitlement to tax-free cash and use the remainder to buy an annuity. Members also have the opportunity to transfer their DC funds out of the Fund to a suitable arrangement, if they wish to draw income directly from their fund. For members considering taking flexible income the Trustee has signposted the availability of the L&G WorkSave Mastertrust Pension Access.

Members of the Defined Contribution section have access to L&G's Fund-specific website, which includes financial planning education materials and tools to support retirement decision making.

The Fund allows defined benefit section members with AVCs to use their AVCs as the first source of tax-free cash from the Fund rather than having to commute defined benefit pension. The Trustee believes this option is valued highly by members who have made AVCs. Pre-retirement communications clearly set out the options available to members (i.e. standard benefit option, maximum cash option or no cash option).

The Trustee has concluded that the retirement options available to members are appropriate for the Fund's current DC membership and in line with those currently offered by similar schemes.

6.4. Governance

The Trustee believes that having robust processes and structures in place to support effective management of risks and ensure members interests are protected should increase the likelihood of good outcomes for members.

The Trustee has a business plan which is reviewed regularly.

DC issues are included in the Fund's risk register, which is also reviewed regularly, and the Trustee and the Investment Committee take professional advice in respect of actuarial, legal and investment matters (the costs of which are not passed onto members).

The Trustee has a service level agreement ("SLA") in place with the Pension Fund Office and L&G and receives quarterly reporting on this. The Trustee also has appropriate internal controls in place to minimise the risk of inaccurate or late payment of contributions.

Defined Contribution section - the Trustee has governance processes in place for the Defined Contribution section whereby core financial transactions and other key governance factors are monitored quarterly. The Trustee has an SLA in place with L&G. This covers a number of key administration processes to be performed, including all core financial transactions and the target timescale within which each of these processes needs to be completed. The Pension Fund Office receives quarterly reports from L&G that enable the Pension Fund Office to monitor and report to the Trustee that the SLA is being met, and to investigate any instances where the SLA is not met. L&G also attend regular meetings with the Pension Fund Office to discuss any issues and queries.

The Trustee's DC advisers review the suitability of the Defined Contribution section and L&G as a provider on an annual basis.

The Trustee undertook a review of board effectiveness and its governance and beliefs on 18 September 2024. There was consensus that the Board worked well, with directors from different disciplines contributing different knowledge, experience and perspectives.

The Trustee concluded it has suitable governance processes in place with the right structures in place to support effective management of risks.

6.5 Administration

The Trustee believes that good administration and record keeping play a crucial role in ensuring that the Fund operates efficiently and members receive the retirement benefits due to them.

The Trustee has service level agreements in place with L&G and the Pension Fund Office covering all aspects of administration undertaken and both service providers report performance against these on a quarterly basis. This enables the Trustee to monitor standards of administration on a regular basis and investigate any issues that arise. In the Fund Year, L&G met the SLA for all tasks 99.94% of the time and 98.20% for the tasks covering customer updates and enquiries.

L&G also reports on the time taken to respond to member enquiries and any member complaints received in its quarterly governance reports. L&G received minimal complaints during the period.

Interfaces used to provide data to L&G include automatic validation of key member data. The Trustee monitors the data quality on an ongoing basis, working with L&G to rectify any elements that are considered material.

The Trustee has concluded that the processes it has in place to review and monitor administration are suitable and that members received good standards of administration service over the period.

6.6 Contributions

The Trustee believes that an appropriate contribution structure is a key driver of good member outcomes, supporting members in building adequate retirement savings over time.

Defined Contribution section - Members of the Defined Contribution section participate in a salary sacrifice arrangement, which provides tax-efficient savings for contributions made to the Fund.

The Trustee considers the overall level of contributions available to members to be adequate. The default contribution level is set above the minimum level required for scheme participation, encouraging members to save at a higher rate from outset, offering members the ability to select contribution levels above the default.

The Trustee has concluded that the contribution structure and member engagement with contributions were appropriate.

6.7 Education and engagement

The Trustee believes that effective member communications and delivery of the right support and tools help members understand and have the potential to improve their retirement outcomes.

For the Defined Contribution section, the Trustee predominantly uses L&G's standard suite of communications that the Pension Fund Office reviews before issue to ensure it is suited to the Fund's membership. The Trustee issues separate DB and DC newsletters next year.

The Fund is in line with many other schemes, providing most information to members online. Members of the Defined Contribution section and members who hold AVC funds have online access to their accounts via the L&G websites. The L&G website includes modelling tools and supporting information such as the member guide and investment guide for the Defined Contribution section. Relevant sources of information are also signposted to members. In addition, L&G has an app for members to have additional online access as well as their secure online access website. L&G also provides a helpline to members of the Defined Contribution section.

The Trustee concluded that the Fund's communications available to members were appropriate.

7. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirements for trustees to have appropriate knowledge and understanding. These requirements are considered in the Pension Regulator's Code of Practice 7.

The comments in this section relate to the Fund as a whole and not solely the DC section.

New Trustee Directors are required to complete a structured induction programme before taking up office, which may include a period of acting as an observer. Completion of the Pensions Regulator's Trustee Toolkit forms part of that induction.

The Trustee Directors have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up to date with relevant developments and review their own training needs. The Fund Secretary, with the help of the Trustee's advisers, regularly considers training requirements and arranges for training to be made available to individual Trustee Directors or to the whole Trustee body as appropriate. Training is recorded in the Trustee Director's training logs. Trustee Directors have access to all Fund governance documents, including the Trust Deed and Rules, and policies through the Fund's online governance site, "Boards". The Trustees can refer to these during Board meetings. In particular, the Trustees refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Fund and, where relevant, deciding individual member cases.

The Trustee has met the requirement for knowledge and understanding through:

- Maintaining an annual programme of bespoke Trustee training, which is delivered at a designated annual training day and within Trustee and sub-committee meetings where appropriate. The items covered by the Trustee at the dedicated training session on 17 June 2025 are set out on the next page.

- Attendance at appropriate external webinars and events.
- Receiving updates (via ad hoc emails and quarterly newsletters) from its advisers about matters relevant to the DC section and Fund as a whole. Representatives from the Trustees' actuaries, legal advisers and investment consultants attend all Trustee board meetings and are on hand to address any queries from the Trustees or explain the detail of potential issues. Additionally, representatives from the Trustees' Actuaries and investment consultants attend all Investment Committee meetings.
- Carrying out periodic effectiveness self-assessment reviews.
- As appropriate, completion of the relevant parts of the Pensions Regulator's Trustee Toolkit.

The Trustee Board contains a diverse range of experience and skills and includes an independent professional trustee. Their combined knowledge and understanding, together with advice and support from their professional advisers enables them to properly exercise their duties as Trustees. When appointing new Trustees any gaps in the skills and experience of the Trustee Board as a whole is taken into consideration as part of the selection process.

During the period covered by this statement, the Trustee Directors' learning activities included the following matters:

Trustee training day			
Name	**Area covered**	**Content type**	**Date**
Asset backed securities / B&M update	DB investment	1 hour Isio presentation and discussion	June 2025
Covenant review and new requirements	DB Funding & Convent	1 hour WTW presentation and discussion	June 2025
Legal / Trust Deed & Rules	Trustee discretions	1 hour OC presentation and discussion	June 2025
DC	Member experience	1 hour L&G presentation and discussion	June 2025
Mortality trends and experience	DB funding	1 hour WTW presentation and discussion	June 2025

Trustee Board meetings			
Name	**Area covered**	**Content type**	**Date**
Member options actuarial factors	Administration / Buy-in	Paper presented at meeting	April 2025
Balance of Powers – Trustee & Company	Trust Deed & Rules	Paper presented at meeting	March 2026
GMP Equalisation & Conversion	Scheme benefits	Paper presented at meeting	March 2026

Taking account of actions taken individually and as a Trustee Board, together with advice available from its professional advisers, the Trustee considers that its Board has the necessary knowledge and understanding to properly exercise its functions as Trustee of the Fund.

7B. Feedback

Members are encouraged to make their views on matters relating to the Fund known to the Trustee. Because of the size, nature and demographic of the Fund's membership, a range of different channels is available to members should they wish to share their views with the Trustee. They may contact the Trustee via the contact details (telephone number, email and postal address) in the annual report and the annual members' newsletter and on the Fund's website. Members may also give feedback when in contact with the Pension Fund Office and they are encouraged to give feedback in the annual members' newsletter. The Trustee keeps under review the level of engagement with members and the opportunities for feedback from members. The presence of a number of member-nominated Trustee Directors on the Trustee Board is also helpful in this regard.

Signed on behalf of the Trustee of the Imperial Tobacco Pension Fund by the Chair of the Trustee

Dalriada Trustees Limited, represented by T Lukic Date:

Independent auditors’ report to the Trustee of Imperial Tobacco Pension Fund
Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Imperial Tobacco Pension Fund for the year ended 31 March 2026 which comprise the Fund Account and Statement of Net Assets (Available for Benefits) and 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 FRS 102 “The Financial Reporting Standard applicable in the UK 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 Fund during the year ended 31 March 2026 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 Fund 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 statements, we have concluded that the Fund’s Trustees’ 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 Fund’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 Fund’s Trustee with respect to going concern are described in the relevant sections 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 Fund’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.

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 course of 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 15, 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 Fund'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 Fund 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 objectives of our audit are 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 and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement 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 Fund operates in and how the Fund 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 the 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 FRS 102, including the Financial Reports of Pension Schemes 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 in relation to significant, unusual transactions and transactions entered into outside the normal course of business and 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 Fund'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 Fund's Trustee those matters we are required to state to them 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 Fund and the Fund'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
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date:

IMPERIAL TOBACCO PENSION FUND
FUND ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Contributions and benefits							
Employer contributions		-	**21,626**	**21,626**	-	20,213	20,213
Employee contributions		-	**209**	**209**	-	200	200
Total contributions	**2**	-	**21,835**	**21,835**	-	20,413	20,413
Transfers In	**3**	-	**2,171**	**2,171**	-	1,982	1,982
Other income	**4**	-	-	-	-	-	-
		-	**24,006**	**24,006**	-	22,395	22,395
Benefits paid or payable	**5**	**155,387**	**1,161**	**156,548**	162,620	108	162,728
Payments to and on account of leavers	**6**	**4**	**10**	**14**	6	2	8
Transfers out to other Schemes	**7**	**2,378**	**5,184**	**7,562**	2,340	4,237	6,577
Administrative expenses	**8**	**3,963**	-	**3,963**	4,816	-	4,816
		161,732	**6,355**	**168,087**	169,782	4,347	174,129
Net (withdrawals) / additions from dealings with members		**(161,732)**	**17,651**	**(144,081)**	(169,782)	18,048	(151,734)
Returns on investments							
Investment income	**9**	**129,192**	-	**129,192**	179,295	-	179,295
Change in market value of investments	**10**	**(120,601)**	**16,447**	**(104,154)**	(283,280)	3,944	(279,336)
Investment management expenses	**11**	**(2,599)**	-	**(2,599)**	(2,968)	-	(2,968)
Net returns on investments		**5,992**	**16,447**	**22,439**	(106,953)	3,944	(103,009)
Net increase / (decrease) in the fund		**(155,740)**	**34,098**	**(121,642)**	(276,735)	21,992	(254,743)
Opening net assets		**2,384,232**	**118,809**	**2,503,041**	2,660,967	96,817	2,757,784
Closing net assets		**2,228,492**	**152,907**	**2,381,399**	2,384,232	118,809	2,503,041

The notes on pages 43 to 68 form part of these financial statements.

IMPERIAL TOBACCO PENSION FUND
STATEMENT OF NET ASSETS
AVAILABLE FOR BENEFITS AS AT 31 MARCH 2026

	Note	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Investment assets							
Equities		**4**	**-**	**4**	2	-	2
Bonds		**918,898**	**-**	**918,898**	856,403	-	856,403
Property	**14**	**142,840**	**-**	**142,840**	392,919	-	392,919
Pooled investment Vehicles	**15**	**217,030**	**152,907**	**369,937**	319,230	118,809	438,039
Derivatives	**10**	**102,192**	**-**	**102,192**	118,399	-	118,399
Insurance policies	**16**	**958,000**	**-**	**958,000**	1,071,000	-	1,071,000
AVC investments	**10**	**2,604**	**-**	**2,604**	2,736	-	2,736
Cash	**17**	**121,574**	**-**	**121,574**	34,927	-	34,927
Other investment balances	**17**	**30,953**	**-**	**30,953**	18,167	-	18,167
Amounts receivable under reverse repurchase agreements	**17**	**53,794**	**-**	**53,794**	89,386	-	89,386
Total		**2,547,889**	**152,907**	**2,700,796**	2,903,169	118,809	3,021,978
Investment liabilities							
Derivatives	**10**	**(92,851)**	**-**	**(92,851)**	(109,670)	-	(109,670)
Other investment balances	**17**	**(3,303)**	**-**	**(3,303)**	(23,349)	-	(23,349)
Amounts due under repurchase agreements	**17**	**(226,083)**	**-**	**(226,083)**	(391,411)	-	(391,411)
Total		**(322,237)**	**-**	**(322,237)**	(524,430)	-	(524,430)
Total net investments	**10**	**2,225,652**	**152,907**	**2,378,559**	2,378,739	118,809	2,497,548
Current assets	**20**	**6,646**	**-**	**6,646**	9,374	-	9,374
Current liabilities	**20**	**(3,806)**	**-**	**(3,806)**	(3,881)	-	(3,881)
Net Current assets		**2,840**	**-**	**2,840**	5,493	-	5,493
Total net assets		**2,228,492**	**152,907**	**2,381,399**	2,384,232	118,809	2,503,041

The financial statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which takes into account such obligations for the defined benefit section, is dealt with in the report on actuarial liabilities on pages 5 to 8 of the annual report, and these financial statements should be read in conjunction with this report.

The notes on pages 43 to 68 form part of these financial statements.

The financial statements on pages 41 to 68 were approved by the Trustee Directors of Imperial Tobacco Pension Trustees Limited on and signed on their behalf by:

Dalriada Trustees Limited, represented by T Lukic
Chair

R J A Egginton
Secretary

IMPERIAL TOBACCO PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

General information
The Fund is an occupational pension scheme established under trust under English law. The Fund was established to provide retirement benefits to certain groups of employees within the Imperial Brands PLC group. The address of the Fund's principal office is PO Box 3242, Winterstoke Road, Bristol, BS3 9GY.

The Fund's defined benefit ("DB") section closed for all members in service on 30 September 2023 who were then transferred to the defined contribution ("DC") section, which is also open to new members and is used as an auto-enrolment scheme by the employers.

The Fund is a registered pension scheme in the United Kingdom under the Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief, and income and capital gains earned by the Fund receive preferential tax treatment.

Basis of Preparation of the Financial Statements
The individual financial statements of Imperial Tobacco Pension Fund 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 (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

The Trustee makes estimates and assumptions concerning the future in preparing the financial statements. Estimates are made by the Investment Managers in calculating the year end value of the Fund's investments in the Pooled Investment Vehicles and Property included in Level 3 of the fair value hierarchy as set out in Note 18. These estimates include property yields, rental values and discount rates. In addition estimates are made related to the valuation of the insurance policy. An explanation of the key assumptions underpinning the valuation of the insurance policy is included within note 16.

The Trustee has performed a going concern assessment. Amongst other things, its assessment took into account the Fund's funding position, cashflow forecasts, liquidity of assets and the Employer covenant. The Fund is expected to continue to operate into the foreseeable future. On this basis the Trustees consider the going concern basis appropriate.

1. ACCOUNTING POLICIES

The following principal accounting policies, which have been applied consistently, have been adopted in the preparation of the financial statements:

(a) Contributions and benefits
Normal and additional voluntary contributions, both from members and employers, are generally accounted for on an accruals basis in the payroll period to which they relate. In the case of member contributions this is when deducted from pay. However, contributions

Accounting policies (continued)

in respect of members in the first 30 days following auto enrolment are accounted for when their right to opt-out has expired, unless remitted to the Fund earlier. All contributions payable under salary sacrifice arrangements are classified as employer contributions.

Members of the DB Section were entitled to make additional voluntary contributions to the Fund to secure extra benefits up to its closure on 30 September 2023. These additional voluntary contributions are included as contributions receivable in the Fund Account and the assets acquired with them are included in the Net Assets Statement.

Contributions from the Company and the members are payable in accordance with the current Schedule of Contributions. Special Company contributions may be payable in addition as certified by the Actuary – these are accounted for on the due dates set out in the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and the Trustee.

Pensions in payment are accounted for in the period to which they relate. Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retirement or death, as appropriate. Refunds and opt-outs are accounted for when the Trustee are notified of the member's decision to leave the Fund.

Where the Trustee agree or are required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Fund, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within Benefits (Note 5).

