Chair's DC Governance Statement, covering 1 January 2025 to 31 December 2025

1. Introduction and members' summary

The **Hanson Industrial Pension Scheme** (the "Scheme") is an occupational pension scheme providing defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it; members choose their investments (or are invested in the default investment option) and bear the investment risk. Some members also have Additional Voluntary Contributions ("AVCs") in the Scheme.

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Scheme, are required to produce a yearly statement (signed by the Chair of Trustees) covering:

- the design and oversight of the default investment option (ie where contributions are invested for members who do not wish to choose their own investments);
- processing of core financial transactions (ie administration of the Scheme, such as investment of contributions);
- the charges and transaction costs borne by members for the default investment option and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Scheme is assessed; and
- Trustee knowledge and understanding.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the default and other investment options remain suitable for the membership.

  Over the Scheme year, no changes to the default investment option were made.
- The Scheme's administrator, Capita, processed core financial transactions promptly and accurately to an acceptable level during the Scheme year, however, we are working with Capita to reduce the number of complaints and GDPR breaches .

  We have engaged with Capita to understand the causes of these issues and will monitor progress against remedial actions, and sought assurance that appropriate measures are being implemented to improve service standards and strengthen data protection controls.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.

  Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Scheme and represent value for the benefits members obtain.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Default arrangements

The Scheme is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

We have made available a range of investment options for members. Members who join the Scheme and who do not choose an investment option are placed into the HIPS Drawdown Lifestyle, the default investment option which in this Statement is called the "Main Default". We recognise that most members do not make active investment decisions and instead invest in the Main Default. After taking advice, we decided to make the Main Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

In addition to the Main Default, there is also a 'legacy' default lifestyle (the "Legacy Default"). We decided to retain this in the Scheme for members who had fewer than five years to retirement when the transition to the new investment arrangements was implemented in November 2014. As the only members that remain invested in this lifestyle had fewer than five years to their expected retirement date, they will currently be in the final switching phase or past their target retirement age and therefore invested in the HIPS Fixed Interest Gilts Fund and the HIPS Money Market Fund.

The HIPS Money Market Fund has also been classified as a default arrangement since April 2020, when the HIPS Property Fund was suspended and Scheme members' contributions to the HIPS Property Fund were redirected into the HIPS Money Market Fund. Although the HIPS Property Fund re-opened in October 2020, ongoing contributions remain directed to the HIPS Money Market Fund, unless members actively choose to redirect them to another fund in the range.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the Main Default arrangement.

The Main Default aims to generate returns significantly above inflation whilst Scheme members are some distance from retirement, and switch automatically and gradually into less risky assets as members near retirement. The asset allocation at retirement is designed to be appropriate for members who wish to flexibly access their DC account in the Scheme by using income drawdown.

The Scheme's Legacy Default's objective is to generate returns significantly above inflation whilst members are some distance from retirement, and switch automatically and gradually into less risky assets as the member nears retirement date, with the asset allocation at retirement designed to be appropriate for members who wish to purchase an annuity.

The HIPS Money Market Fund invests in a diversified portfolio of high credit quality fixed income securities and money market instruments, and aims to achieve an investment return similar to the interest rates available on short-term sterling money market instruments.

Details of the objectives and our policies regarding the Main Default are set out in a document called the 'Statement of Investment Principles' ("SIP"). The Scheme's SIP covering the Main Default is attached to this Statement as an Appendix.

The review of the Scheme's default arrangements commenced on 29 October 2025. The review remains ongoing at the time of publishing this report and we will include details in next year's statement. The last review was carried out on 15 February 2023. We regularly monitor the performance of the Main Default and formally review the strategy (aims, objectives and SIP policies) at least every three years or immediately following any significant change in investment policy or the Scheme's member profile.

In addition to triennial strategy reviews, we also review the performance of the Main Default against its objectives on a quarterly basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Scheme year concluded that the Main Default was performing broadly as expected and consistently with the aims and objectives as stated in the SIP.

