

Governance Statement

ANNUAL GOVERNANCE STATEMENT FOR THE PLAN YEAR ENDING 5 APRIL 2025

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS")

1. Introduction

- 1.1 Regulations effective from 6 April 2015 require the Trustee to prepare a statement showing how it has met governance standards in relation to defined contribution ("DC") benefits under the Plan. In doing so, we provide the various statutory disclosures required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The DC benefits under the Plan include both the DC Section and the DC Additional Voluntary Contributions ("AVCs") in the Final Salary ("DB") Section of the Plan. DB members are able to invest AVCs in the same funds available within the DC Section.

- 1.2 The statement covers six principal areas:

1. *The default investment arrangement*
2. *Core financial transactions*
3. *Charges and transaction costs*
4. *Value for Members' assessment*
5. *Long-Term Net Investment Return, and*
6. *The Trustee's compliance with the statutory knowledge and understanding ("TKU") requirements.*

As Chair of the Trustee, it is my pleasure to report to you on how the Trustee has embedded these standards over the period from 6 April 2024 to 5 April 2025.

This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need financial advice, a list of independent financial advisers can be obtained on-line at www.moneyhelper.org.uk. If you choose to use a financial adviser, please be sure to check their area of expertise and their charges before making any commitments.

This statement will be published on a publicly available website:

www.essentrapl.com/en/responsibility/our-culture/pensions. The Trustee will notify members of its availability in their Annual Benefit Statement.

2. Default Investment Arrangement in the DC Section

A copy of the Plan's latest Statement of Investment Principles ("SIP") dated September 2024 is appended to this document. A copy of the SIP is also available on the website: www.essentrapl.com/en/responsibility/our-culture/pensions

- 2.1 The SIP has been prepared in accordance with Section 35 of the Pensions Act 1995, regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent legislation. The SIP covers our aims and objectives in relation to the default investment arrangements as well as our policies relating to matters such as risk and diversification. In addition to the default funds, the SIP and accompanying Investment Policy Implementation Document ("IPID") cover alternative investment choices available under the Plan, covering a range of funds that our members can choose which was designed with their needs in mind.
- 2.2 The default investment arrangement follows a pre-set investment route that transitions members' savings over the 5 years prior to members' selected retirement date from a Growth fund (a combination of global equities and a diversified fund) to the Liquidity Fund (100% cash, at retirement).

- 2.3 The growth phase of the default lifestyle invests 50% in the LGIM 30/70 Global Equity and 50% in the multi-asset LGIM Diversified Fund. Overall, these investments are expected to provide long term growth with some protection against inflation erosion, albeit with volatility. As members' funds grow, investment risk will have a greater impact on outcomes. This is achieved via automated lifestyle switches over the five-year period prior to a member's selected retirement date.

The last strategy review was completed in 2023; the next formal review is due in 2026.

3. Core Financial Transactions

- 3.1 As required by the Administration Regulations, the Trustee must ensure that core financial transactions are processed promptly and accurately. This includes:

- Investment of contributions paid to the Plan by members and their employers;
- Transfers of members' assets into and out of the Plan;
- Transfers of members' assets between different investment options available in the Plan, and;
- Payments from the Plan to, or in respect of, members.

- 3.2 The Trustee operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately. Core financial transactions for the Plan continued to be processed promptly and accurately during the Plan year, with Barnett Waddingham (the Plan's administrator) processing 100% of cases within the targets agreed with the Trustee.

- 3.3 The Schedule of Contributions sets out timescales for Essentra Plc. ("the Company") to remit monthly contributions to the Plan in accordance with legislative requirements. However, agreed practice provides for payment of contributions in advance of these timescales. The deduction and payment of contributions is reviewed by the Company. Once received, contributions are invested in accordance with the timescales set out in the administration agreement with the Plan's Administrator.

- 3.4 Barnett Waddingham LLP have in place procedures and checks to mitigate the risk of human error. These include, but are not limited to:

- Daily monitoring of the Trustee bank account;
- A dedicated contribution processing team, and;
- At least two individuals checking all investment and banking transactions.

