

Annual Chair's Statement for the DC Section of the Servier Laboratories Limited Pension Fund (the "Scheme")

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustees to prepare an annual statement regarding governance and include this in the annual Trustees report and accounts. The governance requirements apply to all defined contribution ("DC") pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement, issued by the Trustees, covers the period from **1 April 2025 to 31 March 2026** and is in relation to the DC Section of the Scheme.

Areas that we have considered when drafting this statement:

1. The Default Option
2. Net investment returns
3. Member-borne charges and transaction costs
 - i. Default arrangement
 - ii. Self-select funds
 - iii. Illustrations of the cumulative effect of these costs and charges
4. Value for Members assessment
5. Processing of core financial transactions
6. Trustee's knowledge and understanding

As required the Trustees have published this Chair's Statement on a website where individuals can view, download and print a copy. The Chair's Statement can be accessed at <https://www.servier.co.uk/about-servier-uk/>

1. The Default Option

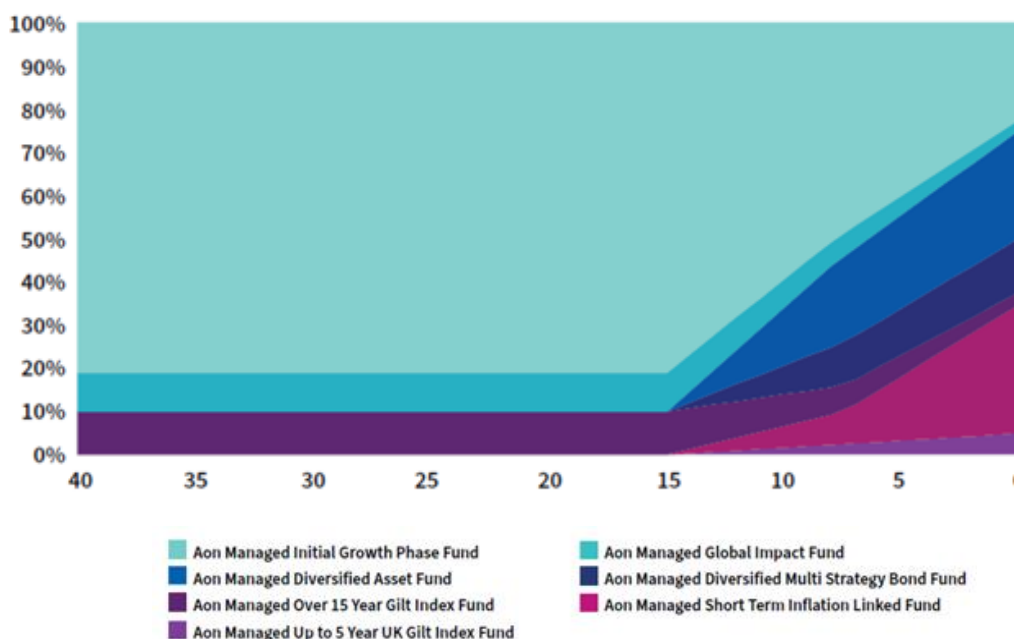
The Scheme is used as a Qualifying Workplace Pension Scheme for auto-enrolment. The Default Option is provided for members who either select the option or join the Scheme and do not choose an investment option for their contributions.

The Trustees are responsible for investment governance. This includes setting and monitoring the investment strategy for the Scheme's Default Option.

The latest Statement of Investment Principles (SIP) for the Scheme which governs decisions about investments in the Scheme, including the specific requirements of the Default Option together with the details of how the Default Option is currently invested, is appended to this statement and is available here: <https://www.servier.co.uk/wp-content/uploads/sites/21/2025/09/Servier-Statement-of-Investment-Principles-July-2025.pdf>. The SIP was last updated on 25 July 2025 to reflect changes to the investment strategy of the DB section of the Scheme. The aims and objectives of the Default Option, as stated in the SIP, are as follows:

- To maximise the value of members' assets at retirement
- To maintain the purchasing power of members' savings in real (i.e. post-inflation) terms; and
- To provide protection for accumulated assets in the years approaching retirement against:
 - Sudden (downward) volatility in the capital value
 - Fluctuations in the cost of securing an income and / or cash in retirement

The Default Option is the **Retirement Pathway Fund** targeting drawdown and is illustrated below:



Source: Aon Investments Limited, for illustration purposes only

Each member is allocated to the relevant Retirement Pathway Fund with a target date that most closely matches their selected retirement date. For example, a member who is due to reach their selected retirement date in 2029 would be allocated to the Aon Managed Retirement Pathway 2028-30.

The above chart shows the different underlying funds that a member's retirement savings are invested in within the Default Option, throughout their retirement journey. The switching of a member's retirement savings across these different underlying funds happens automatically on a member's behalf within each Retirement Pathway Fund.

The Retirement Pathway Fund aims to provide members with the potential for higher levels of growth during the accumulation of their retirement savings through exposure to growth assets such as equities (stocks and shares of companies). As a member gets closer to retirement, the Retirement Pathway Fund gradually diversifies into other types of investments with an aim to reduce overall volatility, whilst continuing to provide growth above inflation and prevent capital erosion and align the distribution of assets to the different options members have when they take their benefits.

It is the Trustees' policy to review the Scheme's investment strategy, including the Default Option, and all fund options on a regular basis or following any significant changes in the demographic profile of the Scheme members. In setting the Default Option, the Trustees considered analysis of the existing membership of the DC Section, including consideration of factors such as age, accumulated fund values and term to retirement.