Over the year, a number of legacy AVC policies were transferred into the Main Default with the aim of improving value for those members. The policies in question were with Prudential, Zurich and Utmost. Some members remain invested in a legacy arrangement due to guarantees that would be lost on transfer or large exit charges that would be incurred.

Asset allocation breakdown

We are required to show the asset allocation of the default arrangements. In line with DWP's guidance we have also shown this asset allocation for different ages as at the scheme year end. We note that totals may not sum due to rounding.

HIPS Drawdown Lifestyle Strategy (Main Default)

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	0.4	0.4	0.9	26.6
Corporate bonds (UK and overseas)	1.0	1.0	2.3	3.8
UK government bonds	3.6	3.6	8.0	13.4
Overseas government bonds	4.2	4.2	9.4	15.7
Listed equities	88.9	88.9	74.9	33.2
Infrastructure	1.0	1.0	2.3	3.8
Property (direct)	0.8	0.8	1.7	2.8
Other	0.2	0.2	0.5	0.8

The property allocation is in respect of the Invesco Global Direct Property Fund which invests directly in property. The infrastructure allocation is through the L&G Infrastructure Equity MFG Fund, which invests in infrastructure through global listed infrastructure equities.

HIPS Legacy Lifestyle Strategy (Legacy Default)

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	0	0	0	25
UK government bonds	0	0	0	75
Listed equities	100	100	100	0

We note that as at 31 August 2025, all members invested in this strategy were past their Target Retirement Age and therefore invested in the at retirement allocation.

HIPS Money Market Fund

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	100	100	100	100

3. Processing of core financial transactions

The processing of core financial transactions is carried out by the Scheme administrator, Capita. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Scheme, transfers of assets between different investments within the Scheme, and payments to members and beneficiaries.

We have received assurance from Capita that there are adequate internal controls to support prompt and accurate processing of core financial transactions. The Scheme has a Service Level Agreement ("SLA") in place with Capita which covers the accuracy and timeliness of all core financial transactions. The key processes adopted by Capita to help it meet the SLA are as follows:

- The processing of monthly contributions, and payment reconciliation, with the investment manager(s) within 3 days of receipt of contributions and contribution data.
- The processing of investment fund switches within 3 working days of receipt of member requests. Members can do this by using an online form hosted on 'Hanson Pensions' (Heidelberg Materials UK Pensions | Heidelberg Materials UK Pensions).
- The processing of transfer requests into the Scheme within 3 working days and transfer requests out of the Scheme within 5 working days from receipt of request. All DC members can view their fund values online if they are registered on the website.
- The processing of retirement requests and payments within 5 days from receipt of request.
- The production of annual benefit statements and Statutory Money Purchase illustration statements within 2 months following the receipt of full, accurate data.
- Annual reporting on the completeness and accuracy of common data.
- Management of member records and financial data.
- Recording all member transactions and benefit processing activities in a work management system which automatically assigns the correct SLA for each activity. Work activity is monitored, with tasks allocated daily.
- Providing monthly bank and unit reconciliations to the Trustee. Peer review and authorisation of transactions across different approval levels is processed at a case level.

To help us monitor whether service levels are being met, we receive quarterly reports about the administrator's performance and compliance with the SLA. Any issues identified as part of our review processes would be raised with the administrators immediately, and steps would be taken to resolve the issues.

Reported SLA rates for each quarter during the Scheme year were 96% in Q1, 97% in Q2, 99% in Q3 and 98% in Q4, above the SLA target of 95%. However, the SLA success rates for transfer outs, transfer applications and retirement quotes were inconsistent over the period.