- 3.5 The Trustee receives administration reports produced by Barnett Waddingham LLP, which are reviewed by the Trustee at each meeting. This enables the Trustee to monitor that the requirements for the processing of financial transactions are being met.

- 3.6 The administration report also reports any errors identified by the administrators in relation to the processing of core financial transactions, together with the steps taken to rectify potential errors and any changes to the administrators' processes which have been implemented to ensure that there is no repetition of such errors.

- 3.7 The service level agreement with Barnett Waddingham LLP sets out the approach (including timescales) regarding the transfer of members' assets into and out of the Plan, the transfer of members' assets between different investment options available in the Plan and payments from the Plan to, or in respect of, members.

- 3.8 The service level standards are reviewed periodically to ensure they remain appropriate and meet legislative requirements. Over the Plan year, Barnett Waddingham LLP processed 100% of cases within the targets agreed with the Trustee, with 100% of cases completed within target plus 3 days, as detailed in the table overleaf.

Case type	Stage	Tasks completed	Stages				Within target	Within target (%)	Within target + 3 days	Within target + 3 days (%)
			Brought forward	Started	Completed	Carried forward				
DC contributions/allocations/IVCs	✓	11	1	24	23	2	23	100%	23	100%
DC switches		33	2	33	33	2	33	100%	33	100%
Death notifications	✓	34	11	168	169	10	169	100%	169	100%
Deaths set up dependant	✓	9	0	36	36	0	36	100%	36	100%
Deferred benefits - statement		58	0	58	58	0	58	100%	58	100%
Divorce correspondence/calculations		4	0	4	4	0	4	100%	4	100%
HMRC correspondence		5	0	5	5	0	5	100%	5	100%
Individual data changes		361	8	371	361	18	361	100%	361	100%
Member benefit enquiry		970	10	968	970	8	970	100%	970	100%
Member online enquiry		36	0	36	36	0	36	100%	36	100%
New entrants		12	0	12	12	0	12	100%	12	100%
Payroll items/pensioners' enquiries		40	2	40	40	2	40	100%	40	100%
Retirement illustrations		245	12	246	245	13	245	100%	245	100%
Retirement set ups	✓	114	18	192	194	16	194	100%	194	100%
Scheme enquiry		56	5	57	56	6	56	100%	56	100%
Short service leavers	✓	1	2	1	2	1	2	100%	2	100%
Transfer in implementation	✓	3	1	7	5	3	5	100%	5	100%
Transfer in quotation	✓	8	2	23	23	2	23	100%	23	100%
Transfer out calculation		241	9	244	241	12	240	100%	241	100%
Transfer out payment	✓	77	16	149	143	22	143	100%	143	100%
Overall		2,510	110	2,902	2,883	129	2,882	100%	2,883	100%

Source: Barnett Waddingham LLP.

- 3.9 The Trustee appoints an independent auditor, JW Hinks LLP, to carry out an annual audit of the Plan, including the material financial transactions that have taken place during the Plan year. The auditors carry out spot checks to ensure that contributions to the Plan or payments made by the Plan are paid in accordance with the Plan's rules. There were no issues to report during the period to which the Statement relates.
- 3.10 BW provided regular updates in the quarterly administration report confirming prompt processing over the year. The Trustee is satisfied that the Plan's core financial transactions have been processed promptly and accurately during the period to which the Statement relates.
- 3.11 The Risk Register is currently under review as part of the Trustee's work on its Effective System of Governance, but will continue to set out controls to mitigate the effects of any risks, including risks in relation to processing core financial transactions.
- 3.12 Core transactions require liaising with the investment managers. The Trustee has delegated the day-to-day investment management of the DC Section assets to the underlying investment manager, Legal & General Investment Management Limited ("LGIM").