(b) Investment assets and liabilities

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities, otherwise the closing single price, single dealing price or most recent transaction price is used. The methods of determining fair value for the principal investment classes are:

(i) Quoted investments are valued at their bid prices at the year-end in accordance with the "Financial Reports of Pension Schemes" (revised June 2018). Pooled funds, as advised by Investment Managers, are valued at bid price if both bid and offer prices are published, or, if single priced, at the closing single price. Bonds are valued using clean bid prices, excluding accrued interest (with such interest accounted for separately as a current asset).

(ii) Freehold and leasehold property, and ground lease investments, are included at their open market value at the year-end as determined by independent valuers, in accordance with the Royal Institute of Chartered Surveyors (RICS) valuation standard and, where applicable, with reference to binding sale agreements. Sales and purchases are recognised on completion of contract. No depreciation is provided on freehold or leasehold properties or ground leases.

Accounting policies (continued)

(iii) The contributions paid into the Defined Contribution Section during the year are invested in pooled funds and units in those funds are valued at the year-end market value by the provider, Legal & General Assurance Society Limited ("L&G").

(iv) Derivative contracts are disclosed as a separate asset class and are valued at fair value, with assets valued at bid prices and liabilities at offer prices.
Futures are exchange traded and are valued at the difference between exchange settlement prices and inception prices.
Forward exchange contracts are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
Any initial and/or variation margin due to or from brokers is included within "cash and other investment balances".
Interest rate and inflation linked swaps valuations are calculated using pricing models where inputs are based on market value. Derivatives payments and receipts are reported within purchases and sales in the reconciliation of net investments.

(v) Policies insuring the Fund's liabilities associated with certain representative groups of certain members are included in these financial statements at the amount of the related obligation, determined by the Actuary using the Fund's most recent valuation assumptions and methodology. Annuity valuations are provided by the Fund's Actuary. Annuities are issued by Standard Life and are in the name of the Trustee.

(vi) Other investments are included at the Trustee's best estimate of Fair Value. The Fund continues to recognise assets delivered out under repurchase contracts to reflect its ongoing interest in those securities. Cash received from repurchase contracts is recognised as an investment asset, and an investment liability is recognised for the value of the repurchase obligation. Under reverse repurchase arrangements, the Fund does not recognise the collateral securities received as assets in its Financial Statements. The Fund does recognise the cash delivered to the counterparty as a receivable in the Financial Statements.

(c) Transaction costs
Purchases and sales of investments and foreign currencies include the associated transaction costs such as fees, commissions, stamp duty and other fees and are accounted for on an accruals basis.

(d) Foreign currency translation
The Fund's functional currency and presentational currency is pounds sterling (GBP).
Transactions and income denominated in foreign currencies are translated into sterling at the spot exchange rate at the date of transaction. Net assets denominated in foreign currencies are translated into sterling at the exchange rates ruling at the year-end. Realised and unrealised gains and losses resulting from movements in the currencies in which these net assets are denominated are dealt with as part of the change in market value of these investments.

Where forward contracts on foreign currencies have been entered into, any unrealised profits or losses on open contracts at the year-end, measured by the differences between the spot rates and the contract rates, are included in the change in market value together with any gains or losses realised during the year.

Accounting policies (continued)

(e) Investment income and expenses

Dividend income is accrued from the date a stock is declared ex-dividend and includes withholding taxes but excludes any other taxes such as attributable tax credits, not payable wholly on behalf of the recipient. Interest earned on deposits backing futures and swaps contracts are disclosed separately within investment income. Accrued interest arising from transactions in bonds is accounted for as income. Rent from properties is accrued as earned under the terms of the lease. Interest on cash deposits is accrued on a daily basis. Investment and administrative expenses are accounted for on an accruals basis. There are no performance-related fees paid to investment managers.

(f) Transfers from and to other plans

Transfer values represent the capital sums either receivable in respect of members from other pension funds of previous employers or payable to the pension funds of new employers for members who have left the Fund. They are accounted for on a cash basis or where Trustee has agreed to accept the liability in advance of receipt of funds on an accruals basis from the date of agreement.

2. CONTRIBUTIONS

	2026 DB £'000	**2026 DC £'000**	**2026 Total £'000**	2025 DB £'000	2025 DC £'000	2025 Total £'000
Employer contributions						
Normal	**-**	**19,421**	**19,421**	-	18,008	18,008
Special	**-**	**2,205**	**2,205**	-	2,205	2,205
	-	**21,626**	**21,626**	-	20,213	20,213
Employee contributions						
Normal	**-**	**-**	**-**	-	-	-
Additional voluntary	**-**	**209**	**209**	-	200	200
	-	**209**	**209**	-	200	200
Total contributions	**-**	**21,835**	**21,835**	-	20,413	20,413

The Employer contribution in the year relating to the DB section was nil (2025: nil). The contribution payable is dependent on the size of any winding up deficit or surplus, based on an annual assessment, and the cost of ongoing accrual. There is also a contingent contributions arrangement in place which triggers in the event of a rating change, as defined in the most recent schedule of contributions. This arrangement was not triggered during this year or the prior year. The Company previously made contribution payments into an escrow account which was agreed as part of the 2022 valuation. Following the positive results of the 2025 valuation, these funds were subsequently released back to the Company on 26th March 2026.

Included in employer contributions relating to the DC section was £7,972,000 (2025: £7,133,000) in respect of member contributions made via salary sacrifice arrangements. Special employer contributions of £2,205,000 (2025: £2,205,000) were paid into the DC accounts of certain active members who were in the DB section prior to 1 October 2023 as part of the agreed closure to DB accrual. Under the agreements relating to the DB closure, the special employee contributions were payable in three tranches, the first in October 2023 (50%) and then October 2024 (25%) and October 2025 (25%). There were no augmentation payments in the year (2025: nil).

3. TRANSFERS IN

	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Individual transfers in from other Plans	**-**	**2,171**	**2,171**	-	1,982	1,982
	-	**2,171**	**2,171**	-	1,982	1,982

There were no bulk transfers during the year (2025: nil).

4. OTHER INCOME

	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Receipts under insurance policies	-	-	-	-	-	-
	-	-	-	-	-	-

Income from the bulk purchase annuity policy with Standard Life is included as investment income (see Note 9).

5. BENEFITS PAID OR PAYABLE

	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Pensions	**149,335**	**-**	**149,335**	149,810	-	149,810
Commutation and lump sum benefits	**6,011**	**1,161**	**7,172**	12,759	108	12,867
Lump sum death benefits	-	**-**	**-**	-	-	-
Lifetime allowance charge and annual allowance charge paid on behalf of members	**41**	-	**41**	51	-	51
	155,387	**1,161**	**156,548**	162,620	108	162,728

6. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Refunds of contributions in respect of:						
Non-vested leavers	**4**	**10**	**14**	6	2	8
	4	**10**	**14**	6	2	8

7. TRANSFERS OUT TO OTHER SCHEMES

	2026 DB £'000	**2026 DC £'000**	**2026 Total £'000**	2025 DB £'000	2025 DC £'000	2025 Total £'000
Individual transfers to other Schemes	**2,378**	**5,184**	**7,562**	2,340	4,237	6,577
	2,378	**5,184**	**7,562**	2,340	4,237	6,577

8. ADMINISTRATIVE EXPENSES

	2026 DB £'000	**2026 DC £'000**	**2026 Total £'000**	2025 DB £'000	2025 DC £'000	2025 Total £'000
Internal services						
Remuneration	**1,090**	**-**	**1,090**	1,070	-	1,070
Trustees fees and expenses	**200**	**-**	**200**	200	-	200
Computer software & hardware	**343**	**-**	**343**	229	-	229
Postage	**59**	**-**	**59**	80	-	80
Other	**129**	**-**	**129**	161	-	161
	1,821	**-**	**1,821**	1,740	-	1,740
External services						
Actuarial fees	**1,410**	**-**	**1,410**	875	-	875
Legal fees	**217**	**-**	**217**	290	-	290
Audit fees	**104**	**-**	**104**	87	-	87
Other	**268**	**-**	**268**	161	-	161
	1,999	**-**	**1,999**	1,413	-	1,413
Pension Protection Fund Levy	**143**	**-**	**143**	143	-	143
Loan fees and interest	**-**	**-**	**-**	1,520	-	1,520
	3,963	**-**	**3,963**	4,816	-	4,816

The administrative expenses of the DC Section are met by the Company.

9. INVESTMENT INCOME

	2026 DB £'000	2026 DC £'000	2026 Total £'000	2025 DB £'000	2025 DC £'000	2025 Total £'000
Income						
Dividends from equities	**6**	**-**	**6**	(4)	-	(4)
Income from bonds	**14,266**	**-**	**14,266**	9,235	-	9,235
Net rents from properties	**14,679**	**-**	**14,679**	17,789	-	17,789
Income from alternatives	**27,698**	**-**	**27,698**	58,970	-	58,970
Interest on swaps	**957**	**-**	**957**	20,189	-	20,189
Income from insurance policies	**87,418**	**-**	**87,418**	103,198	-	103,198
Interest on cash deposits	**2,971**	**-**	**2,971**	1,975	-	1,975
Other	**21**	**-**	**21**	84	-	84
	148,016	**-**	**148,016**	211,436	-	211,436
Expense						
Interest on swaps	**(5,336)**	**-**	**(5,336)**	(13,949)	-	(13,949)
Net Interest on repurchase agreements	**(12,235)**	**-**	**(12,235)**	(17,479)	-	(17,479)
Other	**(1,253)**	**-**	**(1,253)**	(713)	-	(713)
	(18,824)	**-**	**(18,824)**	(32,141)	-	(32,141)
	129,192	**-**	**129,192**	179,295	-	179,295

The Fund invested in pooled funds which may distribute income. These include the Hayfin Direct Lending Fund II and III funds. Income distributions received from pooled funds are included above.

Income includes receipts from an insurance policy (see Note 16).

10. RECONCILIATION OF NET INVESTMENTS

The table below shows the value of the investments of the Fund at the year-end and the transactions and changes in value during the year. All Investment Managers are registered in the UK.

	Market Value At 1/4/25 £'000	Purchases at cost and Derivative Payments £'000	Sales Proceeds And Derivative Receipts £'000	Change in Market Value £'000	Market Value At 31/3/26 £'000
Defined benefit section					
Equities	2	-	-	2	**4**
Bonds	856,403	397,821	(350,087)	14,761	**918,898**
Property	392,919	-	(238,587)	(11,492)	**142,840**
Pooled investment vehicles	319,230	-	(90,497)	(11,703)	**217,030**
Derivatives	8,729	21,765	(21,765)	612	**9,341**
Insurance policy	1,071,000	-	-	(113,000)	**958,000**
AVC investments	2,736	-	(351)	219	**2,604**
	2,651,019	419,586	(701,287)	(120,601)	**2,248,717**
Cash	34,927				**121,574**
Amounts receivable under reverse repurchase agreements	89,386				**53,794**
Amounts payable under repurchase agreements	(391,411)				**(226,083)**
Other investment balances	(5,182)				**27,650**
Total DB net investments	2,378,739				**2,225,652**
Defined contribution section					
Pooled investment vehicles	118,809	24,006	(6,355)	16,447	**152,907**

All the directly held securities are quoted on recognised exchanges and are therefore considered to be marketable over reasonably short time periods. Longer periods may be needed to realise direct property and ground lease investments. The pooled investment vehicles included private debt funds managed by Hayfin.

Reconciliation of net investments (continued)

The only investments, excluding UK government gilts, which exceeded 5% of the value of net assets were the following funds:

	2026 £'000	%	2025 £'000	%
Standard Life Bulk Purchase Annuity	**958,000**	**40.23**	1,071,000	42.79
AXA IM Global Secured Assets Fund I	**120,197**	**5.05**	195,802	7.82
DTZ Property	**35,225**	**1.48**	221,510	8.85
PGIM Ground Leases	**107,614**	**4.52**	171,409	6.85

Derivatives

DB Section only	**2026 Assets £000**	**2026 Liabilities £000**	**2026 Total £000**	2025 Assets £000	2025 Liabilities £000	2025 Total £000
Exchange traded Futures	**61,598**	**(61,598)**	**-**	83,363	(83,363)	-
Swaps	**40,594**	**(31,253)**	**9,341**	35,036	(26,307)	8,729
	102,192	**(92,851)**	**9,341**	118,399	(109,670)	8,729

Objectives and policies for holding derivatives

Government Bond Futures

The Bond portfolio includes derivative contracts permitted by the SIP consisting of government bond futures. At the year-end these had a net value of £nil (2025: nil). These are entered into with the objective of reducing risk or facilitating efficient portfolio management with an acceptable level of risk.

Swaps

Swaps are entered into to help reduce the Fund's asset-liability risk arising from interest rates and inflation volatility.

The Fund had collateral, held by the Fund's custodian, of £801,001 in Government Bonds, £2,838,864 in Index Linked Government Bonds and £16,985 short term investments that has not been included in Net Assets at 31 March 2026 (2025: £6,000 in short term investments).

The tables below analyse the derivative positions in more detail as is required by the "Financial Reports of Pension Schemes" (revised June 2018). The nominal amounts shown are the nominal values of the securities to which the derivatives contracts relate which, being subject to market movements, give a measure of the contracts' economic exposure.

Reconciliation of net investments (continued)

	Expires within	Nominal Amount £'000	2026 Assets £'000	2026 Liabilities £'000
Government Bond futures				
UK	3 months	2,000	**175**	**(175)**
Germany	3 months	265,000	**26,581**	**(26,581)**
USA	3 months	388,000	**34,842**	**(34,842)**
At 31 March 2026			**61,598**	**(61,598)**
Swaps				
Total return swaps				
- pay floating, receive fixed	0-10 years	408,884	**35,857**	**-**
- pay floating, receive fixed	0-10 years	241,740	**-**	**(5,965)**
- pay floating, receive fixed	10-20 years	-	**-**	**-**
- pay floating, receive fixed	>20 years	3,416	**196**	**-**
Exchange cleared swaps				
- pay floating, receive fixed	0-10 years	121,920	**683**	-
-pay floating, receive fixed	0-10 years	674,397	**-**	**(17,734)**
-pay floating, receive fixed	10-20 years	15,000	**562**	**-**
-pay floating, receive fixed	10-20 years	16,500	**-**	**(506)**
- pay floating, receive fixed	>20 years	19,765	**-**	**(7,048)**
- pay floating, receive fixed	>20 years	32,506	**3,296**	**-**
At 31 March 2026			**40,594**	**(31,253)**

Reconciliation of net investments (continued)

The comparatives for 2025 are shown below.

	Expires within	Nominal Amount £'000	2025 Assets £'000	2025 Liabilities £'000
Government Bond futures				
UK	3 months	666,000	61,065	(61,065)
Germany	3 months	55,000	5,858	(5,858)
USA	3 months	181,000	16,440	(16,440)
			83,363	(83,363)
Swaps				
Total return swaps				
-pay floating, receive fixed	0-10 years	271,024	22,349	-
-pay floating, receive fixed	0-10 years	338,800	-	(3,446)
-pay floating, receive fixed	10-20 years	44,000	7,403	-
-pay floating, receive fixed	10-20 years	31,200	-	(348)
-pay floating, receive fixed	>20 years	1,260	13	-
-pay floating, receive fixed	>20 years	1,459	-	(4)
Exchange cleared swaps				
- pay floating, receive fixed	0-10 years	341,590	766	-
- pay floating, receive fixed	0-10 years	615,277		(18,833)
- pay floating, receive fixed	10-20 years	8,000	-	(338)
- pay floating, receive fixed	>20 years	6,212		(3,338)
-pay floating, receive fixed	>20 years	5,375	4,505	-
At 31 March 2024			35,036	(26,307)

Additional voluntary contributions ("AVCs")

Accumulated AVCs invested separately under money purchase arrangements are reflected at market value. The Fund's AVC provider, L&G, offers a choice of investment options that mirrors the funds available in the DC Section. Since 1 October 2023 the AVC arrangement was closed to future contributions.

The movements during the year are summarised as follows:

	£'000
Value as at 1 April 2025	**2,736**
Purchases at cost	-
Transfers	**-**
Sales proceeds	**(351)**
Change in Market Value	**219**
Value as at 31 March 2026	**2,604**

Statements showing individual member fund values are issued annually to each member.

Defined Contribution ("DC") Section

The DC Section of the Fund opened on 1 October 2010.

Investment strategy

When designing the investment strategy for the DC section of the Fund the Trustee took into account the following key considerations:-

- that members have differing investment needs and that these may change during the course of members' working lives;
- that members have different time horizons and attitudes to risk;
- that members should make their own investment decisions based on their own individual circumstances; and
- that some members may not be comfortable making investment decisions and would prefer to follow a 'default' investment strategy.

For those members comfortable with making their own investment choices, appropriate to their own, individual, needs the Trustee has made available L&G's self-select range, similar to the range available in the L&G Workplace Master Trust.

For members who do not wish to take an active role in their investment decisions the Trustee has selected the L&G Target Date Funds (TDF) as the default strategy for the Fund. The default TDF strategy aims to target an allocation which provides flexible retirement outcomes at retirement. The mix of assets within the fund changes over time to reflect the needs of Fund members as they approach and go beyond their target retirement date. During the growth phase, members will be invested primarily in equities, listed property and listed infrastructure with a small allocation to private markets alongside some diversification into fixed income assets. They aim to grow the value of members' pension savings while members are a relatively long way from retirement. The strategy will then gradually reduce the level of risk members are exposed to as they get nearer to when they expect to retire.