As at 31 March 2026, the last investment strategy review (including a review of the Default Option) for the Scheme was completed on **11 July 2023**. The Default Option review considered the suitability of the Default Option taking into account the level of retirement savings that an average saver could expect based on expected future investment returns, the way in which members are likely to take their benefits at retirement and the level of investment risk (i.e. volatility) that the Default Option takes throughout. The review concluded that both the Default Option and self-select fund choice remained suitable for members. An investment strategy review is undertaken for the Scheme at least every three years, as prescribed by the Regulations. Therefore, the next review is currently underway and the outcome will be reported in next year's Statement.

1.1 Performance monitoring

The Trustees delegate the investment management to Aon Investments Limited. Aon Investments Limited is responsible for managing the underlying investments of the Default Option and self-select funds. Aon Investments Limited will report changes to the Trustees, via the quarterly investment reports, manager presentations and ad-hoc updates between quarters.

In addition to the strategy review, the Trustees also review the performance of the Default Option and investment options against their aims, objectives and policies on a quarterly basis through the investment reports provided by Aon Investments Limited. Performance is considered against the aims and objectives of the Default Option including analysis of fund performance to check that the risk and return levels meet expectations. Performance is reviewed against both the set benchmarks for individual funds and a long-term return objective agreed with the investment manager (which varies depending on how close a member allocated to that Pathway is to retirement).

The Trustees reviewed the performance of the Default Option for the year to 31 March 2026 at their meeting on 20 July 2026, together with their investment advisers.

The Trustees noted that the relevant Retirement Pathway Funds had delivered strong positive returns above inflation over the five years to 31 March 2026 for both members a long way from retirement (represented by the Pathway Fund for a member retiring in 30 years' time) and members approaching retirement (represented by the Pathway Fund for a member retiring in 10 years' time). This was consistent with the Trustees' objective, as set out in the SIP, of maximising the value of members' assets at retirement while maintaining the purchasing power of members' savings in real (post-inflation) terms. Although both funds underperformed their long-term return objectives over the five-year period, they achieved these objectives over the three years to 31 March 2026 and since inception. The Trustees noted that the five-year period included a prolonged phase of unusually high inflation and significant market volatility during 2022 and 2023.

For members at retirement, the relevant Retirement Pathway Fund also generated positive returns over the five years to 31 March 2026, broadly keeping pace with inflation. This was in line with the Trustees' objective, as set out in the SIP, of protecting members' accumulated assets in the years leading up to retirement from sudden falls in capital value and fluctuations in the cost of securing retirement benefits, whether as income and/or cash. While the fund underperformed its long-term return objective over the five-year period, it met this objective over the three years to 31 March 2026 and since inception.

Overall, the Trustees are comfortable that the investment strategy is performing as expected and continues to meet the goals set out in the SIP. For more details, please see Section 4.

The Trustees also receive updates regarding any changes that Aon Investments Limited make to the Default Option and fund range, along with the rationale for these changes, expected impact on returns and risk. For example, during the year the Manager amended the asset allocation of the Default Option by introducing a new asset class (long-dated nominal gilts) within the growth phase. This change is expected to help improve medium-term returns for members whilst maintaining a similar level of investment risk (investment risk is the risk of a member's fund falling in value). These changes were implemented in two tranches between July and August 2025 with no impact on annual management charges paid by members.

1.2 Specified performance based-fees

Where a fee is calculated by reference to the returns from investments held by the Scheme and is not calculated by reference to the value of the member's rights under the Scheme, the Trustees must state the amount of any such performance-based fees in relation to each Default Option. **During the Scheme Year the Scheme was not subject to any performance based-fees.**

1.3 Default Option asset allocation

The Trustees are required to disclose their full asset allocations of investments for the Default Option at various ages. The table below shows the percentage of assets allocated in the Default Option, the Retirement Pathway Fund, to specified asset classes over the year to 31 March 2026. The specified asset classes are:

Asset class	Average asset allocation over year to 31 March 2026 (%)			
	25 years old	45 years old	55 years old	NRA (age 65)
Cash	0.0%	0.0%	1.9%	3.0%
Bonds				
Corporate bonds	0.0%	0.0%	1.6%	2.5%
Fixed interest government bonds	10.0%	10.0%	11.1%	11.4%
Index-linked government bonds	0.0%	0.0%	6.2%	29.6%
Other bonds	0.0%	0.0%	5.5%	8.5%
Listed equities				
UK equities	2.8%	2.8%	2.1%	1.1%
Developed market equities (excluding UK)	71.3%	71.3%	53.5%	28.1%
Emerging markets	7.8%	7.8%	5.9%	3.1%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	1.2%	1.2%	0.8%	0.3%
Property	6.9%	6.9%	4.7%	2.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	6.7%	10.4%

Source: Aon Investments Limited.

2. Net Investment Returns

The Trustees are required to report the net investment returns for each fund Scheme members were invested in during the reporting period. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges.

The net investment returns shown below have been prepared having regard to statutory guidance. **It is important to note that past performance is not a guarantee of future performance. A member's fund value can fall as well as rise in value.**

As well as the Default Option, the Trustees also make available a range of self-select investment options. Net returns of these funds have been included below.

2.1 Default Option - Retirement Pathway Fund

Performance to 31 March 2026	Annualised net returns (% p.a.)		
Age of member at the start of the period	1 year	5 years	10 years
25	13.8	7.9	9.7
45	13.8	7.9	9.7
55	12.0	7.1	9.2

Source: Aon Investments Limited.

