Date: October 2026

Purmo Group UK Pension Scheme

1 Introduction

This statement has been prepared by the Trustees of the Purmo Group UK Pension Scheme – Defined Contribution (DC) Section (the "Scheme") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations ("the Administration Regulations") 1996 (as amended). It explains how the Trustees have met the statutory governance standards in relation to:

- The default arrangement(s);
- Requirements for processing financial transactions;
- Assessment of charges and transaction costs;
- Disclosure of net performance returns; and
- The requirement for trustee knowledge and understanding,

between 1 April 2025 and 31 March 2026, the 2025/26 Scheme year ("the Scheme Year").

2 Default arrangements

The following arrangements were the Scheme's "default arrangements" for the purposes of Administration Regulations:

- Standard Life Sustainable Multi Asset Strategy, comprising:
    - Standard Life Sustainable Multi Asset Growth
    - Standard Life Sustainable Multi Asset Pre Retirement
    - Standard Life Sustainable Multi Asset At Retirement

During the growth phase (up to 15 years before the intended retirement date) members' funds are invested in a multi-asset fund, which includes investments in equities, bonds and property. Over a 15 year period prior to retirement, the members' assets are gradually switched to a mix of lower risk investments funds. The goal of the Pre Retirement and At Retirement funds are to provide an appropriate investment strategy to members who have yet to decide how they are going to draw their benefits or wish to take a flexible income. To achieve this these funds also hold a wide range of diversified assets but, importantly, these investments are made at lower levels of risk than during the growth phase.

i. Statement of Investment Principles

The most recent Statement of Investment Principles ("SIP") is appended to this statement along with the Investment Implementation Document ("IID") which governs the Trustees' decisions about investments including its aims, objectives and policies for the Scheme's default arrangements. In particular, it covers the Trustees' policies on risk, return and ethical investing and how default arrangements are intended to ensure that assets are invested in the best interests of the members.

ii. Review of Defined Contribution section

The Trustees formally review the appropriateness of the default arrangement every three years with an earlier review undertaken if there are any significant changes in investment policy or member demographics.

The Trustees will undertake a review of the strategy and performance of the Default arrangement annually. The Trustees will also review on an annual basis the performance of the other lifestyle arrangements and all the funds available under the wider fund range. Performance of each fund is compared not just against its benchmarks but also more importantly against its objectives.

The 2026 triennial strategy review was completed in 2026. The Trustees concluded that the default investment strategy remained appropriate and suitable for the Scheme's membership. This review covered past performance, costs, as well as forward-looking and strategic factors around the value the Scheme offers to members.

3 Requirements for processing financial transactions

The Trustees' annual Report and Accounts (including financial transactions) are independently audited by the Scheme auditor, PKF Cooper Parry.

i. Service Level Agreements

During the Scheme Year, the Trustees, as part of ongoing monitoring, have reviewed the existing service agreement with its provider Standard Life. The agreement contains service levels setting out the required accuracy and turnaround times of all core financial transactions.

The Trustees continue to monitor Standard Life's performance and will take any action as appropriate.

ii. Monitoring

The Trustees regularly monitor the provider's compliance with the required service levels in respect of core financial transactions. These include the investment of contributions, fund switches and transfers into and out of the Scheme.

During the Scheme Year, the Trustees ensured that such core financial transactions were processed promptly and accurately by:

- monitoring provider service levels outlined in quarterly reports from the Scheme's provider against those required by its service level agreement; and
- monitoring the end to end process for the investment of monthly contribution payments.

These checks demonstrated that on the whole the provider was operating good procedures and controls, and acting within the agreed Scheme administration service level agreement.

In addition, the Trustees regularly conduct a small-sample review of key memberevents (including transfers-out and new joiners) to ensure cases are actioned correctly and in accordance with the agreed SLAs. It is intended that the next review will be take place in the following Scheme Year.

iii. Accuracy of record keeping and data security

The Trustees monitor the quality of the Scheme's common and conditional data with any missing or incomplete member records investigated and resolved with the provider.

