



IMPERIAL TOBACCO PENSION FUND

DEFINED CONTRIBUTION

SUMMARY REPORT

2025



Fund changes bring more options

I am delighted to have been appointed as Chair of the Trustee Board following Helen Clatworthy's retirement. Helen's hard work and dedication to the scheme over many years has been an important part of its ongoing success and I wish her all the very best for the future.

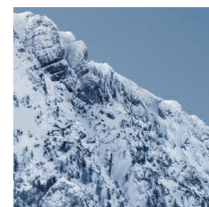
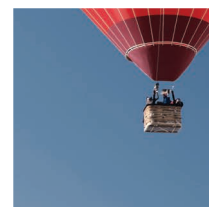
I'd also like to thank Jan Killick, who has retired from her role as Secretary to the Trustee and Imperial's Head of UK Pensions after six years with the company, and welcome her successor, Robert Egginton. You can read more about the changes to the Trustee Board and the Pension Fund Management team on pages 14 and 15.

There has also been a change in the administration of the DC scheme. After careful consideration, the Trustee decided to transfer all DC investment holdings from Aegon to Legal & General (L&G). The move offers members a wide range of benefits, which you can read about on page 3.

I hope many of you will take the opportunity to receive this report and other general communications from the Fund digitally going forward to help us reduce our carbon footprint and costs. Details of how you can do this can be found on page 13.

Finally, I'd like to acknowledge the efforts of my fellow Trustee Directors, the Pension Fund Office, and our professional advisers over the past year. I look forward to working with them all in my new role, building on the great work carried out to date as we continue on the next stage of the journey.

Tom Lukic, Dalriada Trustees Limited
Chair of the Trustee Board





Contacting Legal & General

The day-to-day administration of the DC scheme is managed by Legal & General (L&G). Members are welcome to get in touch with the Pension Fund Office but, in the first instance, please contact L&G:

☎ 0345 070 8686 8:30am to 7pm Monday to Friday. *Please note, L&G's helpline staff cannot provide financial advice.*

✉ employerdedicatedteam@landg.com

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

Please quote your L&G customer reference when writing. If you change your home address, email or telephone number, please let L&G know, so they are able to contact you ahead of your retirement date.

Easy access to your pension account

Transferring the administration of the DC scheme to L&G offers members several benefits, including an improved online experience.



Register for online access to Manage Your Account using your customer reference number. It is usually your account number but could also be your arrangement number, pension account number, reference or policy number. Your reference number can be found on any correspondence from L&G.

You will then be able to:

- Check the value of your DC pension pot and see how it's performing.
- Monitor your contributions and transactions.
- View your online pension benefit statements.
- Transfer pension savings from other schemes (employee members only).
- Update your contact details and preferences.
- Change where your money is invested.
- Use the planning tools to calculate how much your pension pot could be worth when you retire.
- Complete your nomination and beneficiary form.

You can also download the L&G app from the App Store or Google Play, which allows you to access and manage your pension from your mobile phone or tablet. Log in using the same username and password as your online account.

Register online at: [🌐 legalandgeneral.com/workplace/i/imperial-tobacco/helpful-resources/manage-your-account](https://www.legalandgeneral.com/workplace/i/imperial-tobacco/helpful-resources/manage-your-account)

Make sure you have **nominated your beneficiaries**

In the event of your death, the Trustee would pay the value of your DC pension pot to your nominated beneficiaries.

You can add or amend details of your beneficiaries in your Legal & General account online or via the L&G app. Simply log in to Manage Your Account and click on Nominated Beneficiaries (see page 3 to find out how to register online).

If you are an employee member your beneficiaries would also receive a life assurance benefit equal to eight times your salary (subject to any underwriting restrictions imposed by the insurer).

Although this is a DC Fund benefit, the life assurance arrangement is administered by Imperial's in-house pensions team, not L&G.

You can update your beneficiary details for the life assurance benefit by completing an Expression of Wish form at myimperialpension.com/library and sending it to pension.enquiries@uk.imptob.com






Investing in your pension in uncertain times



Visit L&G's Go & Live Hub for more information about financial planning and wellbeing:

 legalandgeneral.com/go-and-live/financial-planning/

The last few years have been challenging for UK pension savers with investment markets experiencing a great deal of volatility.

Brexit, the Covid pandemic, international conflicts, political events in the UK and the recent US global tariff policy have all created turbulence in the markets. Unfortunately, these events have impacted investment markets with share prices and the value of investments, including pensions, becoming more volatile.

However, pensions are a long term investment. Over the years you can expect to see the value of your DC pension pot go up and down in line with broader market movements, but it is important not to make hasty decisions. While you may be tempted to make changes to your pension investments, remember that they are being managed by teams of specialists who constantly monitor the market, so it is important not to make knee-jerk reactions in times of volatility.