Capita reports member complaints in its quarterly reports. During the Scheme year, most complaints related to delays in providing information, retirement quotes, transfer outs, transfer timescales and unclear communication from the administration team. Complaints are ordinarily addressed by Capita through written apologies and, where appropriate, compensation. In the previous reporting year, Capita indicated that mitigation actions included reviewing the backlog to prioritise older or more urgent cases and introducing monthly meetings to progress member cases. While this provides some context on steps previously taken to address service issues and mitigate complaints, we are working with Capita to assess the effectiveness of those measures given the continued incidence of complaints. We continue to monitor this closely and have raised our concerns with Capita.

Capita also reports any GDPR breaches in its quarterly reports. Over the Scheme year, twelve data breaches were reported, compared with four in the previous Scheme year. The increase in reported breaches is a concern and has been raised with Capita, and we will continue to monitor this to ensure Capita takes appropriate steps to strengthen its processes in this area.

Overall, based on the information reviewed during the Scheme year, we are satisfied that there were no material administration issues in relation to the processing of core financial transactions and that such transactions were processed promptly and accurately to an acceptable standard. Notwithstanding this, we have concerns regarding the number and nature of member complaints and the increase in reported GDPR breaches during the year. These matters have been raised with Capita, and we will continue to monitor performance closely and engage with Capita to support the delivery of improvements.

4. Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges are shown as a per annum ("pa") figure and exclude administration charges, since these are not met by the members.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds. The TER and transaction costs are the only costs borne by members.

The charges and transaction costs have been supplied by Fidelity who are the Scheme's platform provider. Additionally, charges and transaction costs have also been requested from the Scheme's AVC providers Prudential, Zurich, Royal London, Utmost, Countrywide Assured, Phoenix and Aviva. When preparing this section of the Statement, we have considered the relevant statutory guidance. Whilst charges and transaction cost data has been obtained for some AVC funds, we continue to work with our investment advisers to source the most up-to-date data for the remaining funds. Our investment advisers continue to liaise with the AVC providers to obtain this data for inclusion in next year's Statement.

Under the prescribed way in which transaction costs have been calculated, it is possible for figures to be negative, where market movements are favourable between the time a trade is placed, and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations, we have used zero where a transaction cost is negative to give a more realistic projection (ie we would not expect transaction costs to be negative over the long term).

Default arrangements

The Main Default, the HIPS Drawdown Lifestyle, has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and the funds in which they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table.

Main Default charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.20	0.06
15 years to retirement	0.26	0.07
10 years to retirement	0.31	0.09
5 years to retirement	0.41	0.13
At retirement	0.45	0.16

Legacy Default charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
At retirement	0.14	0.05

The TER and transaction cost figures have been shown at the point of retirement for the Legacy Default, as the only Scheme members that remain invested in it have passed their Target Retirement Age.

HIPS Money Market Fund charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
HIPS Money Market	0.18	0.02

The default arrangements do not have any performance-based fees associated with them.

Self-select and AVC options

In addition to the Main Default, members also have the option to invest in two other lifestyles, targeting annuity purchase and cash withdrawal, and several other self-select funds. The annual charges for these lifestyles during the period covered by this Statement are set out in the tables below.

HIPS Annuity Lifestyle charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.20	0.06
15 years to retirement	0.26	0.07
10 years to retirement	0.31	0.09
5 years to retirement	0.25	0.06
At retirement	0.14	0.01

HIPS Cash Lifestyle charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.20	0.06
15 years to retirement	0.26	0.07
10 years to retirement	0.31	0.09
5 years to retirement	0.41	0.13
At retirement	0.18	0.02

The level of charges for each self-select fund (including those used in the Main Default) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the Main Default are shown in **bold**.