4. Charges and Transaction Costs

- 4.1 As required by the Administration Regulations, the Trustee is required to report on the member borne charges and transactions costs for the investments used in the default investment arrangement as well as funds available as self-select options to members of the DC Section and members with AVC funds, and on the Trustee's assessment on the extent to which member borne charges and costs represent good value for members.
- 4.2 The range of charges and transaction costs applicable to the default arrangement during the period are detailed in this section. Transaction costs can be incurred when buying and selling investments. Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund). The Financial Conduct Authority has provided guidance to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.
- 4.3 Charges relating to investment management are deducted from members' funds. The Plan is used as a qualifying arrangement for auto enrolment and as such must comply with regulations on charge controls introduced from April 2015. Specifically, all of the default investment arrangements under the Plan must have a total expense ratio equal to, or below the charge cap of 0.75% p.a. of savings.
- 4.4 The table below shows the total expense ratio (TER) in each of the funds underlying the Plan's default lifestyle arrangement (the 5 Year Cash Lifestyle Strategy). The overall charge being deducted from a member's fund, if in the default lifestyle arrangement, will reflect the member's allocations in each of the underlying funds. The TER is at its highest during the growth phase, falling during the five years prior to the Selected Retirement Age, to reflect the automated transition of assets to the Liquidity Fund, which has a lower TER.

Default Lifestyle Arrangement Funds	TER (% pa)	Transaction Cost (% pa)
Growth	0.24	0.07
Sterling Liquidity	0.13	-0.01

Source: LGIM, as at 31 March 2025. Charges shown are the charges that applied for the reporting period. Please note that LGIM did not disclose the charges for the Growth, Pension Lifestyle nor the Drawdown fund as part of the data gathered for this report (only the component funds). The TER and transaction costs shown here have been calculated by Schroders Solutions based on the funds' underlying components and allocations.

The Plan complies with the regulations on charge controls introduced from April 2015. Specifically, all of the stages used in the Plan's default Cash Lifestyle Strategy have a TER that is considerably below the charge cap of 0.75% p.a. of savings.

The table below provides information on the charges applicable to the funds offered as self-select options, as at 31 of March 2025.

Fund	TER (% pa)	Transaction Cost (% pa)
Global Equity Market Weights (30/70) Index	0.15	0.04
Global Equity Fixed Weights (50:50) Index	0.12	0.03
UK Equity Index	0.08	0.01
North America Equity Index	0.13	0.00
Europe (ex-UK) Equity index	0.15	0.02
Japan Equity Index	0.13	0.00
Asia Pacific (ex-Japan) Equity Index	0.18	-0.01
World Emerging Markets Equity Index	0.35	-0.01
Growth	0.24	0.07
Diversified	0.34	0.03
Retirement Income Multi-Asset (RIMA)*	0.35	0.05
Drawdown*	0.32	0.04
Future World Annuity Aware **	0.15	0.00
Over 15 Year Fixed Interest Gilts Index	0.04	0.06
Over 5 Years Index Linked Gilts	0.04	0.07
Sterling Liquidity** / ***	0.13	-0.01

Source: LGIM, as at 31 March 2025. Please note that LGIM did not disclose the charges for the Growth, Pension Lifestyle nor the Drawdown fund as part of the data gathered for this report (only the component funds). The TER and transaction costs shown here have been calculated by Schroders Solutions based on the funds' underlying components and allocations. Please note that two funds, the Inflation-Linked Pension Target fund and RIMA fund, are available as standalone self-select investment options but currently have no assets invested in them.

*Part of the alternative Drawdown Lifestyle option.

** The fund is a component of the alternative Pension Lifestyle option.

4.5 The Trustee has made this information accessible to members on the website URL:

www.essentrapl.com/en/responsibility/our-culture/pensions

Impact of Costs and Charges

Using the charges and transaction cost data provided by LGIM and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot. The statutory guidance has been considered when providing these examples.

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Plan's relevant funds/strategies listed in brackets):

- The default arrangement (Cash Lifestyle Strategy)
- The most expensive fund (LGIM – Emerging Markets Equity)
- The least expensive fund (LGIM – Fixed Interest Gilts (Over 15 year))

The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Contributions, where applicable;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical active member's pension pot, we have provided the below illustrations, which account for all estimated member costs, including the TER, transaction costs and inflation.