For the DC section investments purchased by the Fund are allocated to provide benefits to the individual members on whose behalf the contributions were paid. All assets are designated to members. At 31 March 2026 there were 2,347 members in the DC section (2024: 2,262 members). Details of movements in the year are shown on page 4. Contributions are invested separately, in the investment funds offered by the Fund and accumulated contributions are reflected at market value.

The L&G holds the investment units on a pooled basis for the Trustee and allocates investment units to members.

Reconciliation of net investments – Defined contribution section ("DC") (continued)

The movements during the year are summarised as follows:

	2026	2025
	£'000	£'000
Value as at 1 April	**118,809**	96,817
Contributions	**21,835**	20,413
Transfers In	**2,171**	1,982
Transfers Out	**(5,184)**	(4,237)
Partial drawdown payments paid	**(888)**	(34)
Annuity purchases	**(108)**	-
Lump sum payments	**(165)**	(74)
Refund of contributions	**(10)**	(2)
Change in Market Value	**16,447**	3,944
Value as at 31 March	**152,907**	118,809

The day-to-day management of the underlying investments of the funds is the responsibility of L&G, including the direct management of the credit and market risks.

The risks disclosed here relate to the DC Section's investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustee and therefore may face a different profile of risks as a result of their individual choices compared with the DC Section as a whole.

Credit risk
The DC Section is subject to direct credit risk in relation to L&G through its holding in pooled investment funds provided by L&G.

The legal nature of the pooled investment vehicle by type of arrangement is as follows:

	2026	2025
	£'000	£'000
Unit linked insurance contracts	**152,907**	118,809
	152,907	118,809

The Trustee holds a life insurance policy with L&G and all assets of the DC Section of the Scheme are invested in this policy. L&G assets are 'ring fenced' which means the funds are held separately from Legal & General's other assets. L&G is authorised and regulated by the Prudential Regulation Authority which requires it to hold enough capital with the aim of ensuring it remains solvent. L&G is also regulated by the Financial Conduct Authority and is required to comply with the regulations in place and enforced by the Financial Conduct Authority. In the unlikely event that L&G becomes insolvent, policyholders (the Trustee) have protection under the law setting out priorities for which claimants get paid first and under the Financial Services Compensation Scheme ('FSCS').

The DC section is also subject to indirect credit and market risk arising from the underlying investments held in the pooled funds. Member level risk exposures will be dependent on the funds invested in by members.

Reconciliation of net investments – Defined contribution section ("DC") (continued)

At the year end the underlying funds, excluding the equity, property and cash funds, were exposed to indirect credit risk. Indirect credit risk is mitigated within funds through the managers' own credit review control procedures.

Market risk

The Fund's DC section is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by L&G, who then manage these risks.

11. INVESTMENT MANAGEMENT EXPENSES

Defined benefit	**2026**	2025
Portfolio Management Fees	**£'000**	£'000
UK Property	**704**	1,003
Ground Leases	**513**	638
Index-Linked – Direct	**393**	503
Fixed Interest – Direct	**138**	19
	1,748	2,163
Custody Fees	**82**	90
Investment Adviser Fees	**740**	660
Property Valuation Fees	**29**	55
	2,599	2,968

Commissions and fees directly related to transactions are excluded (see Note 13), except in the case of UK property where the agency fees charged by the manager are included.

The investment expenses of the DC Section are charged as underlying management fees within the portfolio and included in the change in market value (Note 10).

12. TAXES ON INVESTMENT INCOME

The Fund is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. There were no tax charges in the Fund Account arising from irrecoverable withholding taxes on investment income.

13. INVESTMENT TRANSACTION COSTS

There were no direct transaction costs incurred in the purchase and sale of securities in the year (2025: nil). Indirect transaction costs, which cannot be quantified, include the bid-offer spread on investments, the market impact of transactions and costs incurred within pooled funds.

14. PROPERTY

	2026 DB £000	**2026 DC £000**	**2026 Total £000**	2025 DB £000	2025 DC £000	2025 Total £000
UK freehold property	**35,225**	**-**	**35,225**	203,510	**-**	203,510
UK leasehold property	**-**	**-**	**-**	18,000	**-**	18,000
UK ground lease Freehold property	**107,615**	**-**	**107,615**	171,409	**-**	171,409
	142,840	**-**	**142,840**	392,919	**-**	392,919

The Fund's investment in UK property comprises 5 properties (2025: 20 properties) in a segregated portfolio.

The Fund's investment in UK ground leases comprises 17 properties (2025: 22 properties) in a segregated portfolio.

The valuations above are based on information provided by the Fund's independent valuers in accordance with the Professional Standards, Valuation Technical and Performance Standards (VPS) and Valuation Applications contained in the current RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards 2017 – UK national supplement as applicable ("the RICS Red Book").

15. POOLED INVESTMENT VEHICLES

By type	**2026 DB £000**	**2026 DC £000**	**2026 Total £000**	2025 DB £000	2025 DC £000	2025 Total £000
Bonds	**-**	**495**	**495**	-	36	36
Equities	**-**	**12,417**	**12,417**	-	6,066	6,066
Multi asset funds	**-**	**139,185**	**139,185**	-	112,247	112,247
Global secured assets	**120,197**	**-**	**120,197**	195,802	-	195,802
Illiquid debt	**96,833**	**-**	**96,833**	123,428	-	123,428
Cash	**-**	**810**	**810**	-	460	460
	217,030	**152,907**	**369,937**	319,230	118,809	438,039

16. INSURANCE POLICIES

The Fund has a bulk purchase annuity with Standard Life which provides annuity income (note 9) matching the pension liabilities for certain members. The Fund held the following bulk annuity insurance policy:

	2026	2025
	£'000	£'000
Standard Life	**958,000**	1,071,000
	958,000	1,071,000

The 31 March year end valuations have been calculated by the Scheme Actuary using detailed cashflows derived from individual member data. The starting position is based on the original price of the contract adjusted each day to allow for changes to market conditions.

The financial assumptions adopted for the valuation of the policy are as follows:

Financial assumptions	**31 March 2026 % p.a.**	31 March 2025 % p.a.
Discount rate	5.75%	5.49%
Price inflation (RPI)	3.61%	3.44%
Price inflation (CPI)	RPI less a margin (0.7% to 2030 and 0.1% thereafter)	RPI less a margin (0.7% to 2030 and nil thereafter)
Pension increases:		
RPI minimum 0% p.a., maximum 15% p.a.	3.79%	3.64%
RPI minimum 0% p.a., maximum 10% p.a.	3.79%	3.64%
RPI minimum 0% p.a., maximum 5% p.a.	3.58%	3.42%
CPI minimum 0% p.a., maximum 3% p.a.	2.92%	2.95%

The assumptions shown are the average rates over the duration of the insured liabilities that are equivalent to using rates derived from the Towers Watson Limited yield curves.

Payments received under the policy during the year were treated as investment income (see note 9). Any difference between the opening value of the policy and the closing value, other than due to adjustments to premium, is shown as a change in market value of the investment.

Following the data confirmation exercise the valuation has been updated and is calculated on the same basis as the method and principles agreed for the latest available triennial actuarial valuation of the winding-up liabilities, updated for changes in market conditions.

17. CASH AND OTHER NET INVESTMENT BALANCES

	2026 DB £000	**2026 DC £000**	**2026 Total £000**	2025 DB £000	2025 DC £000	2025 Total £000
Cash – sterling	**121,347**	**-**	**121,347**	34,241	-	34,241
Cash–foreign currency	**227**	**-**	**227**	686	-	686
Total cash	**121,574**	**-**	**121,574**	34,927	-	34,927
Accrued investment income	**28,043**	**-**	**28,043**	12,589	-	12,589
Rents receivable	**2,910**	**-**	**2,910**	5,578	-	5,578
Amounts due from brokers	**-**	**-**	**-**	-	-	-
	30,953	**-**	**30,953**	18,167	-	18,167
Rents received in advance	**(2,033)**	**-**	**(2,033)**	(5,343)	-	(5,343)
Amounts due to brokers	**(1,270)**	**-**	**(1,270)**	(18,006)	-	(18,006)
	(3,303)	**-**	**(3,303)**	(23,349)	-	(23,349)
Total other net investment balances	**27,650**	**-**	**27,650**	(5,182)	-	(5,182)
Repurchase and reverse repurchase agreements						
Amounts receivable under reverse repurchase agreements	**53,794**	**-**	**53,794**	89,386	-	89,386
Amounts payable under repurchase agreements	**(226,083)**	**-**	**(226,083)**	(391,411)	-	(391,411)
Total net repurchase and reverse repurchase agreements	**(172,289)**	**-**	**(172,289)**	(302,025)	-	(302,025)

Bonds with a fair value of £149,422,000 have been sold subject to repurchase contracts and therefore continue to be recognised in the financial statements (2025: £371,218,000). There are 11 (2025: 21) repurchase positions, with maturity dates in October 2026.

Bonds with a fair value of £54,816,000 received as collateral in respect of reverse repurchase agreements are not recognised in the financial statements (2025: £92,569,000) but the cash delivered to the counterparties is recognised as amounts receivable in the table above. There are 2 (2025: 4) reverse repurchase positions, with maturity dates between April 2026 to October 2026.

18. FAIR VALUE OF INVESTMENTS

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

Unadjusted price in an active market per identical instruments that the entity can access at the measurement date.	- Level 1
Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.	- Level 2
Inputs are unobservable i.e. for which market data is unavailable.	- Level 3

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate. These assets are valued by the relevant investment manager using a mixture of internal and external market information for similar investments and by applying discounted cash flow methodology.

The Fund's investment assets and liabilities have been included at fair value within these categories as follows:

Category Defined benefit section	2026 Level 1 £'000	2026 Level 2 £'000	2026 Level 3 £'000	2026 Total '£000
Investment assets				
Equities	**4**	**-**	**-**	**4**
Bonds	**-**	**918,898**	**-**	**918,898**
Property	**-**	**-**	**142,840**	**142,840**
Pooled investment vehicles	**-**	**-**	**217,030**	**217,030**
Derivatives	**-**	**102,192**	**-**	**102,192**
Insurance policy	**-**	**-**	**958,000**	**958,000**
Other investment balances	**30,953**	**-**	**-**	**30,953**
AVC investments	**-**	**2,604**	**-**	**2,604**
Cash	**121,574**	**-**	**-**	**121,574**
Investment liabilities				
Derivatives	**-**	**(92,851)**	**-**	**(92,851)**
Repurchase and reverse repurchase agreements	**-**	**(172,289)**	**-**	**(172,289)**
Other investment balances	**(3,303)**	**-**	**-**	**(3,303)**
Total net investments	**149,228**	**758,554**	**1,317,870**	**2,225,652**
Defined contribution section				
Investment assets				
Pooled investment vehicles	**-**	**152,907**	**-**	**152,907**
Total investments	**-**	**152,907**	**-**	**152,907**

The property valuation of £142,840,000 at 31 March 2026 was valued by the Fund's independent valuers in accordance with the Professional Standards, Valuation Technical and Performance Standards and Valuation Applications contained in the current RICS.

Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards 2017 – UK national supplement as applicable ("the RICS Red Book"). There was no material valuation uncertainty statement attached to these valuations by the independent valuers.

Fair value of investments (continued)

Analysis for the prior year end is as follows:

Category	2025 Level 1 £'000	2025 Level 2 £'000	2025 Level 3 £'000	2025 Total £'000
Defined benefit section				
Investment assets				
Equities	2	-	-	2
Bonds	-	856,403	-	856,403
Property	-	-	392,919	392,919
Pooled investment vehicles	-	-	319,230	319,230
Derivatives	-	118,399	-	118,399
Insurance policy	-	-	1,071,000	1,071,000
Other investments balances	18,167	-	-	18,167
AVC investments	-	2,736	-	2,736
Cash	34,927	-	-	34,927
Investment liabilities				
Derivatives	-	(109,670)	-	(109,670)
Repurchase and reverse repurchase agreements	-	(302,025)	-	(302,025)
Other investment balances	(23,349)	-	-	(23,349)
Total net investments	29,747	565,843	1,783,149	2,378,739
Defined contribution section				
Investment assets				
Pooled investment vehicles	-	118,809	-	118,809
Total investments	-	118,809	-	118,809

19. INVESTMENT RISKS

Types of risk relating to investments

FRS102 requires the disclosure of information in relation to certain investment risks.

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 of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate

Investment risks (continued)

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 Trustee determines its investment strategy after taking advice from a professional investment advisor. The Fund has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking account of the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Fund's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

The following table summarises the extent to which the various classes of investments are affected by financial risks. The risk noted affects the asset class [S] significantly, [P] partially, [H] hardly/not at all.

		Market risk			**2026**	2025
	Credit risk	**Currency**	**Interest rate**	**Other price**	**Value £'000**	Value £'000
Defined benefit section						
Equities	H	P	H	S	**4**	2
Bonds	S	P	S	H	**918,898**	856,403
Property	P	H	H	S	**142,840**	392,919
Pooled investment vehicles: - direct	H	H	H	P	**217,030**	319,230
Pooled investment vehicles: - indirect	P	P	P	P		
Derivatives	P	P	P	P	**9,341**	8,729
Insurance policy	H	H	S	S	**958,000**	1,071,000
AVC investments	S	H	H	S	**2,604**	2,736
Cash deposits and other net investment (liabilities) / assets	S	P	H	H	**(23,065)**	(272,280)
Total DB Section investments					**2,225,652**	2,378,739
Defined contribution section						
Pooled investment vehicles: - direct	H	H	H	P	**152,907**	118,809
Pooled investment vehicles: - indirect	S	P	P	P		

Investment risks (continued)

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include: the AVC investments, as these are not considered significant in relation to the overall investments of the Fund; or the Defined Contribution Section, where risks are disclosed in the DC Section of Note 10.

Defined benefit section

Investment strategy

The investment objective of the defined benefit section (DB Section) is to invest the Fund's assets in an appropriate and secure manner such that member's benefits are paid as an when they fall due. The aim is to maintain a portfolio which will generate investment returns in excess of the growth in liabilities which, together with any future contributions, will meet the funding objective of maintaining a funding level of at least 100% on a buy-out basis and increase liquidity over time.

The Trustee sets the investment strategy for the DB Section taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the DB Section and the funding agreed with the employer. The investment strategy is set out in its Statement of Investment Principles ("SIP").

The asset mix (see page 11) at 31 March 2026 was:

- 16.7% in alternative investments (including property).
- 83.3% in investments that are more likely to move in line with the long-term liabilities of the Fund, including a bulk annuity policy and cash.

Credit risk

The Fund is subject to credit risk because the Fund directly invests in bonds, over-the-counter ("OTC") derivatives and has cash balances. The Fund also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Fund is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table and the notes below which explain how the risk is managed and mitigated for the different classes:

DB investments exposed to credit risk	**2026**	2025
	£'000	£'000
Bonds	**918,898**	856,403
Property let to tenants	**142,840**	392,919
Pooled investment vehicles		
Other funds (direct risk only)	**217,030**	319,230
Derivatives – assets	**102,192**	118,399
Derivatives – liabilities	**(92,851)**	(109,670)
Insurance policy	**958,000**	1,071,000
Other investments		
AVC investments	**2,604**	2,736
Cash and other net investment assets	**(23,065)**	(272,280)
	2,225,648	2,378,737

Investment risks (continued)

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade. Holdings may occasionally be downgraded to below sub-investment grade but continue to be held and monitored.

The Trustee considers financial instruments or counterparties to be of investment grade if they are rated BBB- or higher by Standard & Poor's or Fitch, or rated at Baa3 or higher by Moody's.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Fund is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements (see Derivatives Note 10). Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts but all counterparties are required to be at least investment grade.

Cash is held within financial institutions which are at least investment grade credit rated.

Credit risk arising from rents due from tenants and leaseholders of the Fund's property portfolios is mitigated thought the managers' skills and expertise, credit controls procedures and the use of rent deposits.

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 manager operates and diversification of investments amongst a number of pooled arrangements. The Trustee carry out due diligence checks on the appointment of new pooled investment managers and on an on-going basis monitor any changes on the operating environment of the pooled manager.
A summary of pooled investment vehicle by type of arrangement is as follows:

Legal nature of the pooled arrangements	**2026**	2025
	£'000	£'000
Open ended investment companies	**-**	-
Qualifying investor alternative investment fund	**120,197**	195,802
Limited liability partnerships	**96,833**	123,428
	217,030	319,230

Indirect credit risk is mitigated through diversification between managers and within funds through the managers' own credit control procedures.