Self-select fund charges and transaction costs (% per annum)

Fund name	TER	Transaction costs
HIPS UK Equity	0.12	0.21
HIPS World Equity	**0.12**	**0.02**
HIPS World Equity (Hedged)	**0.12**	**-0.03**
HIPS Active Diversified	**0.80**	**0.37**
HIPS Passive Diversified	**0.28**	**0.03**
HIPS Property	0.55	0.12
HIPS Fixed Interest Gilts	0.12	0.06
HIPS Index-Linked Gilts	0.12	-0.03
HIPS Corporate Bonds	0.12	0.01
HIPS Money Market	**0.18**	0.02
HIPS 60:40 Global Equity	0.13	0.09
HIPS Low Carbon Global Equity	0.13	0.01
HIPS Islamic Global Equity[1]	0.21	0.01

[1] TER for the HIPS Islamic Global Equity Fund was reduced by 0.12% pa in December 2025 due to the changes to the benchmark index of its underlying fund, the HSBC Islamic Global Equity Index Fund.

AVC funds charges and transaction costs (% per annum)

AVC provider / fund name	TER	Transaction costs
Utmost		
Managed Pension	0.75	0.05
Multi-asset Cautious Pension	0.75	0.21
Multi-asset Moderate Pension	0.75	0.18
Multi-asset Moderate Life	0.75	0.18
Clerical Medical With Profits	Not available	0.25
Royal London		
Crest Secure Fund	1.45[1]	N/A
Countrywide Assured		
Managed Pension[2]	1.39	Not available
Prudential		
With-Profits	N/A[3]	Not available
Discretionary[4]	0.76	0.16

UK Equity[4]	0.72	0.28
International Equity[4]	0.76	0.11
Cash[4]	0.55	0.00
Zurich		
Equity Managed[5]	0.99	0.57
Managed[5]	0.98	0.35
Secure[5]	0.35	0.00
UK Preference and Fixed Interest[5]	0.96	0.09
UK Equity[5]	0.98	0.07
With-Profits[5]	0.99	0.57
Aviva		
FP With-Profits Sub-Fund	N/A	Not available

Source: Providers. As at 31 December 2025.
[1] Data as at 25 April 2025.
[2] Data as at 28 October 2022.
[3] Charges on the With-Profits Fund vary and depend on investment returns and the expenses incurred.
[4] TERs as at April 2025 and transaction costs as at 30 June 2023.
[5] TERs as at 18 November 2024 and transaction costs as at 30 September 2023.

AVC funds in the Scheme's legacy arrangements, shown in the table above, are closed to future contributions. At the time of writing the report, we have not received all information in respect of policies with Royal London, Countrywide Assured, Prudential and Zurich. We will continue to work with our advisors to source these figures.

Over the year, a number of policies with Prudential, Zurich and Utmost were transferred into the Main Default with the aim of improving the value received by these members.

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past five years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past five years as these are expected to be more indicative of longer-term costs compared to only using figures over the Scheme year.
- The illustration is shown for the Main Default (the HIPS Drawdown Lifestyle Strategy, as well as the other legacy / legislative default arrangements (the Legacy Default and the HIPS Money Market Fund) and two funds from the Scheme's self-select fund range. The two self-select funds shown in the illustration are:
    - the fund with highest annual member borne costs (TER plus Scheme Year transaction costs) – this is the HIPS Active Diversified Fund
    - the fund with lowest annual member borne costs – this is the HIPS World Equity (Currency Hedged) Fund.

Projected pension pot in today's money

Years invested	Default option		Legacy Default option		HIPS Money Market		HIPS Active Diversified		HIPS World Equity (Currency Hedged)	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£29,200	£29,100	£29,300	£29,200	£28,300	£28,200	£28,800	£28,400	£29,500	£29,500
3	£45,200	£45,000	£45,600	£45,500	£41,700	£41,500	£43,700	£42,400	£46,700	£46,500
5	£62,300	£61,800	£63,200	£62,800	£55,000	£54,700	£59,000	£56,300	£65,400	£65,100
10	£109,900	£108,100	£112,700	£111,400	£87,700	£86,700	£99,400	£91,500	£120,100	£119,200
15	£165,300	£161,300	£171,500	£168,700	£119,600	£117,600	£142,800	£127,000	£188,200	£186,100
20	£229,800	£222,600	£241,300	£236,100	£150,800	£147,500	£189,700	£162,800	£273,100	£269,100
25	£304,300	£291,700	£324,200	£315,500	£181,100	£176,400	£240,200	£198,900	£379,000	£371,900
30	£388,800	£367,300	£422,700	£408,900	£210,700	£204,300	£294,600	£235,300	£510,800	£499,200
35	£480,900	£445,200	£539,700	£519,000	£239,500	£231,200	£353,100	£272,100	£675,200	£657,000
40	£556,900	£502,200	£681,400	£651,900	£267,700	£257,200	£416,200	£309,100	£880,000	£852,600