Illustration 1: A typical active member invested in the DC fund range

	Default Strategy		Highest cost fund: LGIM – Emerging Markets Equity		Lowest cost fund: LGIM – Fixed Interest Gilts (Over 15 year)	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
45	£20,000	£19,900	£20,000	£19,900	£20,200	£20,100
50	£41,300	£40,800	£41,300	£40,700	£43,100	£42,900
55	£66,600	£65,300	£66,600	£64,700	£71,500	£71,000
60	£96,400	£93,800	£96,400	£92,700	£106,800	£105,700
65	£120,400	£116,700	£131,700	£125,200	£150,500	£148,500

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator. The assumed member is age 44, with a normal retirement age of 65, using a starting pot size of £16,130 and a salary of £36,620. The member's total contributions (including those from the employer) are assumed to be 9% of the member's salary per annum, and is assumed to increase in line with inflation.
4. Assumes inflation of 2.5% per annum.
5. Charges, transaction costs and estimated growth rates (according to AS TM1 v5.1 guidance) are assumed as follows:

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	TER	Transaction costs	Growth rate assumptions
The Default Strategy	0.24% p.a. for members 5 or more years from retirement, falling to 0.13% p.a. for members at retirement	0.03% p.a. for members 5 or more years from retirement; an average of -0.06% for members within 5 years of retirement and beyond	6.0% p.a. before inflation for members 5 or more years from retirement, falling to 2.00% p.a. before inflation for members at retirement
LGIM – World Emerging Markets Equity	0.35% p.a.	0.04% p.a.	6.0% p.a. before inflation
LGIM – Fixed Interest Gilts (Over 15 year)	0.04% p.a.	0.06% p.a.	7.0% p.a. before inflation

Charge and costs figures provided by LGIM; growth rate assumptions provided by Schroders Solutions. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. The transaction costs shown above are an average of the costs provided for the 5 year period to 31 March 2025.

Illustration 2: A typical deferred member invested in the DC fund range

	Default Strategy		Highest cost fund: LGIM – Emerging Markets Equity		Lowest cost fund: LGIM – Fixed Interest Gilts (Over 15 year)	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
45	£5,400	£5,400	£5,400	£5,400	£5,500	£5,500
50	£6,400	£6,300	£6,400	£6,300	£6,800	£6,800
55	£7,600	£7,400	£7,600	£7,300	£8,400	£8,400
60	£9,000	£8,600	£9,000	£8,500	£10,500	£10,300
65	£9,700	£9,200	£10,600	£9,900	£13,000	£12,700

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator. The assumed member is age 44, with a normal retirement age of 65, using a starting pot size of £5,260. The member is assumed to be making no further contributions to the Plan.
4. Inflation is assumed to be 2.5% per annum.
5. Charges, transaction costs and estimated growth rates (according to AS TM1 v5.1 guidance) are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
The Default Strategy	0.24% p.a. for members 5 or more years from retirement, falling to 0.13% p.a. for members at retirement	0.03% p.a. for members 5 or more years from retirement; an average of -0.06% for members within 5 years of retirement and beyond	6.0% p.a. before inflation for members 5 or more years from retirement, falling to 2.00% p.a. before inflation for members at retirement
LGIM – World Emerging Markets Equity	0.35% p.a.	0.04% p.a.	6.0% p.a. before inflation
LGIM – Fixed Interest Gilts (Over 15 year)	0.04% p.a.	0.06% p.a.	7.0% p.a. before inflation

Charge and costs figures provided by LGIM; growth rate assumptions provided by Schroders Solutions. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. The transaction costs shown above are an average of the costs provided for the 5 year period to 31 March 2025.

- 4.6 The Trustee acknowledges the requirement to publish these illustrations on a website and this page will be available in time for the deadline of 7 months following the Plan year end, that is by no later than 5 November 2025. The 2025 benefit statements will include the web address in order to inform members where they can access this information.