4 Assessment of member-borne charges and transaction costs in the Scheme

i. Level of member-borne charges and transaction costs

Fund	2026 TER (% pa)[1]	2022 T-cost (%)	2023 T-cost (%)	2024 T-cost (%)	2025 T-cost (%)	2026 T-cost (%)	Average T-cost (% pa)
Standard Life Sustainable Multi Asset Growth Pension Fund	0.28	N/A	0.04	0.06	0.11	0.05	0.07
Standard Life Sustainable Multi Asset Pre Retirement Pension Fund	0.29	N/A	0.09	0.19	0.10	0.04	0.10
Standard Life Sustainable Multi Asset At Retirement Pension Fund	0.29	N/A	0.13	0.16	0.07	0.04	0.10
Standard Life At Retirement (Multi Asset Universal) Pension Fund	0.34	N/A	0.21	0.19	0.11	0.16	0.17
Standard Life Sustainable Multi Asset Pre Retirement (PP Universal) Pension Fund	0.28	N/A	0.06	0.13	0.09	0.04	0.08
Standard Life At Retirement - Universal (PP 10 Year) Pension Fund	0.28	N/A	0.10	0.14	0.08	0.04	0.09
Standard Life Sustainable Multi Asset Pre Retirement (PP Annuity) Pension Fund	0.29	N/A	0.09	0.18	0.08	0.03	0.10
Standard Life At Retirement - Annuity (10 YR) Pension Fund	0.28	N/A	0.08	0.13	0.04	-0.01	0.06
Standard Life BlackRock Managed (50:50) Global Equity Fund	0.31	0.07	0.04	0.03	0.00	0.02	0.03
Standard Life International Equity Pension Fund	0.32	0.12	0.17	0.09	0.13	0.15	0.13
Standard Life Managed	0.31	0.12	0.20	0.10	0.13	0.20	0.15
Standard Life Deposit and Treasury	0.30	0.02	0.04	0.08	0.06	0.00	0.04
Standard Life Index Linked Bond	0.30	0.03	0.07	0.04	0.05	-0.04	0.04
Standard Life UK Equity	0.30	0.41	0.16	0.00	0.00	0.00	0.11
Standard Life Multi Asset Managed (20-60% Shares)	0.31	0.16	0.20	0.11	0.00	0.08	0.11
Standard Life Global Equity 50:50	0.31	0.07	0.08	0.03	0.07	0.02	0.05

Standard Life Money Market Pension Fund	0.30	0.00	0.00	0.00	0.00	0.01	0.00

[1] TER (Total Expense Ratio) is the total annual running costs expressed as a percentage of a member's fund value, including annual management and fund administration charges.

[2] Where the transaction cost is a negative number, this means the returns on the fund have been positively affected by the transaction costs. Where the transaction cost is a negative number, we have assumed zero costs in our calculations.

[3] In the illustrations in the Appendix to this Statement, the average transaction costs for each fund over the last 5 years have been used in the calculations. With the average based on the full available period where fewer than five years of data exist.

[4] The Standard Life Sustainable Multi Asset strategy (Growth, Pre Retirement, At-Retirement) was launched in May 2022, as such the transactions for the funds as at 2022 are not available.

The funds above represent only those funds which were invested in by members of the Scheme as at 31 March 2026. Transaction costs are based on the year to 31 March 2026.

Members invest in a number of the above funds through the AVC arrangement of the Final Salary section of the Purmo Group UK Pension Scheme. In addition, Final Salary AVCs are also invested in the Standard Life Pension With Profits One 2006 Fund. The charges for this fund are not explicitly stated, however deductions are made for running the fund and for the cost of guarantees. The transaction costs for this fund are 0.04%.

ii. Illustrations of the effect of costs and charges on members' retirement outcomes

In order to achieve greater transparency about costs, the Trustees are required to provide members with additional information in relation to investment charges and core transaction costs. These must be set out as example member illustrations that have been prepared with regard to the relevant statutory guidance: Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes.