The vast majority of DC scheme members are invested in one of L&G's Target Date Funds (see page 6), which is the default investment option chosen by the Trustee. Some members have decided to choose their own investment funds from the range offered by L&G but, wherever you have decided to invest, it's important to regularly review your investments and check that they are appropriate to meet your long-term goals.



L&G investment funds

Part of the Trustee’s decision to transfer the administration of the DC scheme from Aegon to Legal & General (L&G) was the wider range of investment funds it offers as well as the lower management costs.

The vast majority of DC scheme members are invested in one of L&G’s Target Date Funds, which invest in a wide range of assets such as company shares, UK equities, property and infrastructure, and are the default investment option chosen by the Trustee.


L&G’s recent review of these funds has led to changes in the growth phase (more than 10 years from retirement). The growth allocation will increase from 89% to 100% with government and corporate bonds phased out from the growth phase by March 2026.

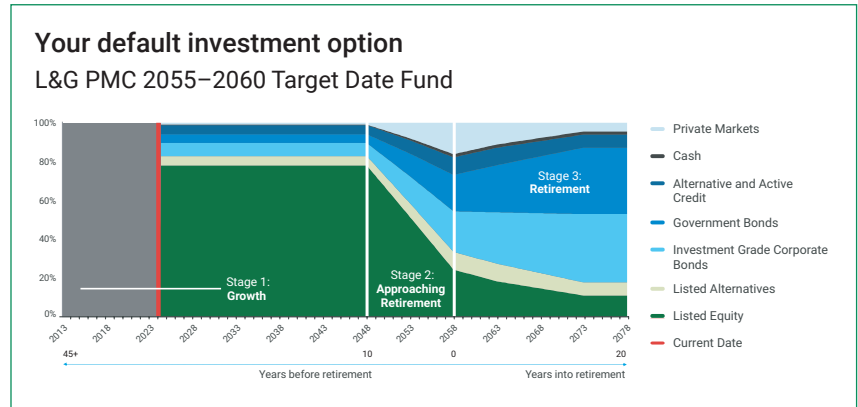
Each Target Date Fund has a different five-year range, which will normally include the year you expect to retire or initially access your pension savings, and automatically adjusts the way your savings are invested as you move

closer to retirement. Their aim is to generate growth in your savings the further you are from retirement and try to protect the value as you get closer to retirement. The graph shows the type of assets in which the Target Date Funds invest and how the proportion changes 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 on your online account.

Find out more about L&G’s Target Date Funds at:

 legalandgeneral.com/workplace/i/imperial-tobacco/on-your-way/guide-to-investing/other-ways



L&G has also introduced some new self-select investment funds which the Trustee has made available to members. They are:

L&G Lifetime Advantage Funds

Launched in 2024, they are a set of Target Date Funds which aim to build pension scheme members' real retirement income, while seeking to manage possible downside risk as retirement approaches. The fund provides exposure to a range of different asset classes that may include equities, bonds, cash and a range of private market or listed alternative asset classes.

L&G Islamic Lifestyle Profile

Made up of The L&G Islamic Growth Fund G3 and the L&G Islamic Retirement Fund G3, this Lifestyle Profile offers the potential to grow your retirement savings over the long term. The funds invest in Shariah-compliant funds and are managed by specialists outside of L&G, such as HSBC who are responsible for ensuring Shariah compliance.

L&G PMC HSBC Global Sukuk Fund 3


This fund aims to provide regular income and capital

growth by tracking (as closely as possible) the performance of the FTSE IdealRatings Sukuk Index, while maintaining adherence to Shariah principles.

L&G PMC HSBC Shariah Multi-Asset Fund 3

This fund aims to provide long term capital growth and will maintain adherence to Shariah principles. It may invest in shares, including common stocks, and other transferable securities in companies of any size that are listed or traded on recognised markets worldwide. The fund may invest up to 100% in shares of Shariah compliant funds, including exchange traded funds, with up to 20% in a single fund. The fund may invest substantially in emerging market countries and up to 10% in cash.

The full range of L&G investment funds on offer 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






Employee members: growing your pension savings

Investment returns can help boost your pension savings, but the best way to increase their value is to pay more into your DC pension pot.

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

We understand that saving for retirement can be difficult for some members due to other financial commitments but remember that you can change your pension contributions to suit how much you can afford; saving when you can, safe in the knowledge that you can change the amount in the future.

If you are an employee member you can change your contribution rate in the Benefits area of your Workday account and the Fund's website also has further information about paying additional contributions:

 myimperialpension.com/employee-members-dc-actives

Also remember that **you receive tax relief on your contributions as well as a saving in National Insurance contributions, so the impact on your take home pay of increasing your contributions may not be as much as you might think (see example on the opposite page).**

	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	29%	7%	5%	42%	17%

Additional contributions you pay above 7% will not be matched by the Company.



