

The Brambles Enterprises (1996) Pension Scheme

Your Pension Update:
What you need to know.

Winter 2025/26
Member Newsletter

Inside this issue

2. Welcome and Overview
3. Scheme overview
4. Investment Update
- 5-6. In the news
7. More information
- 8-9. Summary funding statement



Welcome to your latest Scheme Newsletter

The UK's economic growth remains slow by historical standards. The Bank of England held the UK's interest rate at the end of the summer, while relatively high inflation on the cost of food continues to put pressure on household budgets. At times like this, when some people's finances are stretched, it's more important than ever that we manage all members' Scheme retirement benefits with the utmost care. You can be sure that we take our role as Trustee seriously and as a privilege – managing the Scheme's finances in the interests of all our members.

Funding update

Inside, we report on the Scheme's latest financial position in our summary funding statement. This is based on the Scheme's position as at 5 April 2025. The headline is that the funding position has slightly improved since the update at 5 April 2024.

If you have a general query about the Scheme or your benefits which are not covered on the website, please contact the team. Their details are on page 7.

Matt Riley

For and on behalf of ZEDRA Governance Limited, as Trustee of the Brambles Enterprises (1996) Pension Scheme

Wider Pension News

In our round-up of general pensions news, we look at research on financial security in retirement, the latest news on Pensions Dashboards, and how to stay safe from pension fraud.

The Aon Retirement Options Model

The AROM online tool is now back online. This tool is intended to help you understand and consider your options as you approach retirement. If you are a deferred member over the age of 55 you will be receiving a separate communication reminding you about how to access the AROM online tool.

Your Scheme in numbers

Headlines from the Scheme's Annual Report

Here we show the headline figures from the Scheme's Annual Report & Accounts for the year ended 2025. If you would like more detail, please request a copy of the full report using the contact details on page 7.



At 5 April 2025 there were 694 members in the Scheme, compared with 701 members at the same time last year.

Deferred Members

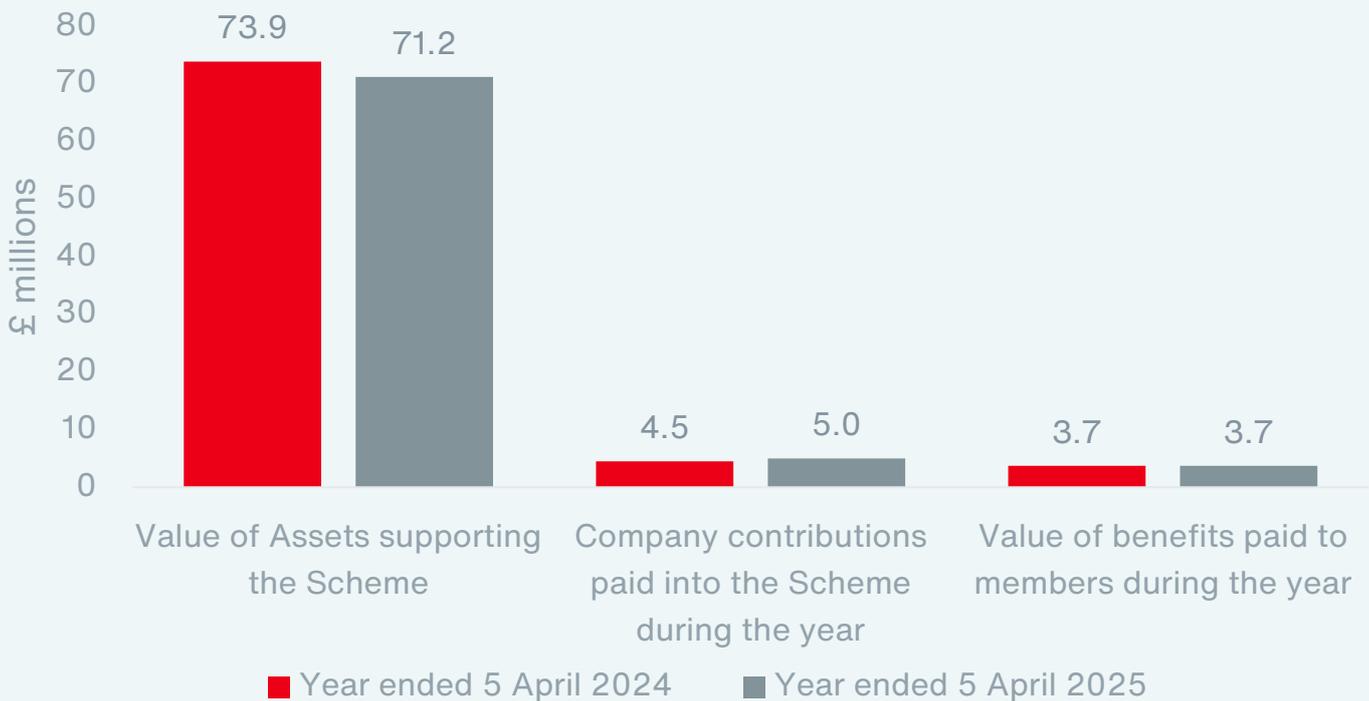
358

No longer building up benefits but have benefits in the Scheme for when they retire.