The illustrations for Scheme members are set out and explained in the appendices of this Chair's Statement.

iii. Value for member assessment

As the Scheme has total assets of below £100m, under the 2021 Regulations, the Trustees are required to carry out a more detailed Value for Member assessment. This includes using three comparator schemes for the purpose of comparing the costs and charges and net performance returns of the Scheme with other larger DC schemes.

The comparator schemes chosen include two unbundled DC arrangements, both with DC assets in excess of £100m. The third comparator is a Master Trust arrangement capable of taking on the benefits and assets of the Scheme.

Whilst the Trustees remain comfortable that the Scheme provides good value for members in many areas, due to the results for charges and net investment returns against the comparator schemes, the Trustees concluded that the Scheme did not provide overall good value for members relative to the comparator schemes. In order to improve the Scheme's position, the Trustees identified a number of actions that they will look to undertake over the next 12months.

The Appendix highlights that for all age profiles, the charges applied to members policies within the Scheme are higher than the comparator schemes in terms of the Default Investment Strategy. However, during the Scheme Year, the Trustees re-negotiated terms with Standard Life which resulted in the total member charge reducing by 0.05%. These changes were made effective from July 2026 and therefore the new charges will be recognised in the next Value for Member assessment for the Scheme Year ending 5 April 2027.

With respect to net investment returns, the Trustees recognise that the performance of the default fund Sustainable Multi Asset was slightly below the comparator average due to a slightly lower allocation to equities compared to the comparators. However, the Trustees are comfortable with the choice of default considering the Sustainable Multi Asset Fund is Standard Life's flagship off the shelf solution. In addition, during the year Standard Life made changes to the asset allocation in the growth phase by increasing the equity allocation to c90%. This change is expecting to have a positive impact on members retirement outcomes.

In line with statutory requirements, the Trustees also carried out a self-assessment of scheme governance and administration against certain criteria, which are prescribed in the 2021 Regulations. The Trustees continue to take action in order to improve their knowledge and understanding in order to meet the requirements in this area.

iv. ***Final Pay section – defined contribution AVCs***

In addition to the Defined Contribution section of the Scheme, the Purmo Group UK Pension Scheme also provides defined contribution benefits in the Final Pay section via Additional Voluntary Contributions ('AVCs').

The Trustees hold assets invested separately from the assets of the Final Salary section in the form of individual policies securing additional benefits on a defined contribution basis for those members who elected to pay AVCs during active service in the Final Pay section prior to closure in 2005. The performance of these investment funds are monitored on an annual basis with actions undertaken as required.

5 Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance Amendment) Regulations 2021 introduces new disclosure requirements for Trustees of DC pension schemes. The Trustees are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. The Trustees calculated the return on investments, as far as they were able to do so.

Below are the annualised net investment returns to 31 March 2026 for members where lifestyling takes place.

Default Lifestyle (Sustainable Multi Asset Strategy):

Time period		
Age of member at beginning of period (years)	1 Year (%) 31 Mar 2025 – 31 Mar 2026	5 Years (% p.a.) 31 Mar 2021 – 31 Mar 2026
25	13.9	N/A
45	13.9	N/A
55	11.3	N/A

Below are the annualised net investment returns to 31 March 2026 for all other funds i.e. where no lifestyling takes place:

Time period	1 year (%) 31/03/2025-31/03/2026	3 years (% p.a.) 31/03/2023-31/03/2026	5 years (% p.a.) 31/03/2021-31/03/2026
Standard Life Sustainable Multi Asset Growth Pension Fund	13.9	10.9	n/a
Standard Life Sustainable Multi Asset Pre Retirement Pension Fund	11.3	9.2	n/a
Standard Life Sustainable Multi Asset At Retirement Pension Fund	8.4	7.2	n/a
Standard Life At Retirement (Multi Asset Universal) Pension Fund	10.3	7.3	n/a
Standard Life Sustainable Multi Asset Pre Retirement (PP Universal) Pension Fund	9.2	7.6	n/a
Standard Life At Retirement - Universal (PP 10 Year) Pension Fund	8.4	7.1	n/a
Standard Life Sustainable Multi Asset Pre Retirement (PP Annuity) Pension Fund	8.9	7.2	n/a
Standard Life At Retirement - Annuity (10 YR) Pension Fund	1.6	-0.2	n/a
Standard Life Managed Pension Fund	13.0	8.9	5.5
Standard Life Index Linked Bond Pension Fund	2.8	-5.5	-9.8
Standard Life UK Equity Pension Fund	20.0	11.8	9.2
Standard Life International Equity Pension Fund	14.4	11.6	8.0
Standard Life Deposit and Treasury Pension Fund	3.2	3.8	2.3
SL BlackRock Managed (50:50) Global Equity Pension Fund	20.0	12.5	9.4
Standard Life Money Market Pension Fund	3.2	3.9	2.4
Standard Life Global Equity 50:50 Pension Fund	18.0	12.7	9.4
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund	10.6	6.7	3.5

Source: Standard Life.

Notes: All returns shown are cumulative performance using an annual geometric average, with gross income reinvested unless otherwise stated. Fund returns are net of all transaction costs and charges, adjusted for any scheme specific rebates or employer variations. The Standard Life Sustainable Multi Asset strategy (Growth, Pre Retirement, At-Retirement) was launched in May 2022, as such the five-year return figures are not available. Returns for default assume an expected retirement date of 65.

6 Asset Allocation of the default arrangement

The Trustees are required to disclose a breakdown of the asset allocation of the default investment strategy for the Scheme. The below table sets out the asset allocation of the default strategy across the core asset classes noted as:

- Cash
- Bonds
- Listed Equities
- Private Equities
- Infrastructure
- Property
- Private debt
- Other (any assets which do not fall into the above)

Asset Class	Strategic asset allocation (%) – as at 31/03/2026			
	25 years old	45 years old	55 years old	1 day prior to State Pension Age
Cash	0.4	0.4	1.3	3.1
Bonds	0.9	0.9	23.8	58.1
Listed equities	92.0	92.0	68.9	34.1
Private equities	-	-	-	-
Infrastructure	-	-	-	-
Property	6.6	6.6	5.8	4.7
Private debt	-	-	-	-
Other	0.1	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0

Note: Asset allocations based on fund holdings of the default strategy as at 31/03/2026. Assumes an expected retirement date of 65.

7 Trustee knowledge and understanding ('TKU')

The law requires the Trustees to possess sufficient knowledge and understanding to enable them to properly exercise their functions as Trustees including (in relation to a DC scheme) that they must be conversant with:

- The Trust Deed and Rules of the scheme
- The Statement of Investment Principles ('SIP)
- Any other scheme administration policies or scheme documents.

And must have appropriate knowledge and understanding of:

- The law relating to pensions and trusts; and
- The principles relating to:
    - The funding of occupational pension schemes.
    - Investment of the assets of such schemes.

The Trustees' own knowledge and understanding, together with the advice which is available to them through their advisers enables them to properly exercise their functions as Trustees of the Scheme. The Trustees receive bespoke training as required.

The Trustees' approach to meeting the TKU requirements during the Scheme year included:

- Regular training sessions within the Trustee meetings, which included the opportunity for discussion with advisers, to enable the Trustees to learn about and discuss current legislative and regulatory requirements;
- All of the Trustees are making progress towards the Pension Regulator's trustee toolkit certificate at the Scheme Year end. A record of completed training is maintained within the Governance Scorecard. The Trustees have agreed to complete all modules;
- The Trustees are aware and have an understanding of the Scheme's Trust Deed and Rules, SIP and other documents which are used to govern the Scheme. The Trustees use this knowledge along with the support of their advisers in order to make appropriate decisions as required during the year.