■ The maximum amount of tax-free pension savings you can pay in a tax year, known as the Annual Allowance, is currently £60,000. However, if you have unused allowance from the previous three tax years you can carry

this forward to use in the current tax year. Bear in mind that if you have taxable income and pension savings of £260,000 or more, you will have a reduced Annual Allowance.

Find out more at: myimperialpension.com/employee-members-dc-actives

How much your £100 contribution costs

Because they're made before Income Tax and National Insurance Contributions are deducted, your salary sacrifice pension contributions might be costing you even less than you think:

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. A different temporary contribution structure is currently in place for former employee members of the Defined Benefit (DB) section.



Proposed inheritance tax changes

What changes are currently planned?

In the 2024 Autumn Budget, the Government announced changes to inheritance tax (IHT) that mean pensions will no longer be fully exempt.

Currently, unused DC pension pots don't count as part of your estate so, when you die, they are not taxed under IHT rules. But, under the proposals, from 6 April 2027, unused DC pension pots will be included in your estate and may be taxed at the standard IHT rate of 40%.

The legislation isn't final yet and things may change, but the Government has confirmed that those handling your estate after your death will be responsible for reporting and paying any IHT due on unused pension funds – not pension scheme administrators.

What doesn't change?

The following pension benefits will not be subject to the new IHT rules:

- Dependants' pensions from defined benefit (DB/final salary) schemes.
- Survivors' pensions from annuity policies.
- Death in service lump sum benefits from registered pension schemes e.g. the lump sum of eight times salary from the Fund.

Who will be affected?

You can usually leave up to £325,000 on your death without paying IHT which is an individual's standard allowance. Additional tax free allowances can be applied in certain circumstances, including where the main home is left to a child or grandchild (current additional allowance in these circumstances being £175,000). If you own a home and have a DC pension pot these allowances may be exceeded meaning IHT could be due when you or your partner dies. The good news is that assets passed to your spouse or civil partner are exempt from IHT.

What could I do to prepare for the changes?

The changes aren't final yet, and you should not rush into making financial decisions, but you could:

- Stay informed. The Trustee will also update members when the legislation is confirmed.
- Speak to an independent financial adviser (see p16).
- Review how and when you access your pension: you might want to adjust how you draw from ISAs, pensions, and other savings.
- Update your pension nominations to make sure they reflect your wishes and consider the tax implications.
- Think about your partner's position as the spousal exemption may influence your nominations.




Stay vigilant to scams

The threat of being scammed remains a serious issue and it is crucial to remain vigilant when sharing personal information, clicking on email links and making bank transfers.

The Pension Fund Office will never ask for your pension or bank account information over the telephone and it is important to be wary of any unsolicited communications you receive regarding your pension or any other savings.

If you think you have been the victim of a scam, call Action Fraud on 0300 123 2040 or report it online:


 actionfraud.police.uk/reporting-fraud-and-cyber-crime

You can also check any offer against the information on the Financial Conduct Authority's Scam Smart website:  fca.org.uk/scamsmart or speak to The Money and Pensions Service on 0800 011 3797.

More information about how to avoid pension scams can be found at:

 moneyhelper.org.uk/en/money-troubles/scams

 pension-scams.com

 ageuk.org.uk/information-advice/money-legal/pensions/pensions-scams

 myimperialpension.com/pension-scams/



Accessing your pension savings

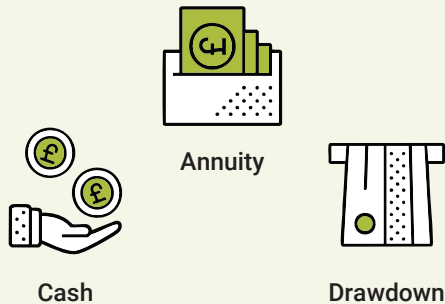
You can access your pension savings any time from the minimum pension age – currently 55, but increasing to 57 from April 2028 – regardless of whether or not you've stopped working.

You will need to think carefully about when is the right time so you can make sure your DC pension pot is big enough to last. If you decide to go ahead, there are three ways in which you can take your money: cash, annuity and drawdown. Each option allows you to take up to 25% as a tax-free lump sum.

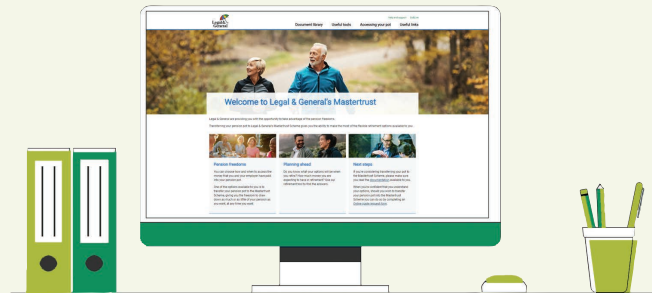
The annuity and drawdown options are only available by transferring your DC pension pot out of the Fund. L&G has a Mastertrust Pension Access Scheme which gives you easy access to the various options. Members are not tied to L&G and other providers and products are available in the market for you to choose which best suits your needs.