2.2 Self-select funds

Performance to 31 March 2026	Annualised net returns (% p.a.)		
Fund name	1 year	5 years	10 years
Aon Managed Retirement Pathway to Cash 2022-2024 Fund	3.9	3.2	n/a
Aon Managed Retirement Pathway to Annuity Perpetual Fund	3.2	-3.1	0.4
Aon Managed Passive Corporate Bond Fund	4.1	-0.9	1.8
Aon Managed Long Term Inflation Linked Fund	2.5	-9.0	-1.7
Aon Managed Pre-Retirement Bond Fund	2.9	-5.2	-0.2

Legal & General FTSE4GOOD Developed Equity Index Fund	18.9	12.0	13.3
HSBC Islamic Global Equity Index Fund	19.6	13.3	15.6
Aon Managed Active Global Equity Fund	8.8	5.5	10.0
Aon Managed Global Equity Fund	15.4	8.9	10.6
Aon Managed Diversified Multi-Asset Fund	9.9	4.6	4.3
Aon Managed Liquidity Fund	4.0	3.2	1.7
Aon Managed Property and Infrastructure Fund	6.6	3.5	4.7
Aon Managed Global Impact Fund	11.5	4.5	n/a

Source: Aon Investments Limited. Where performance is shown as N/A, this is because performance is unavailable as the relevant fund has not been incepted for long enough.

3. Member-borne Charges and Transaction costs

The Trustees are required to set out and assess the costs associated with the Scheme, which are paid by the members. These costs comprise charges and transaction costs.

- **Charges** – these include the Annual Management Charge ("AMC" – the annual fee charged by the investment manager for investing in a fund), as well as **additional fund expenses**. Together the AMC and the additional fund expenses make up the **Total Expense Ratio (TER)**, which is the total cost of investing in the fund. The AMC and TER information is readily available as these charges are explicit and are a percentage of members' funds. The TER is paid by the members and is reflected in the unit price of the funds.
- **Transaction costs** – are costs which are incurred within the day-to-day management of the assets by the fund manager. This covers such things as the cost of buying and selling securities within the fund. Transaction costs are incurred on an on-going basis and are implicit within the performance of the fund and are reflected in the unit prices paid by members. Where transaction costs have been provided as a negative cost, these have been set to zero in this statement.

When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance.

Details of the TERs and transaction costs are below for members' information. We have also included some illustrations to demonstrate the impact of these costs on a members' pension pot over time.

TERs and transaction costs for the Default Option (Retirement Pathway Fund, Drawdown)

The TERs that were applicable to the Default Option, as at 31 March 2026, ranged from 0.30% p.a. to 0.31% p.a. Transaction costs ranged between 0.04% to 0.13% across all the Retirement Pathway Funds. Details of the TERs and the transaction costs to 31 March 2026 were as follows:

Fund name	AMC (% pa) as at 31 March 2026	TER (% pa) as at 31 March 2026 (including AMC)	Transaction costs as at 31 March 2026 (%)	Total costs as at 31 March 2026 (%)
Aon Managed Retirement Pathway Perpetual	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2013-2015	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2016-2018	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2019-2021	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2022-2024	0.28	0.30	0.13	0.43
Aon Managed Retirement Pathway 2025-2027	0.28	0.31	0.13	0.44
Aon Managed Retirement Pathway 2028-2030	0.28	0.31	0.12	0.43
Aon Managed Retirement Pathway 2031-2033	0.28	0.31	0.12	0.43
Aon Managed Retirement Pathway 2034-2036	0.28	0.31	0.10	0.41
Aon Managed Retirement Pathway 2037-2039	0.28	0.31	0.07	0.38
Aon Managed Retirement Pathway 2040-2042	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2043-2045	0.28	0.31	0.04	0.35

Aon Managed Retirement Pathway 2046-2048	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2049-2051	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2052-2054	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2055-2057	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2058-2060	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2061-2063	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2064-2066	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2067-2069	0.28	0.31	0.04	0.35
Aon Managed Retirement Pathway 2070-2072	0.28	0.31	0.04	0.35

Source: Aon Investments Limited

The TERs for the Default Option can fluctuate but are subject to a maximum of 0.42% pa. Importantly, this range is well within the charge cap set by the regulations of 0.75% p.a.

TERs and transaction costs for the self-select funds

In addition to the Retirement Pathway Fund targeting Drawdown, the Trustees also make available two other Retirement Pathway funds targeting Cash or Annuity and eleven self-select funds, which may be chosen as an alternative to the default Retirement Pathway strategies. A full breakdown of the TERs and transaction costs for the funds available as at 31 March 2026 are listed in the table below:

Fund Name	AMC (% pa) as at 31 March 2026	TER (% pa) as at 31 March 2026 (including AMC)	Transaction costs as at 31 March 2026 (%)	Total costs as at 31 March 2026 (%)
Aon Managed Retirement Pathway to Annuity Perpetual Fund	0.28	0.28	0.01	0.29
Aon Managed Retirement Pathway to Cash 2022-2024	0.28	0.28	0.02	0.30
Aon Managed Long Term Inflation Linked Fund	0.17	0.18	0.01	0.19
Aon Managed Pre-Retirement Bond Fund	0.29	0.29	0.00	0.29
Aon Managed Liquidity Fund	0.17	0.17	0.02	0.19
Aon Managed Active Global Equity Fund	0.58	0.61	0.15	0.76
Aon Managed Global Impact Fund	0.63	0.76	0.08	0.84
Aon Managed Global Equity Fund	0.19	0.21	0.04	0.25
Aon Managed Diversified Multi-Asset Fund	0.28	0.31	0.17	0.48
Aon Managed Property and Infrastructure Fund	0.35	0.37	0.09	0.46
Aon Managed Passive Corporate Bond Fund	0.17	0.18	0.01	0.19
HSBC Islamic Global Equity Index Fund	0.20	0.20	0.00	0.20
Legal & General FTSE4GOOD Developed Equity Index Fund	0.35	0.35	0.01	0.36

Source: Aon Investments Limited. Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustees to avoid potentially understating the total level of costs and charges.