The Fund is subject to credit risk due to holding a bulk annuity insurance policy which make payments to the Fund that closely match the pensions (and contingent pensions) being paid to a proportion of pensioners. These are held with an insurance company which, because of strict regulation, is considered to have a very low chance of default. The Trustee has been advised that, under current rules, the benefits provided by the bulk annuity contract would be covered by the Financial Services Compensation Scheme in the event of failure of the insurance company with which the policy is held.

Investment risks (continued)

Currency risk
The Fund's exposure to currency risk is greatly reduced with no equity direct or pooled fund Managers.

The net currency exposure at the current and previous year-ends was:

	2026 Net exposure £'000	2025 Net exposure £'000
Pounds sterling (GBP)	**2,269,899**	746,163
Euros (EUR)	**1,002**	137
US dollars (USD)	**3,726**	91
Other currencies	**205**	94
Total	**2,274,832**	746,485
Unhedged foreign currency exposure	**0.22%**	0.04%

Interest rate risk
The Fund is subject to interest rate risk. Some of the Fund's investments are held in bulk annuity contracts, bonds, index-linked gilts and cash and fluctuate dependent on movements in interest rates. At the year-end the bulk annuity policy, bonds, index-linked gilts and cash portfolios represented 82.2% of the total investment portfolio (2025: 69.6%). The Trustee also notes that an increase or decrease in interest rates will impact on the Fund's benefit obligations. To the extent that assets are held in bulk annuity contracts, bonds, index-linked gilts and cash, this represents a broadly natural hedge against the risk in respect of movements in interest rates. The Trustee maintains a collateral buffer on its Liability Driven Investment portfolio. With normal market conditions this will cover any calls arising from normal market volatility and also market shocks.

Other price risk
The Trustee manages the exposure to overall price movements by having diversity in the portfolio of investments across various markets. Other price risk arises principally in relation to the Fund's cashflow driven alternative investments (including property) and, when used, return seeking portfolio which included equities held in pooled vehicles. At the year-end the cash-flow driven alternatives represented 17.8% of the total investment portfolio (2025: 30.4%).

The Fund is subject to market risk in relation to its property asset investments. At the year-end these assets represented 6.0% of the total investment portfolio (2025: 15.7%). The Trustee mitigates this risk by conducting regular reviews of market conditions with its managers and engaging the services of professional valuers.

20. CURRENT ASSETS AND CURRENT LIABILITIES

Defined benefit

CURRENT ASSETS	**2026**	2025
	£'000	£'000
Amounts Due from the Company to the Fund	**1,213**	1,007
Prepaid Administrative Expenses	**163**	151
VAT Receivable	**175**	-
Cash Balances	**5,095**	8,216
Current Assets	**6,646**	9,374

CURRENT LIABILITIES	**2026**	2025
	£'000	£'000
Accrued lump sums	**(96)**	(44)
Unpresented Cheques	**(40)**	(28)
Trustee fees and expenses	**-**	-
Taxation Payable	**(2,610)**	(2,649)
Accrued Investment Fees and Expenses	**(663)**	(580)
Accrued Administrative Expenses	**(397)**	(267)
VAT Payable	-	(313)
Current Liabilities	**(3,806)**	(3,881)

The £1,213,000 due from the Company (2025: £1,007,000 due from the Company) was in respect of pension payments made by the Fund on behalf of the Company and administration costs incurred in managing the Fund.

21. CAPITAL AND CONTRACTUAL COMMITMENTS

At 31 March 2026 the Fund had no contractual commitments (2025: £nil) and no other capital commitments (2025: £nil). It had no capital contractual obligations outstanding (2025: nil capital contractual obligations outstanding) and none for property purchases (2025: none).

The Fund had collateral, held by the Fund's custodian, of £801,001 in Government Bonds, £2,838,864 in Index Linked Government Bonds and £16,985 short term investments that has not been included in Net Assets at 31 March 2026 (2025: £6,000 in short term investments).

The Fund had forward foreign currency exchange contracts at the year-end, as disclosed in Note 10.

22. CONTINGENT LIABILITIES

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. There was subsequent clarification in December 2020 of the treatment of transfers out. The Trustee is considering, with their advisors, the implication of these rulings on the Fund and the equalisation of guaranteed minimum pensions between men and women; in the context of the rules of the Fund and the value of any liability. As soon as this review is finalised and any liability quantified, members will receive further updates and any impact on financial reporting will be considered by the Trustee (2025: no contingent liabilities). A notional

Contingent Liabilities (continued)

allowance for the impact of GMP equalisation of 0.2% of the estimated value of the winding up liabilities has been included in the 2022 and 2025 triennial actuarial valuations.

The Virgin Media Limited v NTL Pension Trustees II Limited decision, handed down by the High Court in June 2023, considered the implications of Section 37 of the Pension Schemes Act 1993. Section 37 only allowed the rules of contracted-out schemes in relation to contracted-out benefits to be altered where certain requirements were met.

The Trustees are aware that in July 2024 the Court of Appeal upheld the High Court's decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made to the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016, in so far as they relate to contracted-out benefits where the requirements of Section 37 were not met.

On 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability (if necessary) to retrospectively obtain written confirmation that historical benefit changes met necessary standards. This was subsequently represented as part of the Pension Schemes Act 2026. Based on a high-level review of the nature of the amendments made to the Fund rules during the period 6 April 1997 and 5 April 2016, and subject to seeing details of the final legislation, the Trustee does not expect the valuation of scheme liabilities to change materially.

23. SELF INVESTMENT

Self investment is in respect of administration costs due from the Company (see Note 20). There were no employer-related investment in the ordinary shares and corporate bonds of Imperial Brands PLC held directly by the Fund, or indirectly through pooled funds, at 31 March 2026. The value of self investment at 31 March 2026 was £1,213,000, representing 0.051% of the Fund's Net Assets (2025: £1,007,000 representing 0.037%).

24. RELATED PARTY TRANSACTIONS

Related party transactions and balances comprise:

Key management personnel
Contributions were made into the Fund by five directors (2025: four directors) in accordance with the Fund Rules. Pension benefits were paid to two directors (2025: two directors) in accordance with the provisions of the Trust Deed and Rules. In the year, five directors (2025: five directors) received payments from the Fund totalling £200,000 (2025: £200,000), disclosed as "Trustees fees and expenses" under Administrative Expenses in Note 8.

Employer and other related parties
The total administrative expenses of £3,963,000 (2025: £4,816,000), per note 8, included £1,290,000 (2025: £1,252,000) recharged to the Fund by the Company.

This does not include expenses of the DC Section which are paid by the Company.

Related Party Transactions (continued)

The Company made contributions (Note 2) of £21,626,000 to the Fund during the year (2025: £20,213,000).

Following the results of the March 2025 valuation, the amount previously credited to an escrow account (an Imperial Tobacco Limited account pledged to Imperial Tobacco Pension Trustees Limited) was returned to the Company in March 2026.

Additional security is also in place with the Company which would provide supplementary funding under specific circumstances:

- Company agreement to pay deficit contributions if required in future, depending on the size of the winding up deficit.
- The Fund has previously held surety guarantees which can be called upon by the trustee board in specified circumstances, such as the Company's liquidation. Due to the strong funding position and the continued improvement over 2025 the Trustee has released the existing guarantees subject to reviewing annually with the Company whether these should be put back in place (page 6).
- Increased contributions of three times the annual deficit contribution each year if the credit rating of Imperial Brands PLC falls below investment grade.
- The continuing formal parent company guarantee from Imperial Brands PLC.

25. SUBSEQUENT EVENTS

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

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 Imperial Tobacco Pension Fund

Statement about contributions payable under the schedule of contributions

We have examined the summary of contributions payable to the Imperial Tobacco Pension Fund on page 70, in respect of the Fund year ended 31 March 2026.

In our opinion contributions for the Fund year ended 31 March 2026 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Fund Actuary on 20 April 2023 and 16 March 2026.

Scope of work on Statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 46 have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustee and Auditor

As explained more fully on page 15 in the Statement of Trustees' Responsibilities, the Fund's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund. The Trustee Is also responsible for keeping records in respect of contributions received in respect of active members of the Fund and for monitoring whether contributions are made to the Fund by the employer in accordance with the Schedules of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the Fund'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 Fund's Trustee those matters we are required to state to them 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 Fund and the Fund's Trustee as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date:

IMPERIAL TOBACCO PENSION FUND
SUMMARY OF CONTRIBUTIONS PAYABLE
FOR THE YEAR ENDED 31 MARCH 2026

During the year the contributions payable to the Fund were as follows:

	Employee £'000	Employer £'000
Required by the schedules of contributions:		
DB Section - Normal Contributions	-	-
DC Section – Normal Contributions	**-**	**19,421**
– Special Contributions	**-**	**2,205**
	-	**21,626**
Other contributions payable:		
DC Section - Additional Voluntary Contributions	**209**	
Total contributions	**209**	**21,626**

The Employer contribution in the year relating to the DB section was nil (2025: nil). The contribution payable is dependent on the size of any winding up deficit or surplus, based on an annual assessment, and the cost of ongoing accrual. There is also a contingent contributions arrangement in place which triggers in the event of a rating change, as defined in the most recent schedule of contributions. This arrangement was not triggered during this year or the prior year.

Approved by the Trustee and signed on its behalf by:

Dalriada Trustees Limited, represented by T Lukic
Chair

Date:

IMPERIAL TOBACCO PENSION FUND
COMPLIANCE STATEMENT

The Fund

The Fund was established under UK trust law in 1929 as a legal entity with its own assets that were, and continue to be, separate from those of the Company.

The Fund is a hybrid benefit pension scheme and is the main means of pension provision for the Company's UK employees, providing retirement benefits for members and benefits for dependants of deceased members.

Any request for further information relating to the Fund should be addressed to the Head of UK Pensions, Imperial Tobacco Pension Fund, PO Box 3242, Winterstoke Road, Bristol, BS3 9GY or email to Pension.enquiries@uk.imptob.com.

Tax Status

The Fund is a Registered Pension Scheme under Chapter 2, Part 4, of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief, and income and capital gains earned by the Fund receive preferential tax treatment.

Membership

Membership of the Fund is voluntary.

Pension Increases

The Rules of the Defined Benefit section of the Fund provide that on 1 April each year that for members who joined the Fund prior to April 2002 ("pre-2002 members") part of the pension or deferred pension which exceeds the Guaranteed Minimum Pension ("GMP"), shall be increased by the lower of 10% and the increase in the Retail Prices Index in the year to the previous December. For members who joined the Fund on or after 1 April 2002 ("post-2002 members") the cap on increases is 5%. As from 1 April 2025 pensions and deferred pensions were increased by 3.46% for pre-2002 members and 3.46% for post-2002 members on the excess over GMP (2024: 5.16% for pre-2002 and 5.00% for post-2002 members). The increase did not apply to members who are only entitled to Equivalent Pension Benefits.

There were no discretionary increases during the period.

Transfer Values

Payments made in respect of members who exercise their rights to have transfer payments made to other pension arrangements reflect the value of their accrued benefits and are calculated in accordance with the provisions of the Pension Schemes Act 1993 using tables provided by the Actuary. There has been no recent custom or practice of awarding discretionary benefits to deferred pensioners, other than the Trustee allowing early payment of deferred pensions on neutral financial terms so no allowance is made for any discretionary benefits in the calculation of transfer values. Payments made during the year fully reflected the value of the members' accrued benefit rights.

Internal Dispute Resolution Procedure

The Internal Dispute Resolution Procedure provides a formal mechanism through which individuals can seek resolution of any complaint or dispute relating to the Fund. The Procedure covers disagreements between the Trustee and members, prospective members, widows, widowers and dependants. A copy of the Procedure is available on request from the Pensions Manager.

Additional compliance information

The following information can be found online on the Fund's website www.myimperialpension.com:

- Statements of Investment Principles.
- Implementation statement.
- Chair's statement.
- Taskforce on climate-related financial disclosures report.

Statutory Certificate

Actuarial certification for the purposes of regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **Imperial Tobacco Pension Fund**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Fund's technical provisions as at 31 March 2025 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Fund and set out in the Statement of Funding Principles dated 16 March 2026.

Lorna Johns
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW Company
16 March 2026

Towers Watson Limited, a
WTW Company
3 Temple Quay
Temple Back East
Bristol
BS1 6DZ

Imperial Tobacco Pension Fund

Schedule of Contributions

The contributions payable to the Imperial Tobacco Pension Fund ('the Fund') shall be as follows, subject to review from time to time as required under the Pensions Act 2004, or otherwise. This schedule replaces the schedule dated 20 April 2023 and covers a period from 16 March 2026 to 16 March 2031.

Defined Benefit Section

Contributions by or on behalf of the Participating Company:

Subject to comments below, contributions to the Fund from 16 March 2026 onwards are set out in the table below and are dependent upon the size of the deficit or surplus on the winding up basis, including any funds in escrow but excluding any allowance for disinvestment costs, as assessed annually by the Fund Actuary each 31 March.

Winding up position at preceding 31 March	Annual deficit contribution
Deficit > £500m	£70m
Deficit > £200m	£50m
Deficit > £100m	£35m
Deficit < £100m	£20m
Deficit < £50m	£20m paid to an escrow account, or otherwise into the Fund
Surplus < £50m	0
Surplus > £50m	0

- The annual assessment of the winding up deficit will be based on the Actuarial Report or initial valuation results as at the 31 March immediately prior to the start of the Fund year. This annual assessment will take into account any insurer pricing information obtained from the insurance market.
- Annual deficit contributions will be made in two equal instalments over the Fund year, with the first payment being made before 31 October and the second payment being made before 31 March. In the circumstance where new insurer market information is obtained by a joint Trustee and Company group prior to 31 January, then the Fund Actuary will revise the 31 March winding up deficit/surplus assessment to take into account the insurer pricing information received. This revised figure will be used to set the overall deficit contribution level for the Fund year, and the March contribution will be calculated as the balance required.
- If there has been a Step Up Rating Change (as defined below) which has not been followed by a Step Down Rating Change (as defined below) then in the situation where the annual assessment shows a deficit of less than £50m the required contributions will be paid into the Fund rather than into an escrow account.
- If contributions are due to be paid to an escrow account, an account will be established and the conditions for release of escrow funds to the Fund and to the Company will be as set out in the escrow agreement dated 20 April 2023.

Contingent change in the level of Company contributions:

In the event of a Step Up Rating Change or a Step Down Rating Change (as defined below) the following additional Company contributions are payable:

- From the month following the date of a Step Up Rating Change, if any, additional deficit contributions to the Fund equal to one-sixth of the annual deficit contribution (payable by the end of each month).
- Furthermore, in the event of a Step Down Rating Change following a Step Up Rating Change, these additional contributions will cease from the following month.

  As an example, if a Step Up Rating Change occurs during October 2027 and a Step Down Rating Change occurs in March 2028 and the deficit at 31 March 2027 was assessed to be greater than £500m, there will be five monthly deficit payments of £11.667 million from November 2027 to March 2028., in addition to the deficit payments of £35 million due by 31 October 2027 and £35 million due by 31 March 2028.
- The principles set out above will apply if multiple Step Up and Step Down rating changes apply in succession.
- Should an additional deficit contribution be payable prior to the annual assessment of the deficit being completed for that Fund year then the additional deficit contribution will initially be based on the level of annual deficit contribution for the preceding Fund year. The level of additional deficit contribution will be updated on completion of the annual assessment, with adjustment to reflect any over/under payments made in the early part of the Fund year.

  As an example, suppose that the annual deficit contribution for 2026/27 was £50m and the annual assessment at 31 March 2027 was completed on 31 May 2027 and showed that the 2027/28 annual deficit contribution would be £35m. In the situation where additional monthly deficit contributions were being made as a result of a Step Up Rating Change these would be calculated as £8.333 million a month in April 2027 and May 2027 (ie based on the 2026/27 annual contribution level). From 1 June 2027 they would be calculated as £5.833 million a month (ie based on the 2026/27 annual contribution level), with the June 2027 deficit contribution adjusted downwards by £5 million (to give £0.833 million) reflecting the overpayments in April and May.
- Once the winding up deficit has been eliminated, as assessed by the Fund Actuary, the additional Company contributions described above cease. Company contributions based on the level of the deficit/surplus as set out in the table above will continue to be paid.

Where "**Rating Agency**" means either Moody's Investors Service Limited ("Moody's") or S&P Global Ratings Europe Limited ("S&P") and "**Rating Agencies**" means both of them;

"**Step Up Rating Change**" means the first public announcement by either a Rating Agency or both Rating Agencies of a decrease in the solicited credit rating of Imperial Brands PLC's senior unsecured long-term debt to below Baa3 (in the case of Moody's) or to below BBB- (in the case of S&P); and

"**Step Down Rating Change**" means the first public announcement after a Step Up Rating Change by either a Rating Agency or both Rating Agencies of an increase in the solicited credit rating of Imperial Brands PLC's senior unsecured long-term debt with the result that, following such public announcement(s), both Rating Agencies rate Imperial Brands PLC's senior unsecured long-term debt as Baa3 or higher (in the case of Moody's) and BBB- or higher (in the case of S&P).