For these reasons, the Trustees believe that their combined knowledge and understanding, together with the advice that is available to the Trustee directors, enable it to properly exercise its functions as the Trustees of the Scheme.

During the Scheme Year, the Trustees have worked towards meeting the requirements of sections 247 and 248 of the 2004 Act (requirements for knowledge and understanding).

Linda Currie

Chair of Trustees

APPENDIX

Illustrations of the effect of costs and charges

Background

The next few pages contain the required illustrations about the cumulative effect of costs and charges on member savings within the Scheme over a period of time. The illustrations have been prepared having regard to statutory guidance.

As each member has a different amount of savings within the Scheme and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be. The assumptions are explained in the Notes section below the illustrations.

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. This means that the information contained in this Chair's Statement is not a substitute for the individual and personalised illustrations which are provided to members each year by the Scheme.

Key points to note

The tables below illustrate the potential impact that costs and charges might have on different investment options provided by the Scheme. Not all investment options are shown – the Trustees have chosen illustrations which it believes will provide an appropriate representative sample of the different investment choices that members can make. The Trustees have focussed on the Scheme default and the selected investment range within the illustrations.

In each of the illustrations, the "Before charges" column gives the hypothetical value of the investments if members were able to invest in funds at no cost. However, there will always be some cost to investing. This is because the organisations which manage the funds charge fees for their services, and also because buying and selling the stocks and shares which drive the funds' performance also has a cost. The "After all costs and charges deducted" column reflects the performance of the funds after these costs have been deducted.

In the illustrations, we have shown the projections for the following:

1. The default lifestyle strategy (Sustainable Multi Asset Strategy)
2. The selected investment range fund with the highest charges (Standard Life At Retirement (Multi Asset Universal) Pension Fund)
3. The selected investment range fund with the lowest charges (Standard Life Money Market Pension Fund)
4. The selected investment range with the highest expected return (Standard Life Index Linked Bond Pension Fund)
5. The selected investment range fund with the lowest expected return (Standard Life Deposit & Treasury Fund)

Member projections – the default lifestyle arrangement

The table below sets out how the pension pot of members currently aged 26 and 53 will increase over time, with and without charges. Please see the Notes below for more details.

Active member – ongoing contributions assumed to be invested in the default lifestyle strategy				
	26 year old member		53 year old member	
Years from 31/03/26	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	12,020	11,983	61,698	61,476
3	17,327	17,187	74,931	74,169
5	23,012	22,725	88,564	87,145
10	39,061	38,171	124,477	120,868
12	46,294	45,053	139,608	134,890
15	58,121	56,212	-	-
20	80,759	77,283	-	-
25	107,234	101,494	-	-
30	129,496	120,977	-	-
35	150,664	138,879	-	-
39	168,771	153,936	-	-

NOTES

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65.
3. The starting pot size is assumed to be £9,500 for the 26 year old member and £55,000 for the 53 year old member.
4. Inflation is assumed to be 2.5% each year.
5. Gross contributions for the 26 year old member are assumed to be £2,150 each year, based on a salary of £21,500. The 53 year old member is assumed to contribute £5,600 each year, this is based on a salary of £40,000. Contributions are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates (gross of fees, reduced for inflation) for the default strategy at various periods to retirement are:

    3.5% for periods up to 15 years to retirement

    1.5% when a member is 10 years from retirement

    1.5% when a member is at their retirement age, 0 years from retirement

The projected growth rate is not shown for every period to retirement above. The projected growth rate which would apply at a point in time is the weighted average of the underlying funds held by the member.

