

The background of the entire page is a photograph of two wooden deck chairs on a pebble beach. The chair on the left has a blue and white striped canopy, and the chair on the right has a red and white striped canopy. The beach is covered in small, smooth pebbles, and the sea is visible in the distance under a clear blue sky with a few wispy clouds.

IMPERIAL TOBACCO PENSION FUND

DEFINED CONTRIBUTION

SUMMARY REPORT

2026



Strong growth over the last year

Over the past year, the Trustee has continued working closely with Legal & General (L&G), our DC pension provider and we've seen strong growth, with the Fund's DC assets increasing by over £34 million to reach £152.9 million at 31 March 2026.

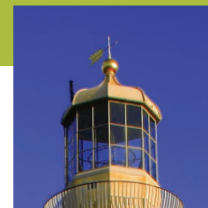
If you haven't already, I'd encourage you to download the L&G app, which is quick to set up and easy to use (see page opposite). It allows you to track your pension pot, view contributions, and monitor investment performance – all in one place.

It's great that around 75% of employee members are now contributing more than the minimum 4%. However, the Trustee would still encourage those contributing at the minimum level to consider increasing this. Thanks to tax relief and National Insurance savings, it may cost less than you expect, and you'll benefit from higher employer contributions (up to 14% for a 7% contribution from you). The L&G retirement planner can help you see the difference this could make.

I'm pleased to welcome Dr Layla Malt to the Trustee Board as the new Employee Nominated Trustee Director. Layla joined the Board on 1 March 2026 replacing Ross Parker who left the business in October 2025. On behalf of my fellow trustees I would also like to thank Ross for his valued contribution to the Board during his term of office.

For the latest updates and pension news, visit the L&G microsite (see opposite) and the Fund's website at myimperialpension.com

Tom Lukic, Dalriada Trustees Limited
Chair of the Trustee Board



Managing your pension

Day-to-day administration of the DC section is managed by L&G. Please quote your L&G customer reference when making contact.

☎ 0345 070 8686 8:30am to 7pm
Monday to Friday

✉ employerdedicatedteam@
landg.com

📍 Send letters, documents or
forms to: DC Pensions, Legal
& General, PO Box 1560,
Peterborough PE1 9AP

Keeping in touch

The members of the Trustee Board are keen to hear your views. Please contact the Pension Fund Office at:

📍 Imperial Tobacco Pension Fund,
PO Box 3242, Winterstoke Road,
Bristol BS3 9GY

✉ pension.enquiries@uk.imptob.
com

☎ 0117 953 0000

Make it easy to manage your pension by downloading the L&G app on your mobile phone or tablet.

The app is safe and secure and allows you to easily check your valuation, contributions and investments, wherever and whenever you need to.

It also allows you to update your contact details, nominate your beneficiaries and manage your communication preferences, and provides access to tools and guidance to help explain your pension and plan for retirement. Download the app by searching for 'L&G' in the App Store or Google Play, or scan the QR code on the right. Log in using the same username and password as your online account.



There is also a microsite for members at:

🌐 legalandgeneral.com/workplace/i/imperial-tobacco

HMRC app makes life a little easier

HM Revenue & Customs has introduced a free app to help you keep track of your tax and pension information. Search 'HMRC app' on the App Store or Google Play.

You can also find out your State Pension age at: 🌐 gov.uk/state-pension-age and get a forecast at: 🌐 gov.uk/check-state-pension



Build your pension account for retirement

If you are an employee, the main way to build your pension pot is to increase your annual contributions to your L&G account. You could also consider consolidating other DC pots you may have into your L&G account if this offers better value to you (see pages 5 and 6).

The Fund offers a generous contribution structure, with the Company paying double an employee's contribution, up to 14% for a 7% contribution.

However, about a quarter of Fund members contribute the minimum (4%) of their salary into their pension, but increasing this may not impact your take home pay as much as you think and could make a big difference to the size of your pension pot (see table on page 5). This

is because you receive tax relief on your contributions as well as a saving in National Insurance contributions. A good time to consider increasing your contribution is with a salary review, as the rise in contributions could be negated by the increase in your pay, or you could make a lump sum payment from your annual bonus.

L&G's retirement planner can help you understand how increasing your contributions will impact the value of your savings at retirement (see page 7 for more information).