Imperial Brands PLC shall use all reasonable efforts to maintain solicited credit ratings for its senior unsecured long-term debt from the Rating Agencies. If, notwithstanding such reasonable efforts, either Rating Agency fails to or ceases to assign a solicited credit rating to Imperial Brands PLC's senior unsecured long-term debt, Imperial Brands PLC shall use all reasonable efforts to obtain a solicited credit rating of its senior unsecured long-term debt from Fitch Ratings Limited (or its successor or such other rating agency as the Trustee may approve, such approval not to be unreasonably withheld or delayed), and references to Moody's or S&P, as the case may be, or the credit ratings thereof, shall be to such substitute rating agency or, as the case may be, the equivalent credit ratings thereof. In the event of both Rating Agencies failing to or ceasing to assign a solicited credit rating to Imperial Brands PLC's senior unsecured long-term debt, Imperial Brands PLC and the Trustee will endeavour to agree which credit rating agency or agencies will be substituted.

Special Company contributions:

In addition, the Participating Company will make any special contributions to the Fund as may be appropriate in specific circumstances, in accordance with the trust deed and rules and as agreed by the Scheme Actuary.

Expenses

A reserve has been held in the Fund in respect of ongoing administrative expenses, including Pension Protection Fund levies which will be payable directly from the Fund. No contributions will be required from the Participating Company in respect of such expenses.

Defined Contribution Section

Contributions by or on behalf of Employed Members:

- A minimum of 4% of Pensionable Pay, except for certain members where Imperial Tobacco Limited confirm an alternative rate of contribution which is at least at a level to ensure that the DC Section can be an 'Auto-enrolment Scheme'.
- Employed Members may elect to pay additional contributions in excess of the minimum required.
- The total percentage of Pensionable Pay elected by members must be a whole number and must not exceed 100% of Pensionable Pay.

References above to Pensionable Pay should be taken as referring to the aggregate of the member's Pensionable Pay and Pensionable Supplement in accordance with the Rules.

Contributions by or on behalf of the Participating Company:

- 8% of Pensionable Pay where the member has elected to pay 4% of Pensionable Pay.
- 10% of Pensionable Pay where the member has elected to pay 5% of Pensionable Pay.
- 12% of Pensionable Pay where the member has elected to pay 6% of Pensionable Pay.
- 14% of Pensionable Pay where the member has elected to pay 7% or more of Pensionable Pay.
- For certain members, Imperial Tobacco Limited confirm an alternative rate of contribution which is at least at a level to ensure that the DC Section can be an 'Auto-enrolment Scheme'.

Special Company contributions

In addition, the Participating Company will make any special contributions to the DC Section as may be appropriate in specific circumstances, in accordance with the trust deed and rules, including payment of member contributions.

Salary sacrifice

Where a member has not opted out of the Defined Contribution salary sacrifice arrangement, no contribution is payable by the member. However, the Participating Company is required to make a payment on the member's behalf equal to the contribution that would have been paid by the member had he not joined the salary sacrifice arrangement. These contributions are due within the same timescale as member contributions.

Expenses

The Participating Company will meet all of the ongoing costs and expenses apportioned to the DC Section, including those required to meet the premiums associated with death in service benefits. Any costs or expenses that are not met directly by the Participating Company will be met by the Trustee and reimbursed by the Company.

Both sections

Payment dates

Contributions expressed as a percentage of Pensionable Pay shall be payable within 19 days, or 22 days if paid electronically, of the end of each calendar month to which they apply. However, the Participating Company will use its best endeavours to remit Employed Member contributions as soon as possible after each monthly payroll.

Agreed on behalf of Imperial Tobacco Pension Trustees Limited:		Agreed on behalf of Imperial Tobacco Limited:	
Name:	Tom Lukic for Dalriada Trustees Limited	Name:	Celso Marciniuk
Director:	....	Director:	....
Date:	16 March 2026	Date:	16 March 2026

Actuarial Certificate

Schedule of Contributions

Actuarial certification for the purposes of regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme **Imperial Tobacco Pension Fund**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions (signed 16 March 2026) are such that the statutory funding objective could have been expected on the valuation date, 31 March 2025, to continue to be met for the period for which the schedule is in force.

   I also certify that the rates of contributions shown in this schedule are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the statement of funding principles and any recovery plan.

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 16 March 2026.

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 Fund's liabilities by the purchase of annuities, if the Fund were to be wound up.

The sole purpose of this certificate is to provide the Trustees with the actuary's certification of the Schedule of Contributions as required under Section 227 of the Pensions Act 2004. The work is subject to and complies with the Financial Reporting Council's Technical Actuarial Standards 100: General Actuarial Standards and 300: Pensions.

Lorna Johns
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW Company

3 Temple Quay
Temple Back East
Bristol
BS1 6DZ

Date: 16 March 2026

Imperial Tobacco Pension Fund

Statement of Investment Principles – Defined Contribution Section

January 2026

1. Introduction

1.1 Imperial Tobacco Trustees Limited ("the Trustee"), as the Trustee of the Imperial Tobacco Pension Fund (the "Fund"), has drawn up this Statement of Investment Principles (the "Statement") to comply with the requirements of the Pensions Act 1995 (the "Act") and subsequent legislation. The Statement is intended to affirm the investment principles that govern the decisions about the Fund's investments. The Trustee's investment responsibilities are governed by the Fund's Trust Deed and Rules.

1.2 In preparing this Statement, the Trustee has consulted a suitably qualified person by obtaining written investment advice from its Investment Consultant Isio Group Limited ("Isio"). In addition, consultation has been undertaken with Imperial Tobacco Ltd ("the Sponsor") in agreeing this Statement and changes to it, the Fund's investment arrangements and, in particular on the Trustee's objectives.

1.3 This Statement applies to the Defined Contribution (DC) Section only. There is a separate Statement for the Defined Benefits Section.

1.4 This Statement is available to Fund members on request and is published publicly at Imperial Tobacco Pension Fund | Library.

1.5 The Trustee will monitor compliance with and review this Statement at least once every three years and will review it without delay if there are relevant, material changes to the investment arrangements, the Fund and/or the Sponsor. Any such review will be based on written expert investment advice and will be in consultation with the Sponsor.

For and on behalf of Imperial Tobacco Trustees Limited, as Trustee of the Imperial Tobacco Pension Fund

2. Trustee Investment Objectives

2.1 In relation to the DC Section, the Trustee views its role as the following:

- To establish a default investment option appropriate for the needs of the membership.
- To make available a range of pooled investment funds which serve to meet the needs and risk tolerances of the members in a DC pension arrangement. The Trustee recognises that members of the Fund have differing investment needs and that these may change during the course of members' working lives. They also recognise that members have different time horizons and attitudes to risk. The Trustee believes that members should be able to make their own investment decisions based on their individual circumstances.

3. Fund Governance

3.1 The Trustee takes advice from its Investment Consultant and other professional advisers as appropriate. Fees for the Investment Consultant are based on an annually agreed retainer fee, with any work not covered by the retainer charged as a fixed fee or on a time costs basis as agreed in advance.

3.2 The Trustee is responsible for the investment of the Fund's assets and has ultimate control over the decisions on investment strategy. The Trustee decides what to delegate after considering whether it has the necessary internal skills, knowledge and professional support to make informed and effective decisions.

3.3 The Trustee reviewed its governance structure in 2024 and implemented an effective system of governance, in line with the applicable regulatory guidance. The Trustee also conducted gap analysis against the General Code of Practice. When considering governance, the Trustee recognises the benefits of dedicated oversight through establishing an Investment Committee. The Trustee has delegated certain investment powers to an Investment Committee with separate Terms of Reference. This governance structure is reviewed regularly.

4. Responsible Investment and Corporate Governance (Voting and Engagement)

4.1 The Trustee believes that environmental, social, and corporate governance ("ESG") factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The consideration of ESG matters (including climate factors) relating to the Fund's investments is included within the effective system of governance.

4.2 The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

4.3 The Trustee considers how ESG, climate change and stewardship are integrated within investment processes in the selection and retention of new managers and monitoring existing Investment Managers. Monitoring is undertaken on a regular basis and is documented at least annually. In particular, the Trustee makes use of ratings provided by Isio, the Fund's Investment Consultant, to facilitate this.

4.4 A separate ESG Policy, which was last updated by the Trustee in June 2025, sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making.

4.5 The Trustee has not set any investment restrictions on the appointed Investment Managers in relation to particular products or activities but may consider this in future.

5. Investment Policies

5.1 The Trustee has made available a range of individual self-select fund options for investment in addition to the default investment option. When selecting the fund range, different demographics and needs of members are considered, such as the inclusion of Shariah compliant funds for those with specific requirements. This now includes Shariah compliant equity, bond, multi-asset and lifestyle funds. More details specifically related to the default investment option are provided in a separate section of this Statement.

5.2 The Trustee delegates the day-to-day investment decisions of the assets in the DC Section of the Fund to a range of Investment Managers through the DC service provider's (Legal & General) Platform. The Trustee is responsible for the selection, appointment, removal and monitoring of these external Investment Managers. The Trustee has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Fund's investments and that the managers are carrying out their work competently.

5.3 In considering appropriate investments for the Fund, the Trustee has obtained and considered the written advice of its Investment Consultant, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended) and subsequent legislation.

5.4 The Trustee's policies in relation to the Fund's investment management arrangements with the investment managers are set out in Appendix A.

5.5 In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All funds are daily-dealt pooled investment arrangements, with assets mainly invested on regulated markets and therefore should be realisable based on member demand. It is the Trustee's policy to offer both active and passive management options to members, depending on asset class.

5.6 A range of asset classes has been made available, including developed market equities, money market investments, index-linked gilts, diversified growth funds and annuity protection funds. The Trustee also makes available Shariah-compliant and sustainable fund options.

5.7 Members can combine the investment funds in any proportion in order to determine the balance between different kinds of investments. This will also determine the expected return on a member's assets and should be related to the member's own risk appetite and tolerances.

5.8 In addition to the default, the Trustee has made available seven different lifestyle investment options built to be suitable for members who have different retirement goals or beliefs. Six of the options are for those who wish to take either cash, an annuity (secured income) or follow income drawdown (variable income) at retirement. Three of the six offer members a more ESG focussed option, targeting the same three retirement outcomes listed above. The final lifestyle has been built to be suitable for members who wish to adhere to Shariah Law. Within the self-select range, the Trustee has also made available a range of funds which have a higher allocation to private market investments than the default option.

Policy on Illiquid assets

5.9 The Trustee considers all investment opportunities available to achieve best value for the Fund's members. This includes investment in illiquid assets such as private equity, private debt, infrastructure and real estate. The Trustee believes, subject to effective implementation, that these assets can add value to members' retirement savings.

5.10 The default arrangement for the Fund is structured as a range of Target Date Funds (TDFs) whose management is delegated to Legal & General Investment Management (LGIM) who have responsibility for the underlying asset allocation.

5.11 The default invests in illiquid assets as follows:

The amounts invested in illiquids during the growth phase differ depending on when a member expects to retire and how far the member is from retirement.

For members retiring before 2040, there is no exposure to illiquid assets in the growth phase. For members retiring after 2040, there is a c.1% allocation to the Private Markets Access Fund within the growth phase. This includes private equity, private debt, physical property, infrastructure and sustainable resources.

On the approach to retirement, members within the default investment strategy will hold illiquid assets via the Short Term Alternative Finance fund (STAFF), which holds private credit, and the Retirement Income Multi Asset (RIMA) fund, which holds private credit and physical property. Allocations to these two funds gradually increase during the years before retirement.

At the point of retirement, members will hold c.15.1% in illiquids, currently consisting of c.13.4% in private credit and c.1.7% in property (September 2025 data).

Legal & General will update these allocations over time. The Trustees will continue to engage with Legal & General's progress in this space and review the ongoing suitability for the Fund's members.

The Trustee has made available as a self-select option a further range of TDFs which have a higher allocation to private market investments than the default option.

Managing and measuring risks

5.12 The Trustee has considered risks from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	How it is managed	How it is measured
Inflation Risk The real value (i.e. post inflation) value of members' accounts decreases.	The Trustee provides members with a range of funds, across various asset classes, with the majority expected to keep pace with inflation (with the exception of the money market and fixed interest bond funds). Members are able to set their own investment allocations, in line with their risk tolerances.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation
Pension Conversion Risk Member's investments do not match how they would like to use their pots in retirement.	The Trustee makes available a universal default in addition to six lifestyle strategies for DC members, each targeting either cash, drawdown or annuity. These lifestyle strategies increase the proportion of assets that more closely match the chosen retirement destination as members approach retirement. This aims to reduce the risk of a substantial fall in the purchasing power of their accumulated savings near retirement.	Considering the returns of the funds used within the switching phase of the lifestyle strategy both in absolute terms as well as relative to inflation, cash or annuity prices (depending on their selected retirement destination).
Market Risk The value of securities, including equities and interest bearing assets, can go down as well as up.	The Trustee provides members with a range of funds, across various asset classes. Members are able to set their own investment strategy in line with their risk tolerances. For the multi-asset funds which are targetting non-market benchmarks this is delegated to Investment Managers.	Monitors the performance of investment funds regularly.
Counterparty Risk A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.	Delegated to external Investment Managers. Members are able to set their own investment allocations, in line with their risk tolerances.	Monitors the performance of investment funds regularly.

Risk	How it is managed	How it is measured
Currency Risk The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	The Trustee provides diversified investment options that invest in local as well as overseas markets and currencies. The currency risk management is delegated to Investment Managers. Members are able to set their own investment allocations, in line with their risk tolerances.	Monitors the performance of investment funds regularly. Considers the movements in foreign currencies relative to pound sterling in performance reporting.
Operational Risk A lack of robust internal processes, people and systems.	The Investment Consultant's ratings for fund managers include consideration of management of operational risk.	Concerns regarding operational risk are raised by the Investment Consultant.
Liquidity Risk Assets may not be readily marketable when required.	The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from Legal & General. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.	The pricing and dealing terms of the funds underlying the unit-linked insurance contract.
Valuation Risk The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.	The majority of Investment Managers invest solely in liquid quoted assets. However, there is exposure to illiquid assets within some of the funds. The management of valuation risk is delegated to the appointed Investment Managers.	The Trustee monitors performance of funds.
Environmental, Social and Governance Risk ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors. A separate ESG Policy sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making. The Trustee makes available a range of sustainable focussed funds in the self-select range.	The Trustee reviews its Investment Managers' policies and actions in relation to this regularly. The Trustee also relies on its investment advisor for additional analysis and insights in assessing financial materiality of risks.

Risk	How it is managed	How it is measured
Manager Skill / Alpha Risk Returns from active investment management may not meet expectations, leading to lower than expected returns to members.	The Trustee makes available a number of actively managed funds to DC members where they deem appropriate. The actively managed funds made available are reviewed by its Investment Consultant, based on forward-looking expectations of meeting objectives.	The Trustee considers the view of their Investment Consultant during the selection process. Trustee monitors performance and rating of funds on an ongoing basis relative to the fund's benchmark and stated targets/objective

The above items are in relation to what the Trustee considers 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations within should be viewed at a member level. This will be dependent on the member's age and their Selected Retirement Age. It is for this reason that a number of lifestyle options have been made available to members. In addition, member views, when expressed, relating to all financial and non-financial matters are considered.

DEFAULT INVESTMENT OPTION

The Trustee recognises that not all members wish to make an active choice that is tailored to their individual circumstances. The vast majority of DC Fund members do not make an active investment decision and are, therefore, invested in the default option. However, it is expected that a proportion of members will actively choose the default option because they feel it is most appropriate for them.

Following a review of the default investment strategy, and a subsequent review of the provider, the Trustees have appointed Legal & General as the provider. Legal & General's off-the-shelf default and self-select range are used by the Trustee. As part of this appointment the Trustee has selected the Legal & General Target Date Funds (TDF) as the default strategy for the Fund.

6. Aims and Objectives

6.1 The lifestyle strategy targeting a flexible retirement outcome has been chosen as the default investment option by the Trustee. This strategy initially aims to maximise returns, at an appropriate level of risk, for the majority of the members' working life before switching as retirement approaches into diversified funds, to target a flexible retirement outcome for members to decide how they would like to access their savings.

6.2 The lifestyle strategy's growth phase invests in equities and other growth-seeking assets that will provide growth with some downside protection and some protection against inflation erosion.

6.3 As a member's pot grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default strategy which seeks to reduce investment risk as the member approaches retirement is appropriate.

6.4 An investment strategy that targets flexible outcomes at retirement reflects the fact that members may do a variety of different things at retirement. This is based on the Trustee's understanding of the Fund's membership profile. This does not mean that members have to take their benefits in a set format at retirement – it merely determines the default investment strategy that will be in place pre-retirement. Members who intend to take their retirement benefits through other, defined formats, have the option of switching to an alternative lifestyle strategy prior to retirement or choosing their own investment strategy. This default strategy is designed to provide flexibility to members at this stage.