Illustration of the effect of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. The Trustees have set out below illustrations of the impact of charges and transaction costs on different investment options in the Scheme in order to help members understand the potential impact of costs and charges on their retirement savings.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members, and are based on a number of assumptions about the future which are set out below.

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 and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Scheme they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements.

The assumptions are explained below:

- The "before charges" figures represent the savings projection assuming an investment return with no deduction of member-borne fees (i.e. TERs) or transaction costs. The "after charges" figures represent the savings projection using the same assumed investment return but after deducting member-borne fees and an allowance for transaction costs.

The illustrations are shown for the Default Option; the Aon Managed Retirement Pathway, since this is the arrangement with the most members invested in it, as well as a range of funds from the Scheme's self-select fund range. The self-select funds shown in the illustrations are:

- A – the fund with the lowest annual member-borne costs – the *Aon Managed Liquidity Fund*
- B - the fund with highest annual member-borne costs – this is the *Aon Managed Global Impact Fund*
- C - the self-select fund with the greatest assets invested in it – this is the *Aon Managed Global Equity Fund*.

We have shown an illustration for:

- Illustration 1 - an active member with a fund value of £89,600. This represents the 'median' active member (i.e. someone contributing to the Scheme).
- Illustration 2 - a member with a fund value of £5,000. This represents the youngest member who has only been in the Scheme for a short while and still has many years to retirement.
- Illustration 3 - members who have left the Scheme, with a fund value of £42,300. This represents the 'median' deferred member (i.e. someone no longer contributing to the Scheme).

Illustration 1

Projected pension pot in today's money £								
Fund choice								
	Default Option		Fund A		Fund B		Fund C	
Age	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
49	89,600	89,600	89,600	89,600	89,600	89,600	89,600	89,600
50	112,780	112,430	108,810	108,630	112,680	111,860	112,680	112,440
55	266,940	262,940	229,730	228,040	269,450	260,440	269,450	266,730
60	446,680	435,000	360,870	356,590	469,360	443,400	469,360	461,430
65	626,600	603,120	488,840	480,910	705,810	651,230	705,810	688,970

The starting pot size used is £89,600 and starting salary is assumed to be £89,800. The overall starting contribution used for the illustration is 22.2%. See below for the other assumptions used. Average age of active members is age 49.

Illustration 2

Projected pension pot in today's money £								
Fund choice								
	Default Option		Fund A		Fund B		Fund C	
Age	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
26	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
30	24,710	24,500	22,420	22,320	24,650	24,160	24,650	24,500
35	53,500	52,540	43,730	43,340	53,240	51,030	53,240	52,570
40	94,820	92,330	70,940	70,050	94,130	88,490	94,130	92,400
45	158,110	152,880	110,350	108,680	156,660	144,910	156,660	153,020
50	240,430	230,650	155,230	152,430	237,700	215,930	237,700	230,910
55	347,280	330,440	211,880	207,530	347,720	310,480	347,720	336,010
60	462,250	435,400	273,590	267,210	484,930	424,820	484,930	465,870
65	570,100	530,950	333,800	324,930	647,220	554,700	647,220	617,620

The starting pot size used is £5,000 and starting salary is assumed to be £43,900. The overall starting contribution used for the illustration is 10.2%. See below for the other assumptions used. The projection is for 39 years, being the duration that the youngest scheme member aged 26 has until they reach the scheme's Normal Pension Age (age 65).

Illustration 3

Projected pension pot in today's money £								
Fund choice								
	Default Option		Fund A		Fund B		Fund C	
Age	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
49	42,300	42,300	42,300	42,300	42,300	42,300	42,300	42,300
50	43,790	43,640	42,090	42,020	43,740	43,390	43,740	43,640
55	51,230	50,150	41,080	40,630	51,740	49,290	51,740	51,000
60	57,630	55,320	40,080	39,290	61,200	55,990	61,200	59,600
65	62,330	58,640	39,120	38,000	72,390	63,600	72,390	69,650

The starting pot size used is £42,300. No allowance is made for future contributions. The average age of deferred members is 49. See below for the other assumptions used.

Assumptions for illustrations:

- The projected fund values shown are estimates for illustrative purposes only 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.
- Annual salary growth and inflation 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.
- For illustrations 1 & 2, total contribution rates are based on the 'Staff' enhanced category and assumes that every 5 years the member moves service category and every 10 years the member moves age category. Contributions are payable by active members only, from their current age to a retirement age of 65. No allowance is made for additional employee contributions.
- Transaction costs have been averaged over a five year period in line with statutory guidance to reduce the level of volatility, and a floor of 0% per annum has been used for the transaction costs if these were negative in any year so as not to understate the effect of charges on fund values over time.
- The projected annual returns (before charges) used are as follows:

Fund	Assumed annual growth rate (p.a.)
Default Option*	
• Aon Managed Global Impact Fund	6.0%
• Aon Managed Initial Growth Phase Fund	6.0%
• Aon Managed Diversified Asset Fund	4.0%
• Aon Managed Diversified Multi Strategy Bond Fund	2.0%
• Aon Managed Short Term Inflation Linked Fund	2.0%
• Aon Managed Over 15 Year Gilt Index Fund	7.0%
• Aon Managed up to 5 Year UK Gilt Index Fund	2.0%

Fund A - Managed Liquidity Fund	2.0%
Fund B - Aon Managed Global Impact Fund	6.0%
Fund C - Aon Managed Global Equity Fund	6.0%

*For the Default Option the projection takes into account the changing proportion invested in the underlying funds. All underlying funds are shown.

Members are advised to consider both the level of costs and charges and the expected return on assets (i.e. the risk profile of the investment strategy) in making investment decisions and not in isolation.