8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Individual fund projections – the funds with the lowest and highest charges and the lowest and highest expected returns

26 year old member (Highest and lowest charges)				
Years from 31/03/26	Standard Life At Retirement (Multi Asset Universal) Pension Fund		Standard Life Money Market Pension Fund	
	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	11,809	11,755	11,597	11,565
3	16,530	16,332	15,760	15,646
5	21,394	21,001	19,881	19,662
10	34,208	33,084	30,006	29,422
15	48,012	45,778	39,879	38,798
20	62,882	59,115	49,509	47,803
25	78,902	73,128	58,900	56,453
30	96,160	87,850	68,058	64,762
35	114,752	103,317	76,990	72,743
39	130,655	116,252	83,976	78,900

53 year old member (Highest and lowest charges)				
Years from 31/03/26	Standard Life At Retirement (Multi Asset Universal) Pension Fund		Standard Life Money Market Pension Fund	
	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	61,467	61,174	60,311	60,136
3	74,693	73,705	70,853	70,286
5	88,319	86,487	81,291	80,273
10	124,213	119,568	106,931	104,550
12	139,335	133,265	117,008	113,990

26 year old member (Highest and lowest returns)				
Years from 31/03/26	Standard Life Index Linked Bond Pension Fund		Standard Life Deposit and Treasury Pension Fund	
	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	12,125	12,090	11,597	11,561
3	17,736	17,596	15,760	15,631
5	23,862	23,571	19,881	19,634
10	41,761	40,824	30,006	29,348
15	64,065	61,977	39,879	38,661
20	91,861	87,914	49,509	47,589
25	126,499	119,714	58,900	56,148
30	169,664	158,705	68,058	64,354
35	223,457	206,511	76,990	72,220
39	275,879	252,429	83,976	78,278

53 year old member (Highest and lowest returns)				
Years from 31/03/26	Standard Life Index Linked Bond Pension Fund		Standard Life Deposit and Treasury Pension Fund	
	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	63,200	63,004	60,311	60,114
3	80,722	80,025	70,853	70,213
5	99,858	98,491	81,291	80,144
10	155,759	151,816	106,931	104,248
12	181,799	176,382	117,008	113,608

The tables above show the projected pots for a member aged 26 and a member aged 53 invested in the above funds. The Standard Life At Retirement (Multi Asset Universal) Pension Fund has the highest charge and Standard Life Money Market Pension Fund has the lowest charge. The Standard Life Index Linked Bond Pension Fund had the highest expected returns of the selected investment fund range, while the Standard Life Deposit and Treasury Fund had the lowest expected returns of the selected investment fund range.

NOTES

1. The illustrations show the how the pots grow for a 26 year old member (which is the youngest member of the Scheme) and a 53 year old member (which is the median age of Scheme members). The projections are to age 65 (i.e. in 39 and 12 years' time respectively).

2. The starting pot size for the 26 year old member is assumed to be £9,500 which is the expected starting pot for a member who has just joined the Scheme. For the member aged 53, we have used the median sized pot which is currently £55,000.
3. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
4. Inflation is assumed to be 2.5% each year.
5. For the 26 year old member, the illustrations assume ongoing contributions of £2,150 each year; this is based on a salary of £21,500. For the 53 year old member, the illustrations assume ongoing contributions of £5,600 each year; this is based on a salary of £40,000.
6. Salary is assumed to increase each year at the same rate as inflation.
7. Values shown are estimates and are not guaranteed.
8. Transaction costs are based on data provided by Standard Life.
9. The projected growth rates (gross of fees, reduced for inflation) for each fund are shown in the table below. These are consistent with the rates used in the Statutory Money Purchase Illustration (SMPI) Assumptions when preparing the annual benefit statements.

Fund	Return assumption above inflation (p.a.)
Standard Life At Retirement (Multi Asset Universal) Pension Fund	1.5%
Standard Life Index Linked Bond Pension Fund	4.5%
Standard Life Deposit and Treasury Pension Fund	-0.5%
Standard Life Money Market Pension Fund	-0.5%