6.5 The TDF structure allows members to invest in a specific fund vintage which is aligned with their target retirement date, and members can stay in that vintage for their entire savings journey. The underlying investments in each of the vintages change through time as members get closer to retirement.

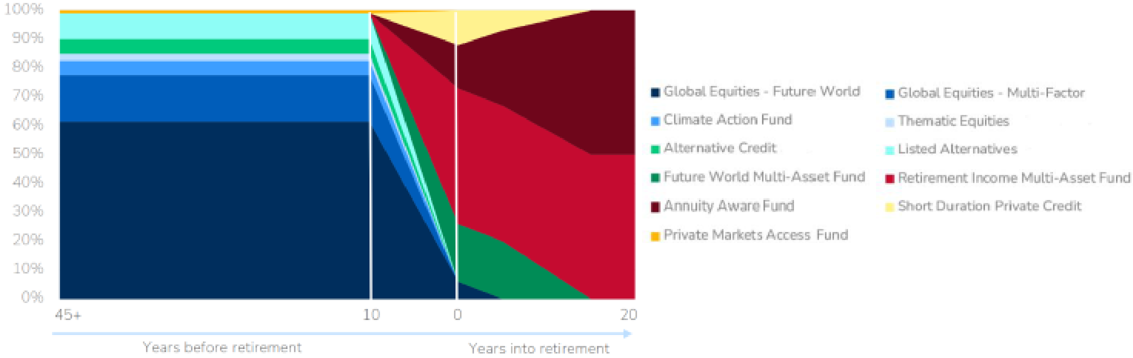
7. Investment Policies

7.1 In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All funds are daily-dealt pooled investment arrangements, with assets mainly invested on regulated markets and therefore should be realisable based on member demand. The default investment option includes both active and passive management, depending on asset class.

7.2 The default TDF strategy aims to target an allocation which provides flexible retirement outcomes at retirement. The mix of assets within the fund changes over time to reflect the needs of scheme members as they approach and go beyond their target retirement date. During the growth phase, members will be invested primarily in equities and alternative growth assets, including listed property and listed infrastructure with a small allocation to private markets alongside some diversification into high yield fixed income assets. They aim to grow the value of members' pension savings while members are a relatively long way from retirement. The strategy will then gradually reduce the level of risk members are exposed to as they get nearer to when they expect to retire. The strategy will do this by moving some of the equity holdings into more fixed income assets such as corporate bonds. The assets at this stage aim to provide a modest return, whilst providing a lower overall risk.

The Target Date Funds are constructed using five-year cohorts, and members' savings are invested in the fund that matches most closely when they expect to retire. Therefore, a member with target retirement date of 2058, for example, will use the 2055-2060 Fund.

An illustration of the underlying funds within the L&G PMC 2055 – 2060 Target Date Fund is shown below (as at December 2025) which shows the various stages of the investment strategy.



7.3 When choosing the current default lifestyle strategy, the Trustee explicitly considered the trade-off between risk and expected returns. Risk was not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The default investment option allocates to a diversified strategic asset allocation consisting of traditional and alternative assets. The asset allocation is consistent with the expected amount of risk that is appropriate given the age of a member and their Selected Retirement Age.

7.4 The Trustee will continue to review the investment arrangement and ensure its ongoing suitability for the Fund's members. The last review of the default took place in 2023, with a provider review in 2024. The new default has been in place for all members since January 2025.

7.5 The Trustee has considered risks within the default from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	How it is managed	How it is measured
Inflation Risk The real value (i.e. post inflation) value of members' accounts decreases.	During the growth phase of the default investment option the Trustee invests in a diversified range of assets which are likely to grow in real terms. The Trustee monitors the performance of the growth phase against the change in CPI. The default investment option invests in a diversified range of assets which are considered likely to grow in excess fo inflation.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation
Pension Conversion Risk Member's investments do not match how they would like to use their pots in retirement.	The default investment option is a lifestyle strategy which targets flexible outcomes as a retirement destination. The Trustee believes that a strategy targeting flexible retirement provides optionality for members reflecting the fact that members can do a variety of things at retirement. More targeted lifestyles targetting specific benefits are available.	Considering the returns of the funds used within the switching phase of the lifestyle strategy both in absolute terms as well as relative to inflation (the retirement destination). As part of the triennial default strategy review, the Trustee ensure the default destination remains appropriate.
Market Risk The value of securities, including equities and interest bearing assets, can go down as well as up.	The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee. For the diversified growth funds which are targeting non-market benchmarks this is delegated to Investment Managers.	Monitors the performance of the default investment strategy regularly.

Risk	How it is managed	How it is measured
Counterparty Risk A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.	In line with the main DC section. Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	Monitors the performance of the default investment strategy regularly.
Currency Risk The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	The allocations within the default investment option are a mixture of currency hedged and unhedged. The currency risk management is delegated to appointed Investment Managers. Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	Monitors the performance of the default investment strategy regularly. Considers the movements in foreign currencies relative to pound sterling in performance monitoring.
Operational Risk A lack of robust internal processes, people and systems.	The Investment Consultant's ratings for fund managers within the default include consideration of management of operational risk.	In line with the main DC Section.
Liquidity Risk Assets may not be readily marketable when required.	The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from Legal & General. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.	In line with the main DC Section.
Valuation Risk The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.	The majority of the default invests solely in liquid quoted assets. However, within the default there is exposure to illiquid assets. The management of valuation risk is delegated to the appointed Investment Managers.	In line with the main DC Section.

Risk	How it is managed	How it is measured
Environmental, Social and Governance Risk ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	The Trustee has given appointed Investment Managers full discretion in evaluating ESG factors. A separate ESG Policy sets out the Trustee's ESG beliefs and clarifies how they will be incorporated into investment decision making.	The Trustee reviews its Investment Managers' policies and actions in relation to this regularly.
Manager Skill / Alpha Risk Returns from active investment management may not meet expectations, leading to lower than expected returns to members.	In line with the main DC Section. The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	In line with the main DC Section.

7.6 The above items listed in this section of this Statement are in relation to what the Trustee considers 'financially material considerations'. The appropriate time horizon for which to assess these considerations is the same as for the main DC Section.

7.7 Member views, when expressed, relating to all financial and non-financial matters are considered.

8. Member's Best Interests

8.1 Taking into account recent and accurate demographics of the Fund's membership and the Trustee's views of how the membership will behave at retirement, the Trustee believes that the default strategy outlined in this document is appropriate. These demographics include the split of membership across the following cohorts:

- Actives / Deferred
- Age profile
- How and when members access their benefits if such data is available

8.2 In order to ensure this remains appropriate the Trustee will undertake a review of the default investment option, at least triennially, or after significant changes to the Fund's demographic, if sooner. As referenced in Section 7.4, the Trustee has reviewed the default investment option.

Appendix A

The Trustee has the following policies in relation to the investment management arrangements for the Fund:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• The Fund is invested in pooled funds, there is no scope for these funds to tailor their strategy and decisions in line with the Trustee's policies. However, the Trustee invests in a portfolio of pooled funds that are aligned to the Fund's strategic objective.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustee reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. • The Trustee monitors the investment managers' engagement and voting activity on an annual basis as part of their ESG monitoring process. • The Trustee does not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustee reviews the performance of all of the Fund's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustee evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fee rates are reviewed annually to ensure that they remain competitive.
The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	• The Trustee does not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis. The investment managers are required to provide transaction cost information on an annual basis, on the slippage cost methodology, for disclosure to members within the annual Chair Statement.
The duration of the Fund's arrangements with the investment managers	• The Fund invests in pooled funds, the duration of which is flexible, and the Trustee will from time-to-time consider the appropriateness of the fund range and whether they should continue to be held.
Environmental, Social, Corporate Governance factors and the exercising of rights	• The Trustee receives information from their investment advisers on the investment managers' approaches to engagement. • The Trustee will engage, via their investment adviser where appropriate, with investment managers and/or other relevant persons

<table>
<tr><td></td><td>about relevant matters at least annually. For example, if:
The manager has not acted in accordance with their policies and frameworks.
The manager's stewardship policies and priorities are not in line with any policies the Trustee has set and any priorities in this area, when appropriate.
Through the engagement described above, the Trustee will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.</td></tr>
<tr><td>Performance, Strategy and Risk</td><td>The Trustee receives a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which is considered at the Trustee and Investment Committee meetings.
The Fund's investment managers are invited from time to time to present to the Investment Committee on their performance, strategy and risk exposures.
Additional engagement with managers may be required if:
There are significant changes made to the investment strategy.
The risk levels within the assets managed by the investment managers have increased to a level above and beyond the Trustee's expectations.
Underperformance vs the performance objective over the period that this objective applies.</td></tr>
</table>

Imperial Tobacco Pension Fund Implementation Statement

June 2026

Background and Implementation Statement

Background

The Department for Work and Pensions ("DWP") introduced regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance ("ESG") factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their Statement of Investment Principles ("SIP") and demonstrate adherence to these policies in an implementation statement.

Statement of Investment Principles ("SIP")

The latest SIP can be found here and changes to the SIP are detailed further on the following pages.

Implementation Statement

This Implementation Statement is to provide evidence that the Fund continues to follow and act on the principles outlined in the SIP. This statement details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustee has followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the year up to 31 March 2026 for and on behalf of the Fund including, where available, the most significant votes cast by the Fund or on its behalf
- the policies in place to ensure the default strategy of the DC section remains in the best interest of its members.

Summary of key actions undertaken over the Fund's reporting year

- During the year, the Trustee reviewed the position of the DB Section and potential options for further risk reduction. This included reviewing the LDI portfolio and monitoring cash inflow from illiquid assets.

- A full LDI refresh with new liability cashflows was also completed and the Fund now targets a 100% hedge on this new basis.

- Over the period, some of the PGIM and DTZ property assets were sold with the proceeds invested into the corporate bonds and LDI portfolios held with L&G.

- During the year the Trustee broadened the range of options available within the DC section to reflect the varying beliefs and objectives of members. This included the introduction of an additional lifestyle strategy for members who wish to adhere to Shariah Law, and within the self-select range the addition of Shariah-compliant bond and multi-asset funds.

Implementation Statement

This statement demonstrates that the Trustee of the Imperial Tobacco Pension Fund has adhered to its investment principles and its policies for managing financially-material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions

Trustee policies for managing risks

The Trustee has identified the following risks that it has considered in the Fund's SIP. These risks and the Trustee's policies are set out in the tables below.

The key actions the Trustee has taken over the accounting year to address some of these risks have been highlighted in the table.

Defined Benefit Section

Risk / Policy	Definition	Policy	Actions
Interest rate and inflation	The Fund suffers a financial loss through exposure to interest rate and inflation risks on its liabilities or through exposure to interest rate and inflation risks on its assets, which differ from those on the liabilities.	The Trustee uses LDI to hedge a portion of the interest rate and inflation exposure, reducing the risk.	The Trustee has a segregated LDI portfolio to provide a bespoke interest rate and inflation hedge that replicates the majority of the sensitivities of the Fund's liabilities to these risk factors. The Trustee considers the liquidity of the Fund's assets when setting the target hedge ratio.
Credit	Default on payments by issuers of corporate bonds and other debt assets the Fund holds or through reductions in the market values of those assets.	The Trustee diversifies this risk by investing in a range of credit opportunities.	The Fund is exposed to credit risk through its investments in Hayfin, AXA and the segregated Buy & Maintain portfolio. This exposure is expected to reduce gradually over time.
Longevity	The risk that life expectancy and actual survival rates exceed expectations or the Fund's pricing assumptions.	The Trustee considers the risks associated with longevity when implementing the investment policy.	The Fund previously purchased a bulk annuity policy which covers part of the Fund's overall longevity risk.
Concentration	Over-exposure to a single asset which suffers losses relative to the Fund's liabilities.	The Trustee has set an investment strategy that uses multiple asset types, strategies, regions and sectors to ensure diversification.	No action.
Currency	The Fund suffers a financial loss through exposure to currencies other than sterling.	The Investment Managers are responsible for hedging any currency risk to reduce the potential impact of overseas currency exposure on the performance of	No action.

		mandates with exposure outside of the UK.	
Counterparty	The Fund suffers a financial loss as a result of the failure of a counterparty to meet its obligations to the Fund (or to a fund in which the Fund invests).	The Fund and the counterparty both post collateral to the other party on a daily basis to account for market movements in the value of derivatives held.	No action.
Manager	The risk associated with one manager having responsibility for all of the Fund's assets.	The Trustee reduces this risk by dividing the assets between a number of investment managers.	No action.
Custodian	A custodian defaults or fails in its safekeeping of the Fund's assets leading to a financial loss for the Fund.	The Trustee has a written agreement in place with the custodian to assure the physical security of the Fund's assets held by the custodian.	No action.
Liquidity	The Fund is unable to raise cash when it needs to without incurring excessive costs.	The Trustee considered the liquidity of the Fund's assets in the context of likely cash flow needs.	The Trustee increased liquidity over the year.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can have a material impact on investment risk and return outcomes.	The Trustee has a separate policy for ESG factors, and this can be found later in this document.	ESG actions undertaken: • The managers' ESG policies were reviewed and presented to the Investment Committee in a Sustainability Integration Assessment report. • As part of the Task Force on Climate-related Financial Disclosure ("TCFD") requirements, the Trustee conducted a review of the DB and DC Section's climate-related metrics. More details of the ESG policy and how it was implemented are presented later in this statement.

Defined Contribution Section

Risk / Policy	Definition	Policy	Actions
Inflation Risk	The real value (i.e. post inflation) value of members' accounts decreases.	The Trustee offers a default option which invests in a diversified range of assets which are likely to grow in real terms. There are also self-select fund options available across a range of asset classes, with the	The Trustee, along with their investment advisors, monitor the ongoing suitability of the L&G default investment solution on an ongoing basis.

		majority expected to keep pace with inflation. Members can set their own investment allocations, in line with their requirements versus inflation.	
Pension Conversion Risk	Members' investments do not match how they would like to use their pots in retirement.	The Trustee makes available a universal default in addition to six lifestyle strategies for DC members, each targeting either cash, drawdown or annuity purchase at retirement. The default investment option is a lifestyle strategy which targets flexible access income drawdown as a retirement destination.	No action.
Market Risk	The value of securities, including equities and interest-bearing assets, can go down as well as up.	The default investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	The Trustee monitored the performance of different markets and the impact on the fund performance throughout the year as part of their quarterly reporting and meeting structure.
Counterparty Risk	A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.	Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	The Trustee monitored the performance of different markets and the impact on the fund performance throughout the year as part of their quarterly reporting and meeting structure.
Currency Risk	The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee. Within the diversified growth funds the currency risk management is delegated to Investment Managers.	No action.
Operational Risk	A lack of robust internal processes, people and systems.	The Investment Consultant's ratings for fund managers include consideration of management of operational risk. Furthermore, L&G, who now manage the day-to-day management of the portfolio, have a rigorous manager due-diligence process.	The Trustee monitors the fund managers as part of its quarterly Investment Committee meetings, with the Investment Consultant providing material and advice to assist in this process.
Liquidity Risk	Assets may not be readily marketable when required	The Trustee accesses daily dealt and daily priced pooled funds through a unit-linked insurance contract from L&G. Illiquid assets are accessed via a fund structure which is priced daily, with liquidity of the illiquid assets managed within this structure.	There is a small allocation to illiquids as part of the default at L&G. The appropriateness of this was considered within ongoing reviews of the default carried out over the year.
Valuation Risk	The value of an illiquid asset is based	The investment strategy predominantly invests in liquid	There is a small allocation to illiquids as part of the new

	on a valuer's opinion, realised value upon sale may differ from this valuation.	assets. However, there is exposure to illiquid assets within some of the funds. The diversified growth funds may hold illiquid assets. However, the management of valuation risk is delegated to Investment Managers.	default at L&G. The appropriateness of this was considered within ongoing reviews of the default carried out over the year.
Environmental, Social and Governance Risk	ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	The Trustee has a separate policy for ESG factors, and this can be found later in this document. In addition, the Trustee has made available a range of sustainable focussed funds in the self-select range.	The Trustee reviewed the extent to which ESG is embedded within the processes of the investment managers as part of the continued review of the default carried out over the year. In addition, the following ESG actions were undertaken: • The managers' ESG policies were reviewed and presented to the Investment Committee in a Sustainability Integration Assessment report. • As part of the Task Force on Climate-related Financial Disclosure ("TCFD") requirements, the Trustee conducted a review of the DB and DC Section's climate-related metrics. More details of the ESG policy and how it was implemented are presented later in this statement.
Manager Skill / Alpha Risk	Returns from active investment management may not meet expectations, leading to lower-than-expected returns to members.	The Trustee makes use of a number of actively managed funds to DC members where they deem appropriate. The actively managed funds made available are reviewed by its Investment Consultant, based on forward-looking expectations of meeting objectives.	The Trustee monitors the performance and ratings of the active funds regularly throughout the year at the quarterly Trustee meetings.