If you are an employee member you can change your contribution rate in the Benefits area of your Workday account. The core contribution rates are shown below.

	Percentage of your pensionable pay				
Employee contribution rate	4%	5%	6%	7%	+7%
Company contribution rate	8%	10%	12%	14%	14%
Total invested	12%	15%	18%	21%	21%+
% of members currently paying at these rates	25%	5%	2%	54%	14%

Additional contributions you pay above 7% will not be matched by the Company. A different temporary contribution structure is currently in place for former employee members of the Defined Benefit (DB) section.

Your pension contribution	£100		
The cost to you if you're a...			
basic rate taxpayer	£72	£8	£20
higher rate taxpayer	£58	£2	£40
additional rate taxpayer	£53	£2	£45

■ Pension contribution
 ■ The cost to you
 ■ National Insurance you would have paid
 ■ Income Tax you would have paid

Figures are approximates only to provide an illustration of likely impact.

Annual allowance

The standard Annual Allowance is currently £60,000. This is the total amount that can normally be built up across your pension arrangements in a tax year, including contributions from you and your employer, before an Annual Allowance tax charge may apply. You may also be able to carry forward unused allowance from the previous three tax years.

A lower allowance may apply if you have high taxable income or have flexibly accessed a DC pension. Tax rules depend on individual circumstances and can change. For further details, please see [gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance](https://www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance)

Pension pots from previous employers

Another option for employee members if you have a number of small pension pots from previous employers is to consolidate them all into your L&G account. There is a 'Guide to pension transfers' in your online account and **there are a number of things to consider before making the switch:**



- Do you need financial advice? The Trustee always recommends that you take financial advice when making financial decisions that will affect your future income (see page 11).

continued on next page



Make time to review your pensions

- If your other pension pots include a defined benefit (DB or final salary) pension with a transfer value greater than £30,000, you will need to take independent advice from an authorised financial adviser.
- How do the charges imposed by your other pension policies compare with L&G's?
- Do your other pension pots have any benefits or guarantees you would lose on transfer (such as protected retirement ages, guaranteed increases or spouse's pension)?
- Beware of pension scams and be suspicious if someone contacts you out of the blue about transferring your pension (see right).

If you believe you have pension benefits from other employers or pension providers but are having difficulty tracking them down, you could try the Pension Tracing Service at: [🌐 gov.uk/find-pension-contact-details](https://www.gov.uk/find-pension-contact-details)

More information about growing your pension savings can be found at: [🌐 myimperialpension.com/employee-members-dc-actives](https://myimperialpension.com/employee-members-dc-actives)

Stay alert to scammers

It is becoming increasingly difficult to tell what is genuine and what's a scam.

Be cautious of unexpected contact, especially about pensions. Legitimate providers are unlikely to approach you out of the blue, and unsolicited pension cold calls are illegal. Offers such as 'free pension reviews' or promises of high or guaranteed returns should always ring alarm bells.

Before engaging, take your time and check who you're dealing with. The Financial Conduct Authority's Firm Checker can confirm whether a company is authorised and permitted to offer the services in question. Be aware that scammers may impersonate real companies (known as 'clone firms'), so always use the official contact details listed on the FCA website: [🌐 fca.org.uk/firmchecker](https://www.fca.org.uk/firmchecker) or call: 0800 111 67 68.

For more advice on staying safe, visit the Stop! Think Fraud campaign at: [🌐 stopthinkfraud.campaign.gov.uk](https://stopthinkfraud.campaign.gov.uk)

Do you have a plan for your retirement?

L&G's Retirement Planner tool provides personalised guidance for every stage of your retirement planning journey.

It is designed to help you build and follow a comprehensive retirement savings plan, supporting you to take small steps that can lead to bigger savings, as well as offering helpful tips to keep you on track with your goals.

Start planning today by clicking on the 'Pension overview' tab in the L&G app (see page 3). The 'Start your plan now' function is towards the bottom of that page and L&G's easy-to-understand planning resources are personalised to reflect your situation, pension priorities and savings journey.

A good place to start is with L&G's 'Retirement Living Standards' tool (legalandgeneral.com/workplace/rls/), which helps you understand how much you'll need in retirement based on three lifestyles.

L&G also provides guidance throughout your online account and helps you understand your financial choices, so you can make informed decisions for the benefit of you and your family.