4. Value for members assessment

The Trustees are required to assess on an annual basis the extent to which member-borne charges and transaction costs represent good value for members. The way the Trustees must carry out the assessment is prescribed by legislation and must involve a comparison of reported member borne costs and charges and investment performance after charges and costs (referred to as the 'net investment performance') of similar funds with three alternative 'large' pension schemes. In addition, as part of this assessment, the Trustees assess the following Governance and Administration areas:

1. Level of trustee knowledge, understanding and skills to operate the pension scheme effectively;
2. Effectiveness of management of conflicts of interest;
3. Appropriateness of the default Option;
4. Quality of investment governance;
5. Quality of member communications;
6. Promptness and accuracy of core financial transactions; and
7. Quality of record keeping.

Where it is found through the Trustees' assessment that the Scheme did not offer good value for members considering all these areas then the Trustees would be required to take action to resolve this.

It should be noted that Servier Laboratories Limited ("the Sponsor") pays for the majority of services related to running the Scheme including (but not limited to) administration services, audit costs, communication costs and professional advice including legal, actuarial and investment advice. Since the Sponsor meets these costs, this reduces the charges that members would otherwise pay. The charges paid by members are to meet the cost of investing their pension pots. In limited circumstances members may incur an administration charge, such as where more than one investment switch is made in a 12-month period. Therefore, the Trustees have a legal duty to assess whether the investment costs borne by members represents value for members. However, members also benefit for the wider services that the Sponsor pays for and as such the Trustees also take a view of whether all of the services that members benefit from represent good value.

The Trustees review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The date of the last review was September 2026 when the Trustees considered the charges and net investment returns that members of the Scheme are subject to against three comparable master trust arrangements. The review also considers other areas including governance and administration. The Trustees 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. The Trustees concluded that the Scheme does offer good value for members and more details are set out below.

Value for Members Assessment

As highlighted above, members of the Scheme only pay a charge to meet the cost of investing their pension pot. The Trustees believe that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the delivery of good member outcomes.

To assess if this meets good value the Trustees have taken into account:

Cost and charges	<ul style="list-style-type: none"> The cost and charges paid by members of the Scheme are comparable to the three alternative large schemes analysed by the Trustees. The outcome is that the Scheme offers value for
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<p>The net investment performance of the funds compared to those of three alternative large pension schemes</p>	<p>members.</p> <ul style="list-style-type: none"> • The net investment returns of the funds available under the Scheme have been compared to the net investment returns of funds available from three alternative large schemes. <p>Default Option</p> <ul style="list-style-type: none"> • For members a long way from their chosen retirement age (i.e. more than 10 years) the Scheme's Default Option has outperformed one of the three alternative schemes and has underperformed the other two alternative schemes over the one year to 31 March 2026. For members 10 years prior to retirement and at retirement the Default Option underperformed the three alternative schemes over the same period. • However, the GMP underpin benefit provided in the Plan would not be provided in the comparator schemes upon transferring. • Taking account of the GMP underpin element that some members have and the performance against the Trustees' investment objectives (as described below) together, the Scheme Trustees believe that the net investment returns do represent good value for members. <p>Self-select funds</p> <ul style="list-style-type: none"> • The net performance of the majority of the self-select funds have been broadly comparable to the comparator funds over the one year to 31 March 2026. Where this is not the case it is generally due to there not being similar self-select funds offered by some of the other comparator schemes.
<p>The performance of the funds compared to the relevant objectives of the fund</p>	<p>Default Option</p> <ul style="list-style-type: none"> • The Default Option is designed to reduce investment risk as members approach retirement. • A key objective of the Default Option is to provide members in the growth phase with the opportunity to achieve real growth, measured as investment returns above inflation. The Trustees assess performance against this objective over the longer term, including three-year, five-year and since-inception periods. To 31 March 2026, returns for members in the growth phase exceeded inflation over all three periods. The Trustees are therefore satisfied that this objective has been achieved. • The default strategy also has a long-term objective of delivering returns of 4.0% per annum above inflation for members in the growth phase. This objective has been met since inception and over the three years to 31 March 2026. Whilst it was not achieved over the five years to 31 March 2026, the Trustees understand the factors contributing to this outcome and remain confident that the growth phase strategy continues to be appropriate for members. • For members approaching retirement, the primary aim of the Default Option is to protect savings from significant market volatility and the impact of inflation. To support this objective, members' investments are gradually transitioned into assets that are generally lower risk as they near retirement. • The long-term objective for members at retirement is to achieve returns of 2.4% per annum above inflation. This objective has broadly been achieved since inception and over the three years to 31 March 2026. However, it was not met over the five years to 31 March 2026, primarily due to the period of exceptionally high inflation and significant market volatility experienced during 2022 and 2023. • Despite the challenging market conditions and broader economic and political uncertainty experienced during the period under review, the Trustees remain confident that the