Changes to the SIP

DB SIP – updated in January 2026
The Statement of Investment Principles (SIP) was updated in January 2026 to reflect the evolution of the portfolio over the year. This included the Trustee's collateral management policy for the segregated LDI mandate. The Fund will invest available cashflow into corporate bonds up to an initial target allocation. After this initial allocation has been reached, available cashflow will be invested into the LDI mandate, and as a result the LDI headroom is expected to increase further.
The Trustee also reviewed its governance framework, implementing an effective system of governance in line with regulatory guidance and undertaking a gap analysis against the General Code of Practice, and this was noted in the SIP.

DC SIP – updated in January 2026
The SIP was updated in January 2026 in line with the governance note referred to in the DB SIP section above. In addition, it was updated to reflect the introduction of an additional lifestyle strategy for members who wish to adhere to Shariah Law and the new Shariah-compliant self-select options.

Implementing the current ESG policy and approach

ESG as a financially material risk

The SIP describes the Trustee's policy with regards to ESG as a financially material risk. This section details the Trustee's ESG policy and how it is implemented, as well as the Trustee's ESG beliefs.

The Trustee agreed the ESG beliefs set out in the ESG Policy in December 2020. The policy was updated in 2022 to reflect climate related ESG beliefs as part of the TCFD requirements and was refined following review in 2023. The following information reflects the 2023 update of the Trustee's ESG Policy. The annual review of the ESG Policy took place following the Fund year end and no changes were implemented.

Rationale for the policy

The Fund is a large institutional investor, investing on behalf of its members. As part of the Trustee's fiduciary duty, which includes a comprehensive approach to risk management, it has been recognised that ESG factors, including, but not limited to, climate change, can be financially material. The Trustee recognises that there is a need for the Fund to be a long-term, responsible investor to achieve sustainable returns.

The Trustee believes that it should be a responsible steward of its assets and consider the wider impacts, where possible, of its investment decisions on the environment and society. Where possible, and in line with the beliefs set out in the Policy, positive ESG outcomes will be targeted within the investment portfolios.

Impact of the policy on investment decision making

The Trustee decides the Fund's investment strategy and asset allocation. This includes which asset classes the Fund should be invested in. In making any portfolio construction decisions, the Trustee will have regard for the policy.

Within each asset class, the Trustee delegates the day-to-day investment decision making to the investment managers e.g. holding a bond issued by a particular company or exposure to a particular sector. In appointing and reviewing the Fund's investment managers, the Trustee, with the assistance of its investment consultant, considers the managers' expertise, track record and stated policies and frameworks on ESG related issues. As part of the initial and ongoing due diligence of the Fund's investment managers, the Trustee assesses and monitors their considerations of ESG factors and how these are incorporated into their investment decision making.

In addition, the Trustee will consider opportunities that may arise from regulation on ESG factors or market dislocations and will receive training and updates periodically to update them on these trends and opportunities.

Implementing the policy

The Trustee will implement the policy through the following steps:

i. The Trustee will continue to develop its understanding of ESG factors through annual training on ESG and keep themselves up to date on the latest sustainable investment opportunities.

ii. The Trustee's ESG beliefs will be formally reviewed annually or more frequently if required by the Trustee.

iii. The Trustee will incorporate ESG criteria as part of new manager selection exercises, with explicit consideration of ESG factors for any segregated mandates.

iv. The Trustee, with support from its investment consultant, will undertake annual reviews of the investment managers' approach to integrating ESG factors.

v. Following the initial review, actions will be identified where investment managers are misaligned with the Trustee's ESG beliefs. The investment consultant will engage with each manager on the Trustee's behalf to remedy these issues where possible.

vi. The investment managers' stewardship and engagement activities will be monitored on an ongoing basis and the Trustee will seek to understand the effectiveness of these activities.

vii. The Investment Committee will receive any relevant climate-related updates from the investment consultant and investment managers, potentially covering the investment managers' climate capabilities, progress on various climate workstreams and any relevant market or regulatory updates.

viii. The Trustee, with support from its investment consultant, will produce an annual TCFD report.

Monitoring and reviewing the policy

The Trustee will monitor the Fund's assets against this policy on an ongoing basis, with the assistance of its investment consultant. The Trustee views the development of the policy as an ongoing process as approaches to integrating ESG factors continue to evolve over time. When reviewing the policy, the Trustee will take account of any significant developments in the market to assess whether they are taking a best practice approach.

The Trustee's ESG beliefs

The Trustee has formulated a set of ESG beliefs to help underpin overall investment decision making. The Trustee's ESG beliefs have been summarised below.

Risk Management	1. ESG factors can be financially material; identifying and mitigating these risks where possible forms part of the Trustee's fiduciary duty. 2. Whilst the Trustee wishes to invest in managers and funds that exhibit best practice in terms of ESG integration, the Trustee will continue to maximise the risk / reward profile of any investment. Any positive tilts to ESG factors will be made where the Trustee feels that these investments will generate superior long-term returns and/or lower risk. 3. The Trustee will consider the ESG values and priority areas of the Sponsor. 4. The Trustee recognises that climate change risk poses significant investment risk that could become incrementally more severe over time.
Approach / Framework	5. The Trustee will seek to understand how investment managers integrate ESG considerations into their investment decisions and include reference to ESG capabilities in future evaluation criteria when selecting new investment managers. 6. Specialist ESG fund/s will be offered in the self-select range in the DC section.
Voting & Engagement	7. The Trustee will seek to understand each investment manager's approach to engaging with portfolio companies and the effectiveness of these activities. 8. Managers investing in companies' debt, as well as equity, have a responsibility to engage with the management of investee companies on ESG issues. 9. Engaging with investment managers is an effective way of initiating change and ensuring better alignment with the Trustee's ESG beliefs. There is a desire to engage with investment managers in the first instance rather than sell the Fund's holdings if issues are identified.
Reporting & Monitoring	10. ESG factors are dynamic and continually evolving; therefore, the Trustee will receive training to develop and maintain an understanding of these factors. 11. Through the Trustee's regular reporting and ongoing due diligence of the Fund's investment managers, supported by its investment consultant, the Trustee will seek to monitor suitable ESG metrics to understand the impact of investments. 12. The Trustee will take advice from its investment consultant to set appropriate ESG targets for the Fund.

Collaboration	13. Investment managers should sign up and comply with common codes and practices such as the UN PRI and the UK Stewardship Code. If they do not sign up, they should provide a valid reason why. 14. Investment managers should engage and collaborate with other market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, social issues, risk management and debtholder rights.

ESG summary and engagement with the investment managers

Sustainability Integration Assessment results

In Q1 2026, Isio assessed the ESG processes of the Fund's investment managers. The results were reported back to the Investment Committee in the form of a Sustainability Integration Assessment.

The review was conducted in line with the Trustee's ESG beliefs and Isio gave each manager an overall ESG score and climate score, and rated them in each of the following areas:

- Risk Management
- Investment Approach/Framework
- Stewardship
- Reporting
- Collaboration

Using the results, Isio advised the Trustee on the potential engagement points, and progress against these points will be monitored over time.
A summary of Isio's view on each manager's ESG approach and key engagement points is set out in the table below. Since the previous assessment, the Fund invested in a bespoke Buy & Maintain corporate bond mandate.

Defined Benefit Section

Manager and Fund	ESG Summary	Actions identified
DTZ Property Portfolio	ESG integration is a key component of DTZ's investment process. The firm has a clear pathway in place in order to reach Net Zero by 2040 and encourages ESG-related improvements across their asset base through asset management plans to mitigate ESG risks. DTZ engage with ESG organisations and initiatives such as GRESB and provide quarterly reporting of ESG initiatives to boost EPC ratings and mitigate flood risks.	DTZ should strengthen stewardship practices by evidencing engagement activity and outcomes at the portfolio level. DTZ should enhance ESG reporting beyond climate to provide more comprehensive coverage across social and governance pillars. DTZ should also aim to become a signatory of the 2020 UK Stewardship Code and Net Zero Asset Management Initiative.
AXA Secured Finance	AXA has firm-wide stewardship policies in place across climate, nature and social factors and has a mandatory ESG training programme for analysts and PM teams. Whilst positive at the firm-level, integration of ESG considerations at the mandate level is weak. This is partly due to securitised assets offering limited data accessibility and potential for engagement and as the fund is outside of its investment period, material ESG improvements are unlikely.	AXA should consider adopting clearly defined ESG objectives at a fund level. AXA should aim to capture social and nature risks in their ESG due diligence and monitoring processes. AXA should improve coverage of GHG emissions data at a fund level. AXA should consider reporting on social metrics as part of regular ESG reporting. AXA should provide examples and case studies where

		engagement has been taken to manage ESG risks.
Hayfin Private Debt II & III	Whilst Hayfin has an established firm-wide ESG policy, integration of the policy and fund-level ESG objectives is severely limited in relation to the Private Debt vintages invested in by the Fund with no signs of improvement. This is mainly due to the vintages being past their investment periods.	Across both DLF II and III, Hayfin should aim to improve ESG reporting capabilities as the information provided remains limited. Hayfin should increase its participation in collaborative engagement initiatives to enhance its ability to drive positive real-world ESG outcomes. Hayfin should look to integrate ESG specialists within PM teams.
PGIM Ground Lease Property	The nature of the strategy means PGIM hold the assets at an "arms' length", resulting in limited influence over the management of ESG related issues. PGIM has a firm-wide ESG policy in place, however the portfolio does not have a separate ESG policy or quantifiable ESG objectives in place. PGIM collaborate with a number of external, global organisations and use Moody's ESG solutions/EPC ratings to support monitoring of ESG risks.	PGIM should consider adopting climate scenario or risk modelling as part of the risk management process. PGIM should enhance ESG reporting coverage and improve availability of ESG metrics at the portfolio level. PGIM should provide evidence where it has engaged on underlying assets to enhance value creation. PGIM should become a signatory of the Net Zero Asset Manager's Initiative and consider producing white papers which support the favorable outcomes of ESG.
L&G Buy & Maintain	At a firm level, L&G demonstrates a robust and well-established approach to ESG integration and stewardship, supported by its membership of over 50 key ESG initiatives and a dedicated ESG team that enhances risk management through proprietary tools. At the mandate level, the Buy & Maintain strategy is focused on delivering the clearly defined sustainability objectives set out in the segregated IMA, with L&G's tools and ESG expertise supporting the effective integration and implementation of these objectives.	L&G should enhance the Fund's ESG framework by introducing clearly defined social and biodiversity objectives, supported by measurable qualitative and quantitative targets where appropriate.
L&G LDI	L&G is actively committed to integrating ESG considerations into LDI funds via their Active ESG tool and counterparty engagements. Their dedicated ESG team plays a crucial role in responsible investment and stewardship, ensuring premium risk management through their proprietary tools. At a firm level, L&G demonstrate a robust approach to ESG and stewardship and is a member or signatory to over 50 key ESG initiatives.	L&G should enhance climate scenario modelling within the portfolio. L&G should consider providing further detail on engagements undertaken with counterparties. L&G should consider expanding the approach to assessing green gilts. L&G should introduce a formal ESG training program for its employees with defined training priorities.

The Defined Benefit Section of the Fund also holds a buy-in policy with Standard Life. The Trustee reviews monitoring on Standard Life's ESG credentials periodically.

Defined Contribution Section

For this section, we are reporting on the funds which make up the DC Section's default investment strategy. We will continue to monitor the self-select options and may consider including popular self-select funds in future reporting.

Manager and Fund	ESG Summary	Actions identified
L&G Target Date Funds (managed by L&G)	L&G have strong firm-level policies, including a net zero by 2050 commitment with an interim 2030 target, and have a strong approach to stewardship and collaboration. The fund range excludes companies involved in thermal coal mining, agreeing to the Paris-aligned plan to phase out coal by 2040. L&G can provide clear evidence of the consideration of ESG factors through capturing opportunities and the application of screening at the strategy and underlying product level, in line with the firm-level policies.	L&G should require underlying managers to adhere to stricter minimum requirements (e.g. requiring managers to be signatories to the UK Stewardship Code). L&G should consider utilising ESG scorecards within private assets to consistently apply L&G's ESG policies during the due diligence phase and ongoing monitoring. L&G should identify physical climate risks within private assets and capture them within the due diligence process.

Engagement

As the Fund invests via fund managers, the managers provided details on their engagement activity including a summary of the engagements by category. The managers also provided examples of any significant ESG-related engagements where relevant.

Defined Benefit Section – 12 months to 31 March 2026 (unless stated otherwise)

Fund name	Engagement summary	Commentary
DTZ Property Portfolio	DTZ has not undertaken engagement activity, as most assets have been sold and other assets may be sold within the next year.	Given the limited number of DTZ assets remaining, ESG engagement activity has been scaled back, reflecting the short timeframe available to meaningfully implement any outcomes from such engagements.
AXA Secured Finance	AXA were unable to provide details of their engagement activity for the Secured Finance Fund.	AXA has confirmed that no fund-level engagement data is available for the period, as the fund is in run-off and no new investments were made during 2025. Despite this, at a firm level AXA continue to engage with underlying companies.
Hayfin Direct Lending fund II	Hayfin currently do not provide details of their engagement activity for DLF II.	Given DLF II ended its investment period in 2019 and Hayfin are only the lenders, Hayfin's ability for engagement is limited. However, they do take corporate engagement seriously and it is reflected in the other vintages in their funding/investment period.
Hayfin Direct Lending fund III	Lending fund III Total engagements: 1 Environmental: 1 Social: 0 Governance: 0 Other: 0	At a fund level, Hayfin determines engagement objectives based on the unique challenges portfolio companies are facing on their ESG journeys. Engagement outcomes can be derived from Hayfin's individual efforts and collaborative efforts, depending on whether Hayfin is a majority or minority lender. Hayfin is typically able to engage more thoroughly with borrowers where it is the majority or sole lender. Whilst DLF III's investment period has ended, it holds some assets that are also held within DLF IV, which reports under Article 8 of the SFDR. Engagements are therefore only covered under deals which overlap between DLF III and DLF IV. Details on the engagement undertaken can be seen below: **Engagement company: FSN Capital** **Engagement example (Climate Change):** Hayfin engaged with FSN Capital in November 2025 via a discussion focused on the climate strategy of its portfolio company, OptiGroup, which represents approximately 0.1% of the portfolio as at 31 March 2026. In this engagement, Hayfin sought to understand enhancements made to OptiGroup's climate strategy, including newly established emissions reduction targets

		verified by the Science Based Targets initiative (SBTi) in January 2025. Discussions covered the company's approach to reducing Scope 3 emissions through supplier engagement, as well as its use of marginal abatement cost curves to prioritise cost-effective decarbonisation measures. FSN Capital outlined its ESG framework, including its focus on decarbonisation, and provided updates on upcoming emissions reporting. No formal engagement objectives were set, with the primary purpose being to better understand the company's approach to managing climate-related risks and opportunities. FSN Capital confirmed that it would share material updates, including future emissions reporting, and both parties agreed to continue engagement as part of ongoing monitoring of climate strategy development.
PGIM Ground Lease Property Portfolio	PGIM currently do not provide details of their engagement activity for the Ground Lease Property portfolio.	The nature of the Ground Lease Property portfolio means that PGIM hold the assets at an "arm's length", resulting in limited influence over the management of ESG-related issues. PGIM would be able to engage with the leaseholder in the event of discussing an asset management deal but there have been no instances of this across the portfolio during the reporting year.
L&G LDI	Total engagements: 60 Environmental: 34 Social: 3 Governance:21 Other: 2	The Fund's LDI portfolio has a counterparty panel of 20. Over the reporting period in question L&G engaged with 17 of 20 counterparties. A breakdown of these engagements by topic areas can be seen to the left. L&G also engage with governments and regulators regarding LDI matters, including topics such as RPI reform, the pension scheme exemption for derivative clearing and green gilt issuance.
L&G Buy & Maintain	Total engagements: 345 Environmental: 200 Social: 22 Governance: 75 Other: 48 Engagement totals across the above breakdown have been calculated on a combined basis for the GBP/EUR and USD portfolios within the B&M mandate.	L&G engages extensively with portfolio companies on a wide range of environmental, social and governance issues, while also participating in regular engagement with industry bodies, policymakers and collaborative investor initiatives. This large-scale and systematic approach enables L&G to address both company-specific risks and wider market challenges, using its position as a significant institutional investor to drive positive change and enhance outcomes for clients. Examples of fund-level engagements are set out below: **Engagement company: Unilever PLC** **Engagement example (Remuneration):** L&G engaged with Unilever in February 2026 via written correspondence, with engagement directed to the Company Secretary. Engagement focused on the company's approach to circular economy considerations, including its transition away from single-use plastics and increasing recycled content in packaging. Through this engagement, L&G encouraged the company to enhance disclosures relating to its transition away from single-use plastics, including increasing recycled content in

packaging and providing greater transparency on strategy and progress. L&G also reiterated expectations for the company to support the Global Plastics Treaty and to avoid negative lobbying on plastic-related regulation.

Unilever acknowledged the feedback and indicated that it is currently facing operational challenges in delivering against its plastics commitments, with work ongoing to identify and implement solutions to overcome these constraints.