Pensioner Members

336

Receiving benefits from the Scheme (and including the dependants of members who have died).



Investment Update

A snapshot of 2025

As Trustee, it is our responsibility to agree on the overall investment strategy, and to make changes as and when appropriate.

We work closely with our investment advisers, and we keep a close eye on how the funds are performing.

We will continue to monitor performance and make any changes we feel are necessary.

For further details on our investment approach, read our Statement of Investment Principles (SIP) at www.bramblesenterprises1996pensionscheme.co.uk

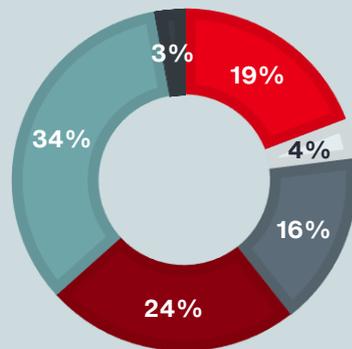
You can also read our engagement policy Implementation Statement showing how our policy on engagement activities and voting has been followed during the year.

Scheme assets

£71.2M

5 April 2025

vs £73.9M at 5 April 2024



Asset Allocation (excluding AVCs and DC assets of £0.4M)

- Equities 19%
- Bonds and Gilts 4%
- Illiquid Assets 16%
- Alternatives 24%
- Hedging Portfolio (LDI) 34%
- Cash 3%

Performance

Between 5 April 2024 and 5 April 2025, the Scheme has produced a loss of 7.4% on its investments (excluding AVCs and DC assets). This is largely due to the change in the hedging portfolio (Liability Driven Investments) as detailed below.

Additional Voluntary Contributions (AVCs)

The Trustee wishes to remind members who currently hold AVC funds of the importance of reading their benefit statements upon receipt. Members may wish to review their AVC fund on a regular basis and take independent financial advice.

Liability Driven Investments

Pension scheme liabilities by nature are very sensitive to changes in interest rates and inflation movements, therefore the Scheme invests in Liability Driven Investments ('LDI') to mitigate the impact of interest rate and inflation movements on the funding level over time. This part of the investment strategy has materially reduced funding level volatility for the Scheme during periods of extreme market volatility.

Over the year, gilt yields continued to rise. The Scheme's liabilities are measured with reference to gilt yields, meaning that the value placed on the liabilities decreased as yields rose. However, due to the hedging effect of the LDI holdings the value of the assets largely moved in line with the value of the liabilities. Therefore, despite the fall in the value of the Scheme's assets over the period, the funding position has not been significantly affected.

Is your financial future on track?

Recent research highlights the issue of financial security in retirement:

- Over half of people are not optimistic about being prepared for retirement (Source: State Street Global Advisers)
- Almost 10% of retired people over 55 are back in work or looking for work due to financial pressures, a lack of pension provision, or a desire for social connection. (Source: Standard Life)

The Retirement Living Standards help you to picture what type of lifestyle you might have in retirement based on what you might need to spend. Example: for a two-person household, you might need to spend **£43,900 a year** to achieve a **moderate** living standard in retirement.

- Minimum – covers all your needs, with some left over for fun
- Moderate – more financial security and flexibility
- Comfortable – more financial freedom and some luxuries

The underlying research is regularly updated to ensure that standards reflect changing spending habits. The latest updates are a rise in the cost of the moderate and comfortable standards largely due to inflation across many spending categories, and a reduction in the minimum standard mainly because of lower energy costs.

For more information, visit

www.retirementlivingstandards.org.uk



Newsbites



Pension Schemes Bill 2025

One key change is that trustees of Defined Benefit pension schemes like ours may soon be able to return surplus funds to employers in a wider range of circumstances, subject to strict conditions. Importantly, this would only happen where scheme funding exceeds a prescribed level and the trustees agree to such a payment.

Autumn Budget 2025

The Government is consulting on changes that will impact the pensions and saving systems.

Salary Sacrifice

From April 2029, the Government plans to cap the National Insurance (NI) savings available through pension salary sacrifice. Only the first £2,000 per year of salary sacrifice pension contributions will be exempt from both employer and employee NI; contributions above this will be subject to NI as normal but will still receive income tax relief.

State Pension

The basis and new State Pension will increase by 4.8% from April 2026, in line with earnings growth and the Government's "triple lock" commitment.

Income Tax

The freeze on income tax (and National Insurance) thresholds is extended by three years to 5 April 2031.

Action!