5. Value for Members

- 5.1 In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustee is required each year to consider the extent to which the investment options and the benefits offered by the Plan (including the charges and transaction costs described above) represent good value for members when this is compared to other options available in the market.
- 5.2 Whether something represents "good value" is not defined, but for these purposes, the Trustee considers that charges may be viewed as representing "good value" where the combination of costs and the quality of what is provided in return for those costs is appropriate for the Plan membership as a whole, when compared to other options available in the market.
- 5.3 In particular, "good value" is not purely about achieving the lowest possible costs. The Trustee's assessment therefore also takes into consideration non-financial and indirect benefits to members such as: the quality of the customer service and support provided to members; the extent to which member communications and member websites are user-friendly, accessible and clear; the efficiency of the Plan's administration services; the quality of fund management and fund performance against the Trustee's investment objectives; and the robustness of the Plan's governance structures and processes.
- 5.4 The Trustee has assessed the extent to which the charges set out above represent value for members. The Trustee has concluded, following receipt of a report from Schroders Solutions, the Plan's independent DC adviser, that overall the Plan offers good value for money relative to peers including other pension plans of a similar size and nature. The report used data from Schroders Solutions, the Pensions Regulator and other public surveys, ratings within the report were relative to options available to the Trustee with alternative investment managers and providers.
- 5.5 The Trustee conducted a detailed Value for Members' assessment in order to arrive at this conclusion, incorporating consideration of:
- Investment charges for the default investment arrangement and self-select options;
 - Transaction costs;
 - Net cost of performance;
 - The fund range available to members;
 - Investment manager ratings;
 - Plan governance;
 - Administration efficiency; and
 - Communications.
- 5.6 In September 2025, Schroders Solutions, assessed the extent to which the charges under the Essentra Pension Plan represent value for members relative to its peers. Overall, the Trustee concluded that the Plan continues to offer good value for money relative to peers and alternative arrangements that are available. The reasons underpinning this conclusion include:

- The fund charges for the default arrangement are competitive and at the lower end of the Master Trust range and largely in line with the fund charges offered by its peers on the Mobius Life platform.
 - All funds are well below the charge cap of 0.75% p.a.
 - The performance of the Plan's funds over the period covered by the value for members report is outlined below:
 - The Growth Fund performance compares well versus the Master Trust universe and its peers. However, it has underperformed its benchmark over the 5 years to 31/03/2025 due to the benchmark having a greater allocation to equity than the fund itself, during a period of strong equity market performance. The LGIM Sterling Liquidity Fund has effectively tracked its benchmark over the 5 years to 31/03/2025.
 - An appropriate range of self-select options is provided. Over the 5 years to 31/03/2025, the passive funds available to members have successfully tracked their benchmarks (within an acceptable tracking error), with the exception of the LGIM Emerging Markets Equity and European (ex-UK) Equity Index funds, which were outside the acceptable tracking error.
 - Four of the five active self-select funds have underperformed their benchmarks over a 5-year period, albeit one of these funds, the LGIM Sterling Liquidity fund, underperformed by 0.1% p.a.. Of the other three underperforming funds, two have exposure to the LGIM Diversified fund (a multi-asset fund); the benchmark provided by LGIM for this fund is 100% equity, which has led to performance discrepancies during a period of strong equity performance. The final underperforming fund, the Essentra Growth fund, has exposure to the LGIM Retirement Income Multi-Asset fund, which has a Cash + 3.5% performance comparator; this also led to performance discrepancies during a period of strong cash returns.
 - Transaction costs for the Essentra lifestyle components in 2025 are within or lower than their historic ranges, except for the Growth fund, which had transaction costs slightly above the historic range. In addition, most transaction costs for the self-select funds in 2025 were within or lower than their historic ranges. The only exceptions were the LGIM Diversified and LGIM European (ex-UK) Equity Index funds, which were also slightly above their historic ranges.
- 5.7 In other areas the assessment found that the Plan offers good value for money across the range of additional features for members, including scheme governance and management, administration, and communications.
- 5.8 Additionally, the Company pays for all administration, member communication and some advisory costs associated with operating the Plan, which further enhances the value that members receive. The Company also pays for the blending of investment funds, a cost that is typically passed onto members in other pension arrangements.
- 5.9 The non-financial benefits of membership were also considered and included (amongst other things): the efficiency of administration processes and the extent to which Barnett Waddingham LLP as administrator met its service level agreements for the year; the communications delivered to members; and the quality of Plan governance.
- 5.10 The Trustee is satisfied that Barnett Waddingham LLP has provided a good administration service during the Plan year. The Trustee will continue to monitor the administration and performance of the Plan's investment funds.
- 5.11 This review is an annual requirement, and the next formal Value for Money assessment is to be undertaken for the year ending 5 April 2026.