L&G recognises the complexity of transitioning away from single-use plastics and, through continued engagement, aims to support and encourage improved disclosure and more ambitious progress in line with more modern market expectations. L&G will continue to monitor developments and maintain engagement with the company on this topic.

Engagement company: BP plc

Engagement example (Climate Mitigation):
L&G engaged with BP in March 2026 via a conference call on climate-related disclosures. Engagement focused on enhancing transparency on the company's financial and operational resilience under Net Zero–aligned scenarios, including the disclosure of quantified impacts on cash flows and balance sheet items, alongside clearer methodologies and assumptions.

Through this engagement, L&G encouraged BP to enhance transparency around its financial and operational resilience under multiple Net Zero–aligned climate scenarios. In particular, L&G requested more detailed and quantified disclosure of potential impacts on cash flows and balance sheet items, alongside clearer methodologies, assumptions and input parameters underpinning scenario analysis.

BP acknowledged this feedback and indicated that it is reviewing its approach to climate scenario analysis and related disclosures.

L&G recognises the importance of robust and decision-useful climate reporting in assessing long-term resilience and, through continued engagement, aims to support improvements in BP's disclosures. L&G will continue to monitor progress to ensure alignment with investor expectations and best practice in climate risk reporting.

Defined Contribution Section – 12 months to 31 March 2026

For this section, we are reporting on the funds which make up the default strategy and which captures c.91% of the DC Section's assets at the end of the reporting year. As the Fund invests via fund managers, the managers provided details on their engagement activity including a summary of the engagements by category, which may not sum to total engagements as multiple ESG themes may be covered in one engagement. The managers also provided examples of any significant ESG-related engagements where relevant.

Fund name	Engagement summary	Commentary
Target Date Fund 3 2020-2025	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: Barclays PLC** **Engagement example (Climate):** L&G believe the financial sector's lending activities, corporate facilitation, insurance and asset management activities are key to speeding up or delaying the transition to a low-carbon economy. As such, L&G have engaged extensively and productively with Barclays on its approach to climate risks and opportunities. L&G engaged with Barclays in 2025 on approximately ten occasions through a combination of face-to-face meetings, collaborative group calls and detailed email exchanges. Engagement was led by L&G's Climate Solutions and Investment Stewardship teams, with participants typically including the Chief Sustainability Officer, members of the Sustainability team and, on governance matters, the Board Chair. Through these engagements, L&G explored the commercial opportunities presented by the climate transition and developed a clearer understanding of the key challenges facing the bank in progressing its strategy. Regarding renumeration, L&G supported both the renumeration policy and the long-term incentive plan (LTIP) at the Company's 2025 AGM. This support reflected the company's shift in pay structure from fixed to variable renumeration, including a reduction in salary and fixed share allowances in favour of enhanced bonus and LTIP opportunities. L&G recognises that opportunities arising from the climate transition will materialise over time and, through continued engagement, aims to both support and challenge the company in setting ambitious yet achievable targets that drive long-term investor returns.
Target Date Fund 3 2025-30	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: BP Plc** **Engagement example (Climate, Governance):** In 2025, L&G held 12 engagements with BP to discuss net zero objectives. These dialogues were led by L&G's Investment Stewardship and Climate Solutions teams and involved senior leadership, including the CEO, the current and former Chair, the CFO, and the Senior Independent Director. As one of their longest-standing company relationships, built over many years, L&G continue to maintain an active and constructive dialogue with members of the board. L&G recognise the significant steps BP took earlier this decade on climate-related commitments, which they supported through extensive engagement aimed at creating

		long-term value during the energy transition. However, L&G were deeply concerned by the substantive revisions to the company's strategy announced at the 2025 Capital Markets Day on 26 February, coupled with the decision not to allow a shareholder vote on the amended climate transition strategy at the 2025 AGM. These developments led them to vote against the re-election of the Chair, Helge Lund, at the AGM. This decision was pre-declared, given L&G's expectation that the succession process should follow a clearer and more expedited timeframe to ensure an orderly and meaningful transition. L&G also note similar concerns that informed their vote against Mr Lund's re-election at the 2023 AGM, primarily related to governance and accountability. As one of L&G's most engaged and longest-standing portfolio companies, L&G will continue its dialogue with BP on the long-term objectives and will closely monitor the company's progress.
Target Date Fund 3 2030-2035	Total Engagements: 2,716 Environmental: 3,230 Social: 86 Governance: 666 Other: 119	**Engagement company: Microsoft Corporation** **Engagement example (Governance, Human Rights):** L&G first engaged with Microsoft on AI governance in 2023 following the publication of its 'safe AI' expectations. The company has been viewed as a leader in transparency among large technology peers in recent years. In late 2025, L&G engaged with Microsoft ahead of its AGM to discuss shareholder resolutions relating to AI and data governance, as well as human rights. These discussions aimed to better understand the company's approach to managing associated risks and its response to evolving stakeholder expectations. Engagement was typically conducted with the Governance and Engagement Director. Microsoft has demonstrated improved transparency in its approach to responsible AI governance and human rights. While disclosures are generally stronger than those of its international peers, L&G identified further scope for enhancement, particularly in relation to data governance disclosures, including how the company handles government requests for content removal and user data. L&G views positively the company's amendments to its internal risk classification processes, including identification of projects requiring additional human rights due diligence. In terms of voting, L&G opposed two shareholder resolutions on human rights at the 2025 AGM, reflecting the company's responsiveness to stakeholder feedback and corrective actions taken. However, L&G supported a shareholder proposal requesting enhanced reporting on AI data usage oversight, in recognition of the evolving regulatory landscape and increasing legal and reputational risks, particularly those linked to copyright and data sourcing practices. L&G will continue to engage with Microsoft to monitor progress in AI governance.
Target Date Fund 3 2035-2040	Total Engagements: 2,623 Environmental: 3,057 Social: 83 Governance: 649 Other: 110	**Engagement company: Apple Inc** **Engagement example (Governance):** L&G met with Apple twice in 2025. The first engagement took place ahead of their AGM to discuss a shareholder resolution requesting disclosure on ethical AI data acquisition and usage. L&G sought to understand how Apple approaches

		these issues and what measures the company has taken to manage risks. While L&G had supported a similar shareholder resolution at the company's AGM in 2024, they voted against the resolution in 2025, as L&G deemed that Apple was taking sufficient care and efforts to protect personal data when it comes to AI training. L&G subsequently engaged with Apple in late 2025 on a more detailed discussion of the company's AI governance and risk management. Following its 2024 AGM, Apple published responsible AI principles. Although Apple's disclosures did not fully align with L&G's expectations, particularly regarding board education and risk management, L&G found that the company has been disclosing more information and taking actions to improve its practices over the past year, including child safety tools, content check and feedback mechanism, and Generative AI Human interface guidelines for app developers. L&G will continue to engage with Apple and monitor progress on L&G's expectations.
Target Date Fund 3 2040-2045	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2045-2050	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	**Engagement company: JPMorgan Chase & Co** **Engagement example (Renumeration, Climate):** L&G engaged with JPMorgan on five occasions in 2025, through calls and email exchanges. Engagement was led by L&G's Investment Stewardship and Climate Solutions teams. A focus of the engagement was on how the bank identifies and communicates the value of "green opportunities" within its business. At JPMorgan's AGM, L&G's voting reflected continuing concern around certain aspects of governance, including director independence, a combined Chair/ CEO role, and aspects of the bank's executive remuneration policy. L&G supported a shareholder resolution requesting a report on the social aspects of transition finance. A vote in favour of this proposal was applied, given the resolution is drafted to provide management discretion as to the form and timing of the requested reporting. L&G expect companies to be undertaking appropriate analysis and reporting on environmental topics, including climate risk management and transition financing, as we consider these issues to be a material risk to companies. L&G considers this objective complete. Other engagement objectives remain in progress, and L&G will continue engagement with JPMorgan on these.
Target Date Fund 3 2050-2055	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.

Target Date Fund 3 2055-2060	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2060-2065	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2065-2070	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.
Target Date Fund 3 2070-2075	Total Engagements: 2,594 Environmental: 2,766 Social: 63 Governance: 456 Other: 79	Please see above.

Note: L&G have confirmed that as their ICSWG (Investment Consultants Sustainability Working Group) guides are only produced on a calendar year basis, they are not able to provide engagement data for the scheme year end. The engagement data therefore covers the period from 31 December 2024 to 31 December 2025. Given that engagements are often ongoing and across multiple years, we believe that the engagements outlined above are still relevant. Furthermore, given the overlap of funds within the different target date vintages, there are engagements that hold true for multiple vintages.

Voting

DB Section
Given the DB Section does not have any equity investments, there are no voting actions to report.

DC Section
For this section, we are reporting on the funds which make up the default strategy and which captures c.91% of the DC Section's assets.

As the Fund invests in pooled funds managed by fund managers, where applicable each manager has provided details on their voting actions, including a summary of the activity covering the reporting year up to 31 March 2026. The managers were also asked for examples of any significant votes.

The Trustee has adopted the managers' definition of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant.

Description of voting processes

Legal and General (L&G)

L&G's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all clients. Their voting policies are reviewed annually and take into account feedback from clients.

L&G have developed a granular custom voting policy with specific voting instructions driven by their expectations. These instructions apply to all markets globally, with minimum best practice standards that L&G believe all companies should observe, irrespective of local regulations or practices. In addition, L&G have also set country-specific expectations for those markets in which they adopt a differentiated stance. All of L&G's custom voting policies are developed in accordance with our publicly disclosed position on good governance and sustainability-related criteria in our guideline documents and country-specific policies.

L&G retain the ability in all markets to override any voting decisions that are based on their custom voting policy. This may happen when a company has provided additional insight that allows them to apply a qualitative overlay to their assessment.

L&G regularly monitor the votes cast on their behalf to ensure they are executed in accordance with their policy intentions. They also undertake additional quality checks on short-notice vote instructions and rejected votes.

Fund name	Voting summary	Examples of most significant votes
Target Date Fund 3 2020-2025	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**National Australia Bank Limited** - *Date of vote: December 12, 2025* - *Reasoning for significant vote: This shareholder resolution is considered significant as it is applied under their engagement program on deforestation, targeting companies in high-risk sectors.* - *Approx. holding size: 0.1%* - *Summary of resolution: Approve Strategy to Eliminate Financed Deforestation* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: L&G has voted in favour as they expect companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative (AFI) would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G acknowledge that none of the big four*

		Australian banks has yet set a formal no-deforestation commitment and NAB has enhanced elements of its risk processes. However, a clear, board-overseen strategy and disclosure is considered beneficial for shareholders. - *Outcome of vote: n/a*
Target Date Fund 3 2025-30	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**Meta Platforms, Inc.** - *Date of vote: May 28, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.3%* - *Summary of resolution: Elect Peggy Alford as Director* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: Lead Independent Director - Accountability: A vote against is applied as L&G expects companies to elect an independent lead director where there is a combined Board Chair and CEO. Remuneration/Nomination/Governance Committee - Accountability: WITHHOLD votes are further warranted for Peggy Alford in her capacity as chair of the compensation, nominating, & governance committee due to consecutive years of high director pay without reasonable rationale disclosed.* - *Outcome of vote: N/a*
Target Date Fund 3 2030-35	Meetings eligible to vote on: 10,820 Resolutions eligible to vote on: 110,402 Proposal voted: 99.9% Votes with management: 75.8% Votes against management: 23.4% Abstain votes: 0.9% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.5%	**Tesla, Inc.** - *Date of vote: November 6, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.4%* - *Summary of resolution: Elect Director Ira Ehrenpreis* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: Independence: A vote against is applied as L&G expects the Chair of the Remuneration and Nominations/Governance Committees to have served on the board for no more than 12 years in order to maintain independence and a balance of relevant skills, experience, tenure, and background. Classified Board: A vote against is applied as L&G supports a declassified board as directors should stand for re-election on an annual basis. Average board tenure: A vote against is applied as L&G expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background. Diversity: A*

		vote against is applied because the company's current level of gender diversity on their board does not meet our minimum expectations. Diversity - Executive Committee: A vote against is applied because the company's current level of gender diversity within its senior leadership team does not meet with our minimum expectations. Board accountability: A vote against is applied as part of L&Gs escalation strategy as we expect companies to implement majority supported shareholder proposals. Nomination and Corporate Governance Committee - Accountability: A vote against the Nominating and Corporate Governance Committee Chair is warranted in light of the boards unilateral adoption of a bylaw that materially restricts shareholders' litigation rights. - *Outcome of vote: n/a*
Target Date Fund 3 2035-2040	Meetings eligible to vote on: 10,203 Resolutions eligible to vote on: 103,762 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**Intuit Inc.** - *Date of vote: January 22, 2026* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.4%* - *Summary of resolution: Elect Director Thomas Szkutak* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.* - *Voting rationale: A vote against is applied as the company's current level of gender diversity on their board does not meet with L&G's minimum expectations. L&G also expects companies not to recombine the roles of Board Chair and CEO without prior shareholder approval.* - *Outcome of vote: n/a*
Target Date Fund 3 2040-2045	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's Proxy Exchange) Votes contrary to the proxy advisor: 13.8%	**Mastercard Incorporated** - *Date of vote: June 24, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.4%* - *Summary of resolution: Oversee and Report on a Racial Equity Audit* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote in favour is applied as L&G support such information and risk management approach to Diversity.* - *Outcome of vote: Fail*

Target Date Fund 3 2045-2050	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's Proxy Exchange) Votes contrary to the proxy advisor: 13.8%	**Deere & Company** - *Date of vote: February 25, 2026* - *Reasoning for significant vote: L&G views this shareholder resolution as significant due to its focus on climate-related disclosure and its implications for long-term value creation.* - *Approx. holding size: 0.3%* - *Summary of resolution: Report on Expected Return on Investment of Company's Emissions Reduction Goals* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics.* - *Voting rationale: A vote against is applied as L&G expects companies to be taking sufficient action on the key issue of climate change. While they recognise the proponents stated intent to link emissions goals to financial performance, they do not believe this specific request would enhance investor understanding beyond Deeres existing disclosures and the commitments the company has already made.* - *Outcome of vote: n/a*
Target Date Fund 3 2050-2055	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	- **PepsiCo, Inc.** - *Date of vote: May 7, 2025* - *Reasoning for significant vote: L&G views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.* - *Approx. holding size: 0.2%* - *Summary of resolution: Report on Third-Party Racial Equity Audit* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote in favour is applied as L&G supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.* - *Outcome of vote: n/a*
Target Date Fund 3 2055-2060	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8%	**Microsoft Corporation** - *Date of vote: December 5, 2025* - *Reasoning for significant vote: L&G considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.* - *Approx. holding size: 3.1%* - *Summary of resolution: Elect Director Satya Nadella* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: n/a*

	Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	- *Voting rationale: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.* - *Outcome of vote: Pass*
Target Date Fund 3 2060-2065	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**SK hynix, Inc.** - *Date of vote: March 25, 2025* - *Reasoning for significant vote: This shareholder resolution is considered significant due to director elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.* - *Approx. holding size: 2.4%* - *Summary of resolution: Elect Kim Jeong-gyu as Non-Independent Non-Executive Director* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote for is applied as no major concerns have been highlighted.* - *Outcome of vote: n/a*
Target Date Fund 3 2065-2070	Meetings eligible to vote on: 10,205 Resolutions eligible to vote on: 103,777 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**Hyundai Motor Co., Ltd** - *Date of vote: March 26, 2025* - *Reasoning for significant vote This shareholder resolution is considered significant due to director elections taking place during the first proxy season following reforms to the Korean Commercial Act, which enhanced expectations around board and audit committee independence and oversight.* *Approx. holding size: 1.0%* - *Summary of resolution: Elect Jose Munoz as Inside Director* - *Manager vote: For* - *Vote against management, was intent communicated ahead of the vote: n/a* - *Voting rationale: A vote for is applied as no major concerns have been highlighted.* - *Outcome of vote: n/a*
Target Date Fund 3 2070-2075	Meetings eligible to vote on: 10,204 Resolutions eligible to vote on: 103,776 Proposal voted: 99.9% Votes with management: 75.4% Votes against management: 23.8% Abstain votes: 0.8% Use of proxy voter: Yes (ISS's ProxyExchange) Votes contrary to the proxy advisor: 13.8%	**JPMorgan Chase & Co.** - *Date of vote: May 20, 2025* - *Reasoning for significant vote: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.* - *Approx. holding size: 0.6%* - *Summary of resolution: Elect Director James Dimon* - *Manager vote: Against* - *Vote against management, was intent communicated ahead of the vote: L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.*

		- *Voting rationale: A vote against is applied as L&G expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.* - *Outcome of vote: Pass*

Proxy voting:

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and they do not outsource any part of the strategic decisions. L&G's use of ISS recommendations is only to augment their own research and proprietary ESG assessment tools.

To ensure the proxy provider votes in accordance with L&G's position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what they consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

L&G retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows L&G to apply a qualitative overlay to their voting judgement. L&G have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.