Accessing your pension savings

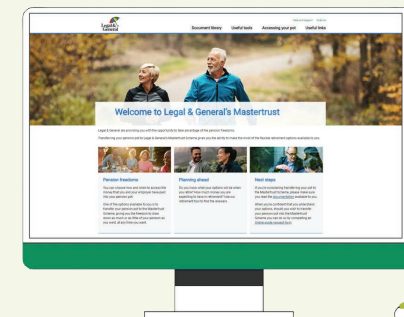
When the time comes, there are three ways you can take your money: cash, annuity and drawdown.

Each option allows you to take up to 25% as a tax-free lump sum and L&G has developed a Mastertrust Pensions Access Scheme, which gives you easy access to all the various choices.

Members are not tied to L&G and other providers and products are available in the market for you to choose which best suits your needs.

Find out more at:

legalandgeneral.com/workplace/i/imperial-tobacco/getting-there/your-options-for-taking-your-money/





Investing your pension savings

A large number of DC scheme members are invested in one of L&G's Target Date Funds, which are the default investment option chosen by the Trustee.

These Funds invest in a wide range of assets such as company shares, UK equities, property and infrastructure, and each have a different five-year range. This normally includes the year you expect to retire or start accessing your pension savings, and automatically adjusts the way your savings are invested as you move closer to retirement.

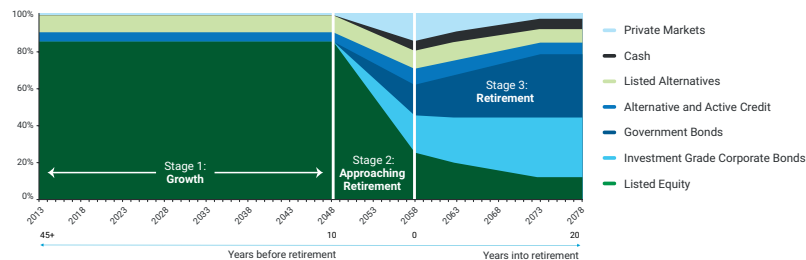
Their aim is to generate growth in your savings the further you are from retirement and then protect the value the closer that date gets. The graph opposite gives an illustration of the type of assets in which the Target Date Funds invest and how the proportion may change over time.

If your retirement plans change, you can move to a different Target Date Fund at any time using the Manage Your Account function in your online account. Find out more about L&G's Target Date Funds at:

legalandgeneral.com/workplace/i/imperial-tobacco/first-step/how-pension-saving-works/how-your-pension-is-invested/

The full range of L&G Self Select investment funds available to members, including a factsheet on each, can be found at: legalandgeneral.com/workplace/i/imperial-tobacco/on-your-way/guide-to-investing/Investment-range

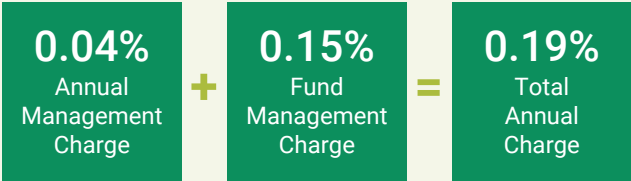
Your default investment option L&G PMC 2055–2060 Target Date Fund





Default investment option charges

Each fund incurs a management charge and the example below is based on the Trustee’s default investment option. This charge is likely to change if you make your own investment choices from L&G’s Self Select range of funds.



DC scheme membership
at 31.03.26 (last year’s in brackets)



The Pensions Dashboard Programme

The Government’s Pensions Dashboard Programme will allow you to access information about all of your pensions that aren’t yet in payment – including your State Pension – securely online and in one place.

It is designed to make planning for retirement easier and more effective. You don’t need to do anything, but you will be required to use HMRC’s identity service to access your dashboard.

The Fund has connected to the dashboard’s ecosystem, but it won’t be until autumn 2026 at the earliest that all UK pension schemes are connected, ahead of an expected public launch in 2027.

In the meantime, please be alert to scammers who may attempt to take advantage of the project as it gains momentum and greater public awareness. At no point will anyone from the pensions dashboard service contact you to ask for confirmation of any of your data.