6. Long-Term Net Investment Returns

6.1 Regulations introduced in 2021 require the Trustee to report on the net investment returns for the Plan's default arrangement(s) and for each fund which Plan members are, or have been able to, select, and in which members are invested during the Plan year. Net investment returns refer to the returns on funds minus all transaction costs and charges.

6.2 The table below includes the long-term net investment return for the Plan's default and alternative lifestyle arrangements, which have been calculated in accordance with the statutory guidance.

Default strategy / Alternative Lifestyles	Annualised returns to 31/03/2025 (% p.a.)	
Age of member at start of period	1 Year	5 Years
25	6.2	10.4
45	6.2	10.4
55	6.2	10.4

Members are 100% invested in the growth phase until the age of 60 across all lifestyle strategies. Therefore, the annualised returns are the same at these ages.

6.3 The table below includes the long-term net investment return for the Plan's self-select funds:

Self-select fund	Annualised net returns to 31/03/2025 (% p.a.)	
	1 year	5 years
Global Equity Fixed Weights (50:50) Index	6.0	12.7
Global Equity Market Weights (30/70) Index	7.8	14.3
UK Equity Index	10.4	12.1
North America Equity Index	6.1	17.4
Europe (ex-UK) Equity index	0.6	11.8
Japan Equity Index	-3.5	8.1
Asia Pacific (ex-Japan) Equity Index	-6.0	7.6
World Emerging Markets Equity Index	8.2	8.0
Diversified	4.5	6.6
Over 15 Year Fixed Interest Gilts Index	-8.2	-12.6
Over 5 Years Index Linked Gilts	-10.5	-9.0
Future World Annuity Aware	-3.2	-5.1
Sterling Liquidity	5.0	2.4
Growth	6.2	10.4
Drawdown*	4.1	4.1

Source: LGIM performance data (as at 31 March 2025)

Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle in the table above.

Please note that two funds, the Inflation-Linked Pension Target fund and RIMA fund, are available as standalone self-select investment options but currently have no assets invested in them.

*The fund was introduced as a new standalone option for members under the DC Section in June 2021. The fund consists of two underlying funds: 75% RIMA and 25% Sterling Liquidity. No assets have yet been invested in the standalone RIMA Fund.

- 6.4 The Trustee acknowledges the requirement to publish the net return information on a website and this page will be available in time for the deadline of 7 months following the Plan year end, that is by no later than 5 November 2025. The 2025 benefit statements will include the web address in order to inform members where they can access this information.

7. Default Strategy Asset Allocation as at 31 March 2025

- 7.1 From 1st October 2023, the Trustees are required to disclose the underlying percentage of assets allocated to each of the asset classes shown below in their default arrangement, at different stages of the lifestyle process:

Asset class (%)	25-year-old member	45-year-old member	55-year-old member	65-year-old member (1 day prior to State Pension Age)
Cash	0.0	0.0	0.0	100.0
Corporate bonds, UK government bonds and overseas government bonds	10.9	10.9	10.9	0.0
Listed equities	67.6	67.6	67.6	0.0
Private equity	1.2	1.2	1.2	0.0
Infrastructure	2.9	2.9	2.9	0.0
Other property/real estate	5.5	5.5	5.5	0.0
Other private debt/credit	10.2	10.2	10.2	0.0
Other assets	1.9	1.9	1.9	0.0
Total	100.0	100.0	100.0	100.0

Source: LGIM, as at 31 March 2025; Schroders Solutions, calculations as at September 2025.

8. Trustee Knowledge and Understanding

- 8.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee is required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Plan.
- 8.2 We also note the presence of an Investment Committee (IC), which meets regularly to discuss investment matters relating to the Plan. There are in place Terms of Reference which set out the responsibilities of the IC, these are reviewed annually.
- 8.3 This requirement has been met during the course of the Plan year and the Trustee has undertaken regular training throughout the year.
- 8.4 Trustee training is considered as part of the annual Trustee business plan to determine any specific training and development needs, training sessions are then planned accordingly.

