THE IDEAL STELRAD GROUP PENSION CHAIR'S STATEMENT 2025

INTRODUCTION

The Trustees of the Ideal Stelrad Group Pension Plan (the Plan) are pleased to present their annual Chair's statement on governance (the 'Statement') as required under legislation set out in regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), as amended by the Occupational Pension Plans (Charges and Governance) Regulations 2015. The Statement covers the annual period up to 31 March 2025.

The Plan was established in September 2001 and the Defined Contribution (DC) section is administered by Phoenix Life Limited, trading as Standard Life, who provide all member services as well as providing members with a wide range of support, whilst the Defined Benefit (DB) section, which closed in August 2011, is administered by Capita. The Trustees have the final decision on appointments of advisers and the services and tasks delegated to them.

DEFAULT INVESTMENT ARRANGEMENTS

In accordance with the Administration Regulations, the Trustees are required to append the latest copy of the Statement of Investment Principles (the 'SIP') prepared for the Plan under Section 35 of the Pensions Act 1995 (the '1995 Act') and regulation 2/regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the 'Investment Regulations').

The performance of the default strategy is reviewed at each Trustees meeting and the SIP is reviewed at least triennially, or when there has been a material change in the membership or regulatory requirements. A full review of the default arrangements was conducted in November 2021 by the Trustees' advisors Foster Denovo Secondsight and approved by the Trustees at a meeting on 17 December 2021, with changes implemented by Standard Life in August 2022. The Trustees' SIP was subsequently updated to reflect the changes. The SIP was then updated in September 2024 to reflect the Trustees' policy on investing in illiquid assets in line with DWP regulations.

The singular default strategy in the Plan from August 2022 is therefore the Sustainable Multi Asset Universal Strategic Lifestyle Profile. A 'lifestyle' profile automatically reduces the investment risk of your profile, depending on your age, as you approach your selected retirement age.

The strategy includes a wide degree of investment diversification and brings the default investment option more in line with the Trustees' views on the members' beliefs regarding environmental, including climate change, and social and governance (ESG) factors. Due consideration was also given to the stewardship of assets.

The integration of ESG considerations into the default strategy is delegated by the Trustees to the investment manager. ESG is integrated by screening investments in companies who operate in certain sectors (including controversial weapons and tobacco), by investing in assets which have a positive environmental impact, and by aiming to drive change for the better including proactive interaction with the Boards of the companies they invest in. This will also help ensure that the strategy is suitable for the average member over their working career.

The Trustees also recognise the potential benefits from illiquid investments (assets of a type which cannot easily or quickly be sold or exchanged for cash), including improved diversification and enhanced risk adjusted returns. The Trustees' policy on illiquid investments is currently limited to property, via the pooled funds available within the Standard Life Master Trust core fund range.

Within the Plan's default arrangement, the Trustees continues to invest in illiquid assets through an allocation to property, predominantly UK & US commercial property through pooled funds. Members can increase their exposure to illiquid assets (limited to property at this stage) through the property fund in the self-select fund range.

In line with their commitment under the Mansion House Compact, Phoenix Group is further developing its illiquid asset capabilities to support the Plan's default strategy to seek enhanced risk rated returns for members. The Trustees, supported by their Investment Adviser, will continue to monitor the position in terms of their designated default strategy under the Plan.

On the basis of investment changes implemented in August 2022, the next formal review of the default investment strategy is due in late 2025.

Typically, a proportion of members will actively choose the default strategy because they consider it to be most appropriate for them. However, most DC scheme members do not make an active investment decision and are invested in the default strategy automatically, with the strategy itself designed to be suitable for the typical member.

For members wishing to target specific benefit outcomes such as drawdown, annuity or cash alternative lifestyle profiles are available, and for those wishing to adopt a higher or lower risk profile in the growth phase, Standard Life have a range of 5 Sustainable Focus multi asset funds, although these do not have inbuilt lifestyling.

The Plan is a qualifying scheme for the purposes of the Pensions Act 2008, but was closed to new members in 2011, and accordingly is not used for auto-enrolment. The employer fulfils their auto-enrolment duties, including any opt-in and/or re-enrolment, under a separate stand-alone pension scheme administered by Standard Life.