Find out more at: [🌐 legalandgeneral.com/workplace/imperial-tobacco/arriving/your-options-for-taking-your-money](https://www.legalandgeneral.com/workplace/imperial-tobacco/arriving/your-options-for-taking-your-money)

How can you take your money?



Mastertrust Pension Access Scheme



DC scheme membership
at 31.03.25 (last year's in brackets)




Employees: 1,155 (1,097)

Deferreds: 1,107 (966)

Deferred members: electronic communication

Help us provide you with information in a fast, convenient and environmentally friendly way by opting to receive generic Fund news and Trustee communications by email.

Email  pension.enquiries@uk.imptob.com, with 'opt-in to electronic communications' in the subject line. Please also quote your full name and Pension Fund number.

You will continue to receive personal Fund correspondence such as pension statements in paper format through the post.

Option to make partial transfer

The Trustee has introduced a new option to enable employee members to make a partial transfer out of their DC pension pot with L&G, while still maintaining ongoing regular contributions.

To make a partial transfer you must retain at least £100 in your L&G account and transfer the money to another registered pension scheme or product. L&G will carry out checks to ensure regulations are met.

Employee members should contact the L&G helpline if they wish to arrange a partial transfer. Restrictions may be placed on the number of partial transfer requests received from a member.

DC deferred members are not able to take a partial transfer but can choose to transfer their full DC pension pot to another registered pension scheme or product. Contact L&G if you are interested in this option.

Trustee Board update




Trustee Board update

Tom Lukic, a Director of Dalriada Trustees Limited, has taken over from Helen Clatworthy as Chair of the Imperial Tobacco Pension Fund Trustee Board. He was first appointed to the Board as an independent Employer Nominated Trustee in 2023.

This role has been filled by Martin Staunton. Martin, an accountant by training, joined Imperial Brands as Imperial Brands Strategic Portfolio Transformation Director – Strategy and Development in 2024. Kirsty Green-Mann

We want to know what you think

The Trustee directors 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

You can also find lots of useful information about the Fund, pensions tax information, how to spot a pensions scam, etc, on the Fund's website at:

 myimperialpension.com

has also been re-elected as a Member Nominated Trustee for her second term.

Ross Parker left the business in October 2025 and a selection process will begin shortly to nominate his replacement. Tom Lukic said, "I would like to thank Ross for his contribution to the Board over the last three years; his input has been invaluable."



Trustee board: from left, Ross Parker, Tony Dunninge, Tom Lukic (Chair), Martin Staunton, Lisa Hall, Ken Hill; inset, James King, Kirsty Green-Mann



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 Information Officer)
James King (Imperial Brands Head of Finance UK and Ireland)
Martin Staunton (Imperial Brands Strategic Portfolio Transformation Director – Strategy and Development)

Nominated by pensioners and deferred members:

Kirsty Green-Mann
Ken Hill

Nominated by employees:

Position vacant

Pension Fund Office

Robert Egginton (Head of UK Pensions and Secretary)
Leigh Callaghan (Pensions Manager)



New Head of UK Pensions

Robert Egginton has joined Imperial Brands as Head of UK Pensions and Secretary to the Trustee Board, succeeding Jan Killick, who retired earlier this year.

Over the last 15 years, he has held senior roles at organisations including Mercedes-Benz UK and GXO Logistics, where he most recently led a pensions team covering the UK and Republic of Ireland for both Defined Benefit and Defined Contribution plans.

“I’m really excited to join Imperial Brands and lead the team supporting the Imperial Pension Fund,” said Robert. “The draw for me is the great reputation and history of the Fund and the journey the scheme is on to safeguard members’ benefits.”

Seeking professional advice

The Trustee reminds members of the importance of taking independent financial advice when making decisions about your pension that will impact your future income in retirement.

Whether you are considering accessing your DC pension pot or deciding which funds to invest in, taking advice from a qualified and authorised advisor is recommended.

You can find a list of advisers 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. Remember that most advisers charge for their services.

Pension Wise (moneyhelper.org.uk/en/pensions-and-retirement/pension-wise) is a Government service from MoneyHelper that offers free, impartial guidance about your DC pension options.

An appointment with Pension Wise will help you understand what your overall financial situation will be when you retire and you can book an appointment once you are aged 50 or over.

Additionally, L&G provides a retirement service which can help you decide what type of advice or guidance

might suit you best and let you know more about fees and charges. To be eligible, you must live in the UK and have a total pension pot of £20,000 or more. For further information, visit legalandgeneral.com/lgfa or call Legal & General Financial Advice on 0800 072 0003.