To check which living standard you might be on track for, review all your pension savings, including your State Pension, and factor in any other sources of future retirement income. Remember to consider what tax band you will be in as the living standards consider your spending and not your income.

In the News

Stay alert – Beware of Fraud

Criminals are constantly trying to develop new ways to tempt you into giving or providing access to your personal information. As far as pension savings are concerned, you are at most risk if you're aged 50 to 69.

In 2024, over £17.5 million was lost to pension fraud while the average loss per person was more than £33,000. (Source: Action Fraud)

One current scam tactic is to impersonate a trusted organisation such as a bank or leading retailer. **Never disclose any personal information or financial details from any unexpected contact – be it over the phone or by email.**

It's equally important that you use strong passwords for all your personal accounts. And never click on a link in an unexpected email, text message or social media post.

Read more about the warning signs and how you can protect yourself:

www.thepensionsregulator.gov.uk/en/pension-scams

If you suspect fraud, report it to Action Fraud:
www.actionfraud.police.uk/



Pensions Dashboards

Pensions Dashboards is the online framework that will enable savers to keep track of all their pensions online in one place, including the State Pension. We touched on it last time, but work continues and there have been some recent updates. If you remember: all UK pension schemes must connect to the system by 31 October 2026.

- Since April 2025, over 40 million pension records have been connected.
- The date for going live to the public is yet to be confirmed but there will be at least six months' notice. You can expect to see lots of media coverage during this time.
- MoneyHelper's dashboard will be the first to be publicly available. In time, we expect a range of organisations to provide access, from pension providers to banks.

In the meantime, you can get the latest news at www.pensionsdashboardsprogramme.org.uk



Pensions and inheritance tax

In last year's Autumn Budget, the Government announced plans to bring some pension-related payments into a person's estate for inheritance tax purposes **from 6 April 2027**.

Most unused pension funds and death benefits will be brought into scope of inheritance tax from 6 April 2027 if the legislation is passed unchanged

However, certain pension-related payments are expected to remain excluded:

- Lump sums only payable if a member dies in service,
- Pension benefits paid to a dependent as a regular Scheme pension, and
- Payments to a surviving spouse, civil partner or registered charity.

January 2025



Steps to stay scam safe

Scammers appear professional and it's becoming increasingly harder to spot the difference between something that's credible and something that's fraudulent.

The Pension Scams Action Group has put together a checklist to go through if you're ever approached about your pension.

Your pension is your future – keep it safe



More Information

Scheme Website

To find out more about the Scheme, go to: www.bramblesenterprises1996pensionscheme.co.uk which provides links to the Statement of Investment Principles, Implementation Statement and other tools that are available to you to assist you with your pension.

Get to know your pension at

www.yourpension.gov.uk The site has a tool that can quickly generate you a retirement checklist to help you assess where you are with your planning. It also has useful links to a pension calculator, a State Pension calculator and more.

Picture your future at

www.retirementlivingstandards.org.uk The retirement living standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

Remember

If you would like more information about the Scheme, you can request a copy of the following documents by contacting the administration team (details below).

- Actuarial valuation report at 5 April 2023
- Annual actuarial report at 5 April 2025
- The Statement of Funding Principles
- The Recovery Plan
- The Schedule of Contributions
- Trust Deed and Rules
- The Annual Report and Accounts for the year ending 5 April 2025

Contact point

Please use any of the methods below to get in touch with the Administration team.

Email: brambles@xpsgroup.co.uk

Phone: 0121 752 6636

Write to: The Brambles Enterprises (1996) Pension Scheme, c/o XPS Administration, 1 Colmore Row, Birmingham, B3 2BJ

Trustee and Advisers

ZEDRA Governance Limited is the Professional Corporate Sole Trustee for the Scheme and is represented primarily by Matt Riley, supported by Ibbran Hussain and other members.

As Trustee, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss how the Scheme is progressing.

We also appoint professionals to support us on areas of particular expertise.

Administrator	XPS Administration
Actuary	Steven Keller FIA C.Act
Auditor	J W Hinks LLP
Investment Adviser	Aon Investments Limited
Legal Adviser	TLT LLP

Taking advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser. More information of impartial financial advice and where to locate an IFA can be found on the MoneyHelper website at www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

Reminder to keep us up to date

Please let us know if you change your name or address so we can continue to contact you about the Scheme and your benefits.

If you are a deferred member or have retired from the Scheme within the last 5 years, please also update your Expression of Wishes form if you need to. This tells us who you would like to receive any benefits that become payable in the event of your death. As the Trustee, we have the final say over who receives the benefits. We will consider your Expression of Wishes form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

Please use the contact details on the left to request a blank form.

Summary Funding Statement

How healthy is your Scheme?