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long term annual inflation assumption used is 2.5%.
- Annual salary growth is assumed to be 2.5%. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.
- The starting pot size used is £21,500. This is the approximate average (median) pot size for the membership.
- The projection is for 40 years, being the approximate duration that the youngest scheme member has until they reach the scheme's Normal Pension Age.
- The salary is assumed to be £46,000. This is the approximate median salary of the active membership.
- Total median contributions (employee plus employer) are assumed to be 15% of salary per year.

- The projected before costs annual returns used are as follows:
  - Main Default: 3.1% above inflation for the initial years, gradually reducing to 1.0% above inflation at the ending point of the lifestyle
  - Legacy Default: 3.5% above inflation for members 5 years from retirement, reducing to a return of 3.3% above inflation at the ending point of the lifestyle
  - HIPS Money Market Fund: 0.5% below inflation
  - HIPS Active Diversified Fund: 1.5% above inflation
  - HIPS World Equity (Currency Hedged) Fund: 4.5% above inflation
- No allowance for active management outperformance has been made.

Please note that the expected returns used in the projections are the same assumptions used in the Scheme's latest Statutory Money Purchase Illustrations ("SMPIs"). Rules around SMPIs mean that return assumptions are set in a prescribed way based on the volatility of investment returns, with higher volatility meaning higher assumed returns. Because gilts have been very volatile in recent years the SMPI approach results in assumptions that may be considered unrealistic, specifically that gilts are assumed to have a higher return than equities over the long term. Therefore, you should interpret the projections with caution and any significant change to your investments should not be based solely on them. You should consider obtaining professional financial advice before making any significant change to your investments.

5. Investment returns

This section shows the return, after the deduction of member borne charges and transaction costs, for all investment options in which member assets were invested during 2025, over periods to the Scheme year end (31 December 2025). We have had regard to the statutory guidance in preparing this Section.

The With-Profits fund returns stated are that of the underlying investments, which are the only figures that can be quoted. With Profits Funds are designed to smooth the returns members receive over their investment term and underlying investment returns are not the only factor determining the return members receive.

At the time of writing the report, we have not received information in respect of policies with Aviva and Royal London. We will continue to work with our advisors to source these figures.

For arrangements where returns vary with age, such as for the Main Default, returns are shown over various periods for a member aged 25, 45, 55 and 60 at the start of the period the returns are shown over.

The Main Default, Cash Lifestyle and Annuity Lifestyle have the same underlying asset allocations for members who are aged 25, 45 and 55, and so have the same net returns for members of these ages. Asset allocations, and therefore returns, of these three Lifestyles only begin to diverge once members reach the age of 57 (assuming a retirement age of 65).

HIPS Drawdown Lifestyle (Main Default) net returns

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	12.0	10.6
45	12.1	9.9
55	12.4	6.4
60	10.5	2.6

HIPS Cash Lifestyle net returns over periods to Scheme year end

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	12.0	10.6
45	12.1	9.9
55	12.4	6.4
60	10.5	3.1

HIPS Annuity Lifestyle net returns

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	12.0	10.6
45	12.1	9.9
55	12.4	5.9
60	10.1	-0.3

Legacy Default net returns

Age of member at the start of the period	1 year (%)	5 years (% pa)
25 – 55[1]	23.0	11.3
60[1]	19.3	-0.3

[1] There were no members of these ages invested in the Legacy Default over the period. The youngest member was aged 66 as at 31 August 2025.