- 8.5 All training activities are recorded in a training log. As well as training during Trustee Board Meetings, Trustee Directors participate in other training and maintain a log of that training. A copy of those training logs is available for inspection on application to the Secretary to the Trustee.
- 8.6 The Trustee's meetings held in the period for this statement were attended by the Plan's advisers. Training and advice delivered as part of the business at these meetings is incorporated by the Trustee into their decision making processes.
- 8.7 The Trustee is conversant with, and has a working knowledge of, the Trust Deed and Rules and the policies and documents setting out the Trustee's running of the Plan. If there are any ambiguities over the interpretation of the Rules, legal advice is sought from the Plan's legal advisors. During the year, the Trustee has demonstrated this knowledge through:
- Making decisions relating to death benefit provisions;
 - The Trustee is carrying out a gap analysis in relation to its Effective System of Governance.
- 8.8 The Trustee is conversant with, and has a working knowledge of, the current SIP and investment matters. The Trustee undertakes regular training on investments and reviews the investments held by the Plan at each meeting. The Trustee has sufficient knowledge of investment matters to be able to challenge their advisors, during the year the Trustee demonstrated this knowledge through:
- The investment arrangements being monitored and discussed at each meeting. This stimulates and enhances the Trustee's knowledge of investment principles and member needs.
 - In accordance with regulations, the Trustee prepares on an annual basis the Implementation Statement setting out how, and the extent to which, SIP has been followed during the Plan year.
- 8.9 Over the course of the Plan year, the Trustee has demonstrated its continuous commitment to learning by undertaking the following DC related training:
- ESG review (Apr 24)
 - Actuarial valuation training (Apr 24)
 - Benefits Specification Legal Review (Jul 24)
 - Online reporting demonstration & training (Jul 24)
 - Training on Illiquids (DC section) (Sep 24)
 - Buy-in/out training and objective setting (Dec 24)
- 8.10 The Trustee received professional advice from Schroders Solutions to support it in reviewing the performance of the Plan and in governing the Plan in line with the Trust Deed and Rules, and the relevant skills and experience of Schroders Solutions is a key criterion when evaluating advisor performance or selecting new advisers. The advice received by the Trustee along with their own experience allows them to properly exercise their function as trustee.
- 8.11 The Trustee also reviews and assesses, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.
- 8.12 The Trustee is required to have a robust training programme in place for newly appointed Trustee Directors. For the Plan, upon appointment, a Trustee Director is required to

undertake completion of the Pensions Regulator's online training programme. The Trustee toolkit is expected to be completed within six months of appointment.

8.13 There has been changes to the Trustee Board during the Year. The current Trustee Directors are:

- John Scollen
- Liz Fallon
- Sue Thomas
- Matt Taylor (appointed on 6th April 2023, resigned 1st May 2025)
- Stuart Payne (appointed on 25th of April 2024)
- Kevin Jezzard (appointed on 1st August 2025)

Kevin Jezzard has completed the Trustee Toolkit and is deemed to have gained sufficient knowledge and understanding as expected by the Pension Regulator within the first six months of their appointment.

The agenda for training is discussed amongst the Trustee Directors to ensure that training is focussed on potential gaps in knowledge. As a result, the Trustee as a whole is comfortable that the Trustee Directors have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles of funding and investment in a plan to fulfil their role.

8.14 The Trustee believes that the best run pension plans utilise the combined skill and knowledge of both the Trustee and its professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors. Additionally, the following measures have applied during the period:

- The Trustee's professional advisors attend its formal meetings;
- The Trustee board contains trustee directors with wide ranging skills and experience, including pension experience; and
- The Trustee receives briefings from its advisors on all legislative and regulatory developments at each meeting.

8.15 The Trustee understands that having knowledge and the professional advice available needs to be used effectively in order for the Trustee to act properly. The Trustee will review and assess, on an ongoing basis, whether the systems, processes and controls across key governance issues are consistent with those set out in the Pension Regulator's Code of Practice 13.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee to the best of my knowledge.

I confirm that the Trustee to the best of its knowledge has produced the above statement.

Signed for and on behalf of the Trustee of the Essentra Pension Plan

Date 25th September 2025

By

Chair of Trustee