This section summarises the results of the funding update at 5 April 2025. It also looks at the most recent previous results. These financial health checks are vital for monitoring the Scheme's progress. We hope the information helps you to understand how the Scheme is developing.

The funding level is an indication of the amount of money that is needed to pay all benefits in full for the duration of the Scheme.

A funding level of 100% or more indicates that, on the assumptions used, it is expected that there is currently sufficient assets to be able to do that without more money being paid into the Scheme.

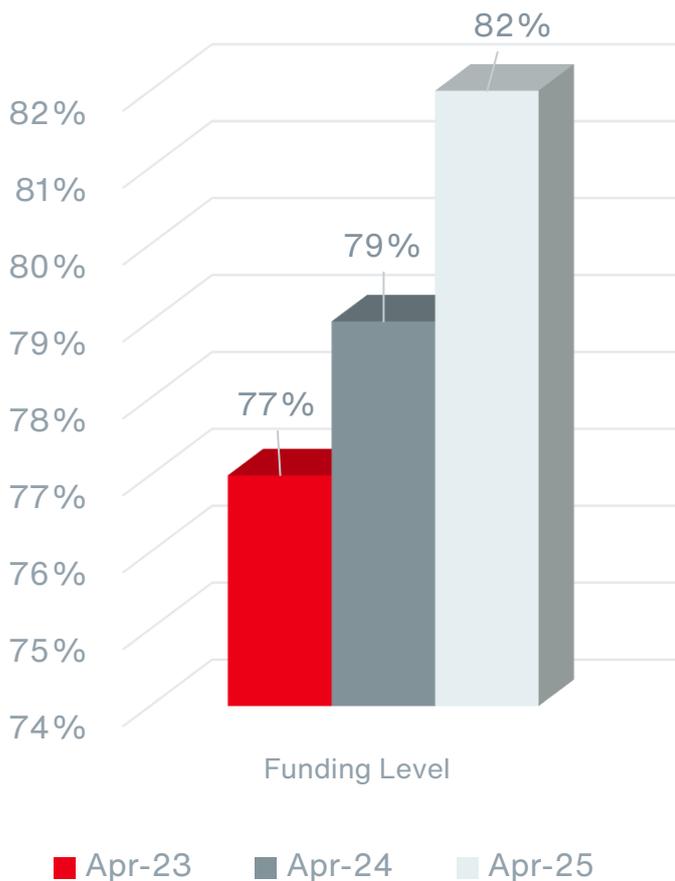
The latest position

As at 5 April 2025, the Scheme's funding level is 82% and the deficit in the Scheme is £15.2M. The charts below shows how the funding position has changed since the valuation at 5 April 2023 and the last funding update at 5 April 2024.

The next financial check will be based on the Scheme's position at 5 April 2026. We will report on the results once they are complete.

It is important to remember that it is normal for pension scheme funding levels to fluctuate over time. Even when funding is temporarily below target, the Scheme will continue to pay benefits in full as long as it continues.

Funding Level at each valuation date



Funding Position at each valuation date



Reason for the change

The decrease in the shortfall since the last update is largely as a result of the payment of deficit repair contributions from the Company.

Summary Funding Statement

Removing the shortfall

As part of the valuation at 5 April 2023, we agreed with the Company to bring the Scheme to a fully funded position. This is known as a 'recovery plan'.

The Company agreed to pay:

- Contributions of £333,333 each calendar month for the period from 6 April 2023 to 5 June 2024;
- Contributions of £358,333 each calendar month for the period from 6 June 2024 to 5 July 2028; and
- A lump sum contribution of £350,000 payable by 30 June 2024.

These contributions and anticipated investment growth are expected to remove the shortfall by 5 July 2028.

In addition, the Company continues to pay an additional amount to meet the expenses of the Scheme and other charges, for example the annual levy to the Pension Protection Fund

www.pensionprotectionfund.org.uk.

The next formal valuation will look at the Scheme's position at 5 April 2026. This will include working out if the recovery plan is on track or if changes need to be agreed.

If the Scheme came to an end

The Scheme's funding level is worked out in two ways:

- The 'ongoing' basis (shown above), which assumes that the Scheme will continue into the future.
- The 'full solvency' basis, which shows the funding position if the Scheme started to 'wind up' at the date of the update. If this happened, all members' benefits would have to be secured without delay by buying insurance policies. This would be more expensive than paying benefits gradually over time, so the full solvency position is generally lower than the ongoing position, even for fully funded pension schemes.

At 5 April 2023, the Scheme full solvency funding level was 65% with a shortfall of £43.1 million.

Please note that we are legally required to report the full solvency position as part of this funding statement. The Company has no current plans to end the Scheme.

We must also tell you if there have been any payments to the Company out of Scheme funds in the last 12 months. There have not been.

The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run though it has not needed to use its powers in this way for our Scheme. You can find out more about the Regulator online at

www.thepensionsregulator.gov.uk