	<p>Default Option is appropriately designed and is well placed to achieve its objectives over the long term.</p> <p>Self-select funds</p> <ul style="list-style-type: none"> • A small number of the self-select funds did not achieve their stated investment objectives over the year. Where this occurs, the Trustees investigate the reasons for the underperformance, review any actions taken by the investment manager, and seek investment advice where appropriate to determine whether further action is required. Following this review, the Trustees concluded that no action was necessary during the Scheme year. • Some of the self-select funds are actively managed. As part of the ongoing management of these funds, investment managers made changes during the year where considered appropriate, including adjustments to asset allocation and underlying manager selection to reflect their medium-term investment views. These changes were implemented with the aim of improving diversification, enhancing the balance of investment exposures and supporting future performance prospects.
Governance and delegated management of funds offered	<ul style="list-style-type: none"> • The management of the investment funds is delegated to Aon Investments Limited, who will decide on which underlying funds to invest in to meet the fund's objective. • The delegated fund manager has demonstrated that it is actively governing the funds. For example, during the year, Aon Investments Limited introduced a 10% allocation to long-dated nominal gilts within the growth phase of the Aon Managed Retirement Pathway. Changes were also made to the underlying composition of the Aon Managed Diversified Asset Fund, the Aon Managed Diversified Multi-Strategy Bond Fund, the Aon Managed Global Impact Fund and the Aon Managed Active Global Equity Fund. These changes are expected to improve member outcomes. • All actively managed funds invest in underlying funds that are 'Buy' rated by the Trustees' investment advisers. Where an underlying fund's rating has been downgraded the delegated manager will take steps to replace the fund within a reasonable time period. When taking such decisions Aon Investments Limited will look to reduce the transaction costs of replacing a fund as far as possible.
The design of the Default Option and how this reflects the membership	<ul style="list-style-type: none"> • A Default Option is offered which is designed to be appropriate for a member requiring flexibility in retirement. This reflects the above-average fund size for the average member of the Scheme. Data, such as that collated by the Office for National Statistics, of how members take benefits at retirement suggests that members with larger funds are more likely to take their retirement benefits via drawdown.
The range of funds offered	<ul style="list-style-type: none"> • Drawdown may not suit all members' needs so alternative options for members are available for those who intend to take their benefits in a different way. Members can choose from three Retirement Pathway options to match how they intend to take their benefits at retirement. • Members can select a Retirement Pathway fund where the investment of their pension pot is managed on their behalf. • A good range of self-select funds are available covering the main types of investments available to members of a DC scheme. • These include different types of investment management (i.e. lower cost passive funds where the fund aims to provide performance in line with an index and higher cost active funds where the manager is trying to add value to the performance).

	<ul style="list-style-type: none"> The Trustees make changes to the self-select range to reflect members' requirements. The self-select fund range is reviewed every three years.
The ability to switch investments	<ul style="list-style-type: none"> Members can switch investments at any time (please note that the first switch in any 12-month period is free of charge, however members will incur a fee for any additional switch requests made within this period). The Retirement Pathway funds are mirrored until 5 years before retirement so members can switch Retirement Pathway funds prior to 5 years before retirement without incurring transaction costs. The Trustees expect that members are likely to know how they intend to take their retirement benefits 5 years from retirement.
The information available to members regarding the available funds	<ul style="list-style-type: none"> Fund factsheets are produced quarterly for members and these are available to download or can be requested via the Secretary to the Trustees. Unit prices are available online and are usually updated daily where possible. A member-friendly guide to investments for the Scheme has been produced and is available to members.

Based on the assessment set out above, the Trustees are happy that the charge that members pay represents **good value** for members.

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

The Trustees assessed the Governance and Administration criteria by considering the benefits of membership under four categories as summarised in the table below. These benefits are not benchmarked against the comparator schemes but have been assessed in full by the Trustee.

Area	Examples of the areas considered by the Trustees
Scheme Governance <i>The Trustees believe in having robust processes and structures in place to support effective management of risks and ensure members' interests are protected, increasing the likelihood of good outcomes for members</i>	<ul style="list-style-type: none"> The Trustees regularly meet to discuss the Scheme and discussions at these meetings are documented in writing. The Trustees' professional advisers attend these meetings to give advice and guidance to the Trustees. All Trustees receive training both at outset and ongoing and are required to complete an agreed number of training hours per year to ensure that they can fulfil their duties. The Trustee Board includes both Company and member-nominated Trustees. The Trustees have processes in place to deal with conflicts of interest and have a risk register that helps the Trustees to mitigate any risks related to running the Scheme. The Trustees have undertaken a detailed review of all policies in place as part of ensuring they have an effective system of governance. The Trustees have completed their first Own Risk Assessment which reported the effectiveness of their systems of governance, steps taken over the period to strengthen governance, and potential actions to improve governance further.
Investment Governance <i>A well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the</i>	<ul style="list-style-type: none"> See comments made in the table above

<i>delivery of good member outcomes.</i>	
Administration <i>The Trustees believe that good administration and record keeping play a crucial role in ensuring that scheme members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.</i>	<ul style="list-style-type: none"> • The Trustees have appointed Aon to provide administration services to the Scheme. The Trustees obtain information to assess the member experience through quarterly stewardship reports provided by Aon. • The reports are reviewed by the Trustees and discussed at Trustee meetings, where Aon are in attendance to answer any specifics on the quality of service received. • Over the reporting period the standard of service provided has been good, and the Trustees are comfortable with the quality and efficiency of the administration processes in place.
Member communications and engagement <i>The Trustees believe that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.</i>	<ul style="list-style-type: none"> • All members have access to a DC retirement modeller tool, accessible online. • Members are issued with a member-friendly annual benefit statement to see key information about their retirement savings. • The Trustees provide a topical and informative insert with the annual benefit statements. Example information includes how to protect against pension scams and the Pensions Dashboards • The Trustees continually consider what communication methods can be used to help support members. • A good level of support is given to members coming up to retirement. This includes access to online information and tools and personalised written communication.

The above sets out some of the areas considered by the Trustees in coming to the conclusion that the Scheme represents **good value** for members.

5. Processing of Core Financial Transactions

The Trustees have a specific duty to ensure that core financial transactions are processed promptly and accurately.

What are core financial transactions?

Transactions we consider include:

- investment of contributions to the Scheme;
- transfer of members' funds in and out of the Scheme,
- transfers between different investments within the Scheme, and
- payments to and in respect of members, such as on retirement or death.

The Sponsor is responsible for ensuring that contributions are paid over to the Scheme promptly and the timing of such payments is monitored quarterly through reports submitted by the Scheme administrator, Aon Solutions UK Limited ('Aon').