Proposed inheritance tax changes

The Government is proceeding with plans to bring pensions into the scope of inheritance tax (IHT). From **6 April 2027**, unused pension pots and lump-sum death benefits can no longer be automatically passed on tax free to your beneficiaries. They will be included in the value of your estate, along with your property, money, possessions and so on, when working out if any inheritance tax is due. For many people, the change will have no impact.

However, dependants' pensions from defined benefit/final salary schemes are not subject to the new IHT rules. Survivors' pensions from annuity policies and death in service lump sum benefits from registered pension schemes (e.g. the lump sum of eight times salary from the Fund) are also not included.

Inheritance tax isn't due if you leave your entire estate, regardless of its value, to your legal spouse (or civil partner) in the UK. If you don't, you can still usually leave up to £325,000 on your death without paying IHT, which is an individual's standard allowance. Inheritance tax at 40% is due on amounts over this threshold (or £500,000 if you leave your home to a direct descendant). The Government has confirmed these levels remain fixed until 2030.

The personal representatives of deceased members will be liable for reporting and paying any IHT due on unused pension funds and death benefits. Pension scheme administrators will have new duties to support this.

The rules are complex and, if you're concerned, you should get advice from an estate planning specialist when making your will.

Nominate your beneficiaries

It's quick and easy to let the Trustee know your wishes in the event of your death. You can add or amend details of your beneficiaries in the L&G app or in your online account.

In addition to receiving the value of your DC pension, your beneficiaries would also receive a life assurance benefit. Although this is a DC Fund benefit, the life assurance arrangement is administered by Imperial's in-house pensions team, not L&G.

You should nominate your beneficiary for this benefit by completing an Expression of Wish form at  myimperialpension.com/library and return it to the Pension Fund Office.



Guidance or advice about pension options

It is important to be well informed before making any decisions about your pension.

While guidance helps you understand your options, advice, which is generally paid-for, will give you a recommendation. The Trustee recommends taking independent financial advice from a qualified and authorised advisor when making decisions about your pension that will impact your retirement income.

Whether you are considering accessing your DC pension pot or deciding which funds to invest in, a list of advisers can be found on the Financial Conduct Authority's website at register.fca.org.uk/s/ and Unbiased (unbiased.co.uk/) is an independent site that can also help.

If your total pension savings are £50,000 or more (across any provider), L&G's independent pension advisers can offer tailored recommendations based on your personal circumstances. They can help you:

- Understand your current situation and future goals.
- Review your pensions, savings, investments, and financial commitments.
- Recommend the best options from across the market – even if they're not L&G products.
- Explain the tax implications of your decision.

L&G's Financial Advice team are available weekdays (excluding public holidays) 9am to 5pm on 0800 029 3036.

Remember that most advisers, including L&G, charge for their services so you should make sure you find out up front what the advice is likely to cost you.

The Government also offers free, impartial guidance to help you understand your options through Pension Wise. You can book an appointment with them once you are over the age of 50 at moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Trustee Board update

Trustee Board update

Dr Layla Malt has been appointed to the Board as the Employee Nominated Trustee (ENT), following a rigorous selection process. Layla, who leads the Scientific Affairs and Behavioural Sciences function within the Harm Reduction and Engagement Department, replaces Ross Parker.

"It is an honour to serve as the ENT and I am committed to ensuring members' voices remain central to the Fund's decisions and supporting its continued success," she said.

Imperial Tobacco Pension Trustees Limited Board of Directors:

Nominated by Imperial Tobacco:

Tom Lukic, Dalriada Trustees Limited (Chair)

Tony Dunnage (Imperial Brands Global ESG Director)

Lisa Hall (Imperial Brands Chief Transformation Officer, People & Culture)

James King (Imperial Brands Head of Finance UK & Ireland)

Martin Staunton (Imperial Brands Chief Strategy & Development Officer)

Nominated by pensioners and deferred members:

Kirsty Green-Mann

Ken Hill



Trustee board: from left, Tony Dunnage, Martin Staunton, Lisa Hall, James King, Layla Malt, Ken Hill, Tom Lukic, Kirsty Green-Mann

Nominated by employees:

Dr Layla Malt (Imperial Brands Behavioural Sciences & Surveillance Senior Manager)

Pension Fund Office

Robert Egginton (Head of UK Pensions and Secretary)

Leigh Callaghan (Pensions Manager)