Self-select fund net returns

Fund name	1 year (%)	5 years (% pa)
HIPS UK Equity	20.2	10.3
HIPS World Equity	13.1	13.0
HIPS World Equity Fund - currency hedged	19.6	13.1
HIPS BlackRock 60:40 Global Equity	23.0	11.3
HIPS Low Carbon Global Equity Fund	17.6	18.3[1]
HIPS Islamic Global Equity Fund	13.6	16.9[2]
HIPS Active Diversified	7.6	-0.2
HIPS Passive Diversified	7.2	2.3
HIPS Property	5.3	4.8
HIPS Fixed Interest Gilts	4.3	-12.3
HIPS Index-Linked Gilts	1.2	-10.3
HIPS Corporate Bonds	6.7	-1.3
HIPS Money Market	4.3	3.0

[1] The underlying fund does not have a 5-year track record, therefore performance since inception in April 2024 has been shown.
[2] The fund does not have a 5-year track record, therefore performance since inception in April 2024 has been shown.

AVC fund net returns

Fund name	1 year (%)	5 years (% pa)
Utmost Managed Pension	17.6	7.9
Utmost Multi-Asset Cautious Pension	9.9	7.3[1]
Utmost Multi-Asset Moderate Pension	14.6	6.6
Utmost Multi-Asset Moderate Life	12.1	9.5[1]
Clerical Medical With-Profits[3]	12.2	5.9
Royal London Crest Secure	Not available	Not available
Zurich Equity Managed[2]	13.2	10.6
Zurich Managed[2]	11.4	7.4
Zurich Secure[2]	4.0	3.0
Zurich UK Preference and Fixed Interest[2]	4.5	-4.6
Zurich With-Profits[3]	9.6	2.6
Countrywide Assured Managed Pension	9.1	5.2
Prudential With-Profits	11.6	2.2
Prudential Discretionary	14.7	2.8
Prudential UK Equity	21.3	3.9
Prudential International Equity[4]	22.5	10.6
Prudential Cash[4]	4.2	3.3
Aviva FP With-Profits Sub-Fund	Not available	Not available

Source: Providers. Fees are shown net of standard charges.
[1]The fund does not have a 5 year track record therefore 3 year performance has been shown.
[2] Returns are shown to 31 January 2026.
[3] Returns are shown before taxes and charges.
[4] Returns are shown to 31 March 2026.

6. Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim that members are obtaining value for money given the circumstances of the Scheme. The date of the last review was 3 March

2026. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. Our investment advisers have confirmed that the fund charges are competitive in comparison to similar sized schemes.

Our assessment included a review of the performance of the Scheme's investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the investment funds members could choose during the period covered by this statement have been consistent with their stated investment objectives.

In carrying out the assessment, we also consider the other benefits members receive from the Scheme, which include:

- our oversight and governance, including ensuring the Scheme is compliant with relevant legislation, and holding regular meetings to monitor the Scheme and address any material issues that may impact members;
- the design of the default arrangement and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Scheme website where members can access fund information online; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

This summary sets out our ratings and the high-level rationale behind it.

Charges – Very Good

The charges remain competitive when compared to similar sized pension schemes, with the charges for most funds within the Scheme in line with or below average charges for similar schemes.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Administration – Poor

Capita's performance exceeded the agreed SLA targets for the Scheme year, however, a high number of complaints and some GDPR breaches were also reported. We are undertaking an operational review and working closely with Capita to understand the current processes, identify causes of service issues, and improve these areas.

Governance – Very good

The Trustee is committed to the DC section of the Scheme and ensures governance is of a high standard.