5.1 Service levels and the administration service

Aon carry out the bulk of the core financial transactions. Service Level Agreements (SLAs) are in place around the processing of these transactions. These SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions. Under the current SLA, Aon aims to accurately complete the settlement of all financial transactions within 5 working days.

To enable the Trustees to monitor the processing of core financial transactions, the Trustees receive a quarterly stewardship report from Aon that contains information on the core financial transactions for the Scheme and the SLAs. These reports are reviewed by the Trustees at the regular board meetings to ensure compliance. The Trustees are comfortable that the SLAs are appropriate.

Administration summary for the Scheme year:

- **733** work items received
- **98%** completed within SLA

The Trustees understand that it is not always possible for cases to be dealt with within the SLA due to external factors, such as waiting for additional information from members and third parties. Over the year to 31 March 2026, the administrator completed 98% of cases within the agreed SLA, exceeding the target of 95%. This was achieved while handling 733 work items during the year. The Trustees are pleased with this level of performance and continue to monitor administration standards through the quarterly stewardship reports. The Trustees also note the continued use of initiatives to improve efficiency, including digital communications and online processes where appropriate.

5.2 Member feedback and complaints

During the year, two members raised complaints in relation to core financial transactions. Both were fully resolved by the Scheme's administration team and did not need to go through the Trustees' formal dispute process.

Complaint about investing a lump sum contribution

One member was unhappy that a lump sum contribution had not been invested in the way they expected. When this was looked into, it was found that there had been a misunderstanding about the member's instructions. The member was contacted to clarify what they wanted, the investment was corrected, and checks were carried out to make sure the member had not lost out financially as a result.

Complaint about a transfer out of the Scheme

Another member was unhappy about being asked to attend a MoneyHelper guidance session before transferring their benefits out of the Scheme. Under current pension rules, this step is required in some situations to help protect members from pension scams, even though it can add some extra time to the process. This was explained to the member and, once evidence of attending the MoneyHelper session was provided, the transfer went ahead and was completed.

5.3 Administration controls

In terms of the accuracy of core financial transactions, the Trustees have reassurance from Aon that suitable controls are in place. These include:

- a full member and Scheme reconciliation being undertaken annually as part of the annual preparation of the Trustee Report & Accounts,
- monthly reconciliations of the DC units held by the investment managers against Aon's records,
- daily monitoring of bank accounts,
- full reconciliation of bank statements,
- a dedicated contribution processing team,
- all transactions are recorded in the Scheme's Cash Tracker, and
- a peer-review process for checking calculations and investment and banking transactions.

Aon's administration controls are independently audited on an annual basis. The last review covered the period 1 October 2024 to 30 September 2025 and considered the suitability and effectiveness of the administration system and general IT controls adopted by Aon. The audit considers whether documentation and operation are in line with quality assurance policies and procedures and operations are in line with the Business Continuity Plan. The results of the audit were shared with the Trustees. The audit found that the controls in place were suitable. As part of their review, the Independent Service Auditor carried out a range of tests. A small number of exceptions were found and have since been addressed:

- **User access** – In 1 out of 40 cases tested, a user still had system access after their role had changed. The individual did still need access for a short period of time to complete their responsibilities, and their access was removed as soon as this period ended. Management reviewed

what the individual did during this time and confirmed that all activities were appropriate and authorised.

- **Password control** – In a small number of sampled accounts, the password settings were not fully in line with Aon's Information Security Policy & Standards (for example, the password expiry settings or minimum length were not correctly applied). These password controls have now been updated to make sure they comply with the policy.

Bridging letters covering the period 1 October 2025 to 31 March 2026 has been produced confirming that Aon's administration system and general IT controls had remained unchanged over this period.

In addition, the Secretary to the Trustees also reviews core financial transactions that go through the Trustees' Bank Account via the monthly statements, which enables the Trustees to monitor that payments are being invested/settled within acceptable timeframes and payments in/out of the account are as expected. The contributions are reconciled on a monthly basis by the Sponsor. In addition, the Trustees receive an annual Scheme Audit Report from the Auditor, an independent party that audits the pension scheme. The last post audit report dated 2 October 2025 was for the year end 31 March 2025 and there were no matters that needed to be raised with the Trustees.

5.4 Data Quality

Accurate data is fundamental to the accuracy and timeliness of core financial transactions. To help with this the Trustees use a track and trace service that validates address details on a monthly basis. The Trustees also undertake an annual review of common data (such as date of birth, address and National Insurance number) and scheme-specific data (such as date of leaving and benefit details) held by the administrators on the Trustees' behalf. The last report was dated November 2025 and the Trustees have a plan for actioning the data gaps identified based on a priority of the impact that these will have on settling members' future benefits.

The Trustees are satisfied that during the period of this report:

- the administrator was operating appropriate procedures, checks and controls and operating within SLA;
- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately during the Scheme year.

6. Trustees' Knowledge and Understanding

The Regulations require the Trustees to have appropriate knowledge and understanding to run the Scheme effectively. The Trustees recognise the importance of training and development and have put in place arrangements for ensuring that the Trustees take personal responsibility for keeping themselves up-to-date with relevant developments.

The comments in this section relate to the Scheme as a whole and not solely the DC Section.

The Trustee board is currently made up of three Trustees with varying skill sets. Two of the three Trustees are also members of the Scheme.

6.1 Trustees' training policy requirements and how these have been met over the Scheme year

The Trustees have a formal training policy in place that was updated over the Scheme year. Under this policy all Trustees are required to complete the Pensions Regulator's online training toolkit and must attend formal or informal training totalling a minimum of 15 hours each year. When a Trustee has not been appointed for the full Scheme year, the minimum number of hours is reduced to reflect this. Each Trustee is required to maintain a training log detailing attendance of both internal and external training courses. The training log is for the period 1 April to 31 March. Training logs are submitted to the Chair of Trustees who checks that the required level of training has been met. The Chair of Trustees is happy to report that all Trustees that were in place for

the full year had exceeded the required level of training during the period 1 April 2025 to 31 March 2026.

To help Trustees maintain an appropriate level of knowledge, existing Trustees must complete the modules of the Pensions Regulator's online training toolkit on a rolling three-year cycle. The modules they complete are recorded in individual training logs.

The Trustees keep their knowledge current by:

- Attending conferences and seminars and reading articles on pension-related topics.
- Receiving training from their professional advisers at main Trustee meetings where relevant issues arise.

During the year, four Trustee meetings were held, as well as a Joint Working Group meeting. The Joint Working Group, which includes Trustees, Sponsor representatives and their advisers, considers the long-term strategy for the Scheme.

Training provided at Trustee meetings during the year included:

- **DC decumulation requirements** – how to support DC members when making decisions about taking their benefits at retirement.
- **Own Risk Assessment** – new requirements for Trustees to review and report on how effective their governance framework is.

6.2 New Trustees

There is an induction process in place for new Trustees to help them understand their role and responsibilities. This induction process was last updated and approved in July 2023 as part of the Trustees' ongoing work to maintain an effective system of governance.

Under this process:

- New Trustees are normally required to attend a formal training course within 6 months of their appointment.
- All new Trustees must also complete the Pensions Regulator's online training modules within 12 months of appointment (unless they have already completed this in a previous role).

During the period covered by this Statement, one new Trustee was appointed. As this individual was a returning Trustee who had only been away from the role for a short time, the Trustees agreed that a full induction and formal training course were not necessary in this instance, given their recent experience and existing knowledge.

6.3 Chair's annual review of Trustee Board effectiveness

On 18 May 2026, the Chair of Trustees carried out the annual review of how well the Trustee Board is working, including an assessment of the overall skills and experience of the Trustees.

To do this, the Chair used the Pensions Regulator's sample board evaluation questions and sample board skills matrix and also used Aon's Trustee Knowledge and Understanding Gap Indicator. The Chair is pleased to report that the results of the review show the Board has the appropriate skills and knowledge to run the Scheme, and this will be maintained through the rolling three-year training plan described above.

As part of this year's review, the Chair identified four key topics for additional training over the next Scheme year. These have been added to the Trustees' training plan:

- **DC decumulation** – supporting members as they make decisions about how to use their pension savings at retirement.
- **Effective System of Governance** – ensuring the Scheme continues to be run to high standards.
- **Governance when choosing a preferred provider for a DC Master Trust.**
- **Securing benefits outside the Scheme (Buy-in / Buy-out) and winding up a scheme.**

The Chair also concluded that the governance of the Scheme has significantly improved during the year. This is due to the work carried out to document policies and procedures, including finalising the Scheme's cyber

security policies and incident response plan. These improvements were reflected in the findings of the Trustees' Own Risk Assessment.

Equity, Diversity and Inclusion (ED&I)

The Chair has considered how well equity, diversity and inclusion are reflected in the way the Scheme is run and in how the Board operates.

The Chair's view is that the Board is well-diversified, with a good mix of experience and skills, and that all Trustees have equal opportunities to share their views during meetings. This remains the case.

To support inclusion further, the Member Nominated Trustee (MNT) communications have been updated to make it clear that the Board will take into account any reasonable changes needed to the way Trustees meetings are run, so that interested members are not discouraged from applying. For example, this may include the option to attend meetings virtually or to adjust meeting times where possible.

6.4 Practical demonstration of activity to support the Trustees' Knowledge and understanding over the Scheme year

The Trustees have engaged with their professional advisers regularly throughout the year to ensure that they exercise their functions properly and take professional advice where needed. In exercising their functions this has required knowledge of key Scheme documents such as the Trust Deed & Rules, Trustee Report & Accounts and Member Booklet. A few of the areas that support this statement are set out below:

- Approved the Trustees' Report and Accounts.
- Reviewed quarterly administration reports to monitor service delivery against agreed service levels standards and assessing the member experience.
- Increased their understanding around the law relating to pensions and trusts through updating the risk register and enhancing their system of governance.
- Established/updated the following policies in line with the General Code of Practice:
 - Meeting & decision process policy
 - Discretions policy
 - Managing advisers and providers
 - Cyber policy
 - Cyber hygiene policy
 - Incident response plan
- Completed the first Own Risk Assessment, following the successful review and update of policies.
- Updated the Scheme Member Booklet.
- Liaised with legal advisers around Scheme Rule amendments required.

To show how the Trustees have demonstrated that they have sufficient knowledge and understanding of principles relating to investment of DC schemes they also undertook the following actions:

- Reviewed and updated the SIP.
- Produced an Implementation Statement which sets out how the Trustees have met their investment objectives set out in the SIP.
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- Reviewed and discussed the changes made to the Default Option by the delegated manager.
- Reviewed the quarterly investment reports to assess fund performance against benchmarks, and funds against overall Scheme aim and objectives, as set out in the SIP.
- Received quarterly investment market outlooks.

In addition to the skills within the Board, the Trustees work closely with their appointed professional advisers throughout the year to ensure that they run the Scheme and exercise their functions properly. The Trustees' professional advisers also attend all Trustees' meetings.

The Trustees collectively believe they have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational schemes.

The Trustees consider that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustees of the Scheme.

Signed on behalf of the Chairman of the Trustees of the Servier Laboratories Limited Pension Fund

Chairman of the Trustees

Date: 22 October 2026