Communications – Good

The Trustee makes use of a wide suite of communication tools to provide members with accurate, timely information.

Default investment arrangement – Very good

The Main Default targets income drawdown at retirement which is suitable for most members. The Main Default continues to perform in line with its stated performance objectives.

Investment range – Very good

A clear and appropriate self-select fund range is offered to members. The fund range provides access to all major asset classes and offers suitable alternative lifestyle strategies.

At-retirement services – Good

Support and guidance offered to members is clear, timely and reflects the choices available to members when taking their benefits.

Scheme design – Very good

The Company and Trustee's commitment to the Scheme is strong and demonstrated in the Scheme design and contributions.

Overall, we believe Scheme members are receiving good value for money for the charges and costs they incur, for the reasons set out in this section. We aim to improve value for members in future by continuing to monitor Capita's performance closely and engage with them to improve the delivery of administration services.

7. Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

With support from our advisers, we regularly consider training requirements to identify any knowledge gaps. Our advisers proactively raise any changes in governance requirements or other relevant matters and deliver training at Trustee meetings where appropriate. During the period covered by this Statement, we received training on various topics including cyber training, investing in private markets, VFM framework changes, alternative lifestyle strategies, the Government's DC pension review and contribution adequacy. Additionally, we receive quarterly updates on topical pension issues from our advisers. Trustee Directors undertake training as a group and are also encouraged to pursue individual training.

In July 2025, we published our Task Force on Climate-Related Financial Disclosures (TCFD) report in respect of the 2024 Scheme year. The TCFD report for the 2025 Scheme year will be published in 2026. In doing so, we have ensured that we have the requisite knowledge and understanding of climate-related matters and received appropriate training.

We are familiar with and have access to copies of the Scheme's governing documentation and documentation setting out our policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Scheme. The SIP is formally reviewed every three years and as part of making any change to the Scheme's investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil our duties.

All Trustee Directors have completed the Pensions Regulator's Trustee Toolkit, an online learning programme designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law. Regular training is provided on aspects of Trustee Knowledge and Understanding requirements. A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Trustee Directors are also required to maintain a personal training log.

The Scheme has a structured six-month induction process. New Trustee Directors are provided key Scheme documents to read and become familiar with, and support training where required. They are also encouraged to complete the Pension Regulator's toolkit, attend a trustee training course, and invited to take a training needs analysis to identify specific training needs. At the end of the first six-month period, a review is undertaken to determine if any further support is needed. Helen Mayfield left the Board on 17 September 2025 and was replaced by Levi Wright.

We conduct a periodic evaluation of our knowledge and to help to identify training needs. We periodically evaluate the effectiveness of the Trustee Board against the objectives set out in the Scheme's business plan. This includes assessing Trustee knowledge, experience, and skills in relation to individual sub-committees. The last Trustee effectiveness review was carried out in March 2024, with no significant issues identified.

Our approach to training, in conjunction with the support received from advisers, ensures we have relevant knowledge and understanding of Scheme documentation, the relevant funding and investment principles, pensions and trust law and regulations, and timely access to market developments to effectively run the Scheme and make informed decisions.

The Chair of the Trustee is an independent professional trustee. His general pensions expertise and experience as well as his knowledge of the Scheme documents supports the Trustee in fulfilling its knowledge and understanding requirements.

In addition, we have appointed professional advisers whom we meet regularly to on matters specific to the Scheme. For example, the investment adviser attends all quarterly Joint Investment Sub-Committee meetings, the administrator has monthly operational calls which are fed into the Trustee meetings, and the legal adviser attends most Trustee meetings. Advisers are expected to take a proactive approach and raise relevant matters as they arise.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (e.g. investment advisers, legal advisers), we believe that we are well placed to exercise our functions as Trustee Directors of the Scheme properly and effectively.

____ Date: __________________

Signed by the Chair of Trustees of the Hanson Industrial Pension Scheme