CORE FINANCIAL TRANSACTIONS

The Trustees are required to make sure that core scheme financial transactions are processed promptly and accurately. These include, amongst other matters, transactions such as the investment of contributions, transfers of members' assets to and from the Plan, switching investments within the Plan and payments out of the Plan. The Trustees monitor these together with their advisers, the employer and Standard Life, therefore ensuring two individuals or more oversee all financial transactions through:

i. Quarterly governance reports which detail the performance of the administrator Standard Life, and for ex Defined benefit members, Capita, against their Service Level Agreements (SLA). These provide information to the Trustees on how promptly transactions and member enquiries are completed with a particular focus on the core financial transactions described above and claims (retirements and deaths).

   Contribution and investment transactions were processed based on the date completed instructions are received by Standard Life, with Standard Life accepting the risks and costs associated with any internal administration delays.

ii. Having the Plan Auditor independently test a sample of financial transactions for accuracy and timeliness as part of the annual audit process:

   - Reviewing any complaints received from the membership to see if there are any concerns with the administration provided by Capita and Standard Life.

   - Capita and Standard Life have their own internal quality control processes to ensure the timeliness and accuracy of transactions.

   - The Trustees also ensure that the Plan's bank account is monitored, and that all transactions carried out by Standard Life as the Plan administrator have a robust checking process in place.

   - Site visits as appropriate to the administrator's offices by Trustees and / or their advisers

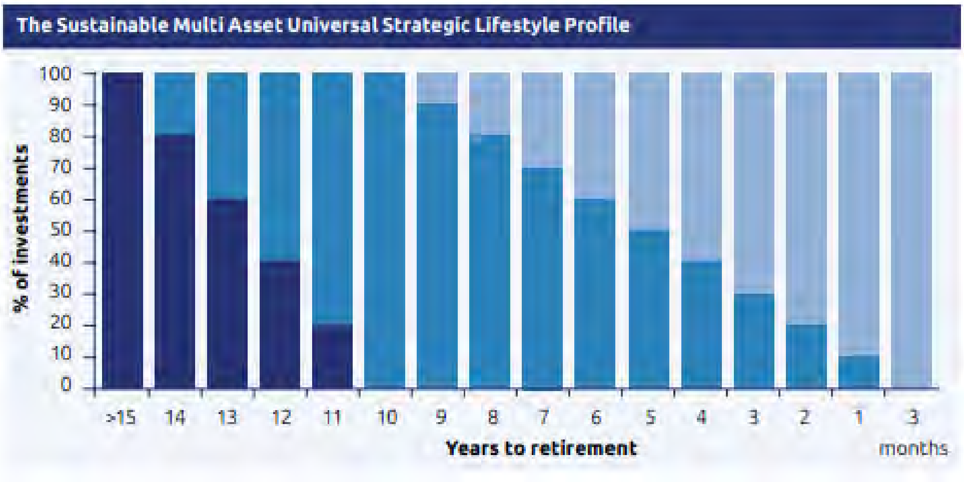
Foster Denovo Secondsight oversee the performance of Standard Life and raise any concerns with the Trustees. There were no significant or material issues reported during the year, but should they occur these would be reported and discussed with the Trustees, escalated via Secondsight and named relationship managers at Standard Life.

CHARGES AND TRANSACTION COSTS

There are a range of charges for the default strategies depending on the stage of the lifestyle and therefore the investments that are held for members.

The range of charges for the default investment strategy are 0.24% p.a. in the Growth phases to 0.25% p.a. in the Pre and At Retirement phase. The Trustees can confirm that all the default funds were within the charge cap of 0.75% p.a. of funds under management since April 2015.

The chart below outlines the proportions invested in each fund and the related charges for the default strategy at each stage of the lifestyle as at 31 March 2025:



Name	Code	Volatility rating	FMC	Additional expenses	Scheme rebate	Effective total annual fund charge	Active/ passive investment
Standard Life At Retirement - Universal Pension Fund	PLND	4	0.98%	0.02%	0.75%	0.25%	Active
Standard Life Sustainable Multi Asset Growth Pension Fund	LPNL	5	0.98%	0.01%	0.75%	0.24%	Active
Standard Life Sustainable Multi Asset Pre Retirement Pension Fund	CEMH	5	0.98%	0.02%	0.75%	0.25%	Active

The range of charges for the self-select funds is 0.24% p.a.to 0.52% p.a. (see the ‘Core range of funds’ table below).

The Trustees have approached Secondsight and Standard Life to obtain details of transaction costs applicable to the investment funds. The rules requiring disclosure of transaction costs for funds used by workplace pensions require that providers and investment managers must respond, within a reasonable time period and in a reasonably acceptable format, to requests for transaction costs from the Trustees of occupational pension schemes such as the Plan.

In response to such requests Standard Life have provided annualised transaction cost values calculated over a rolling 12-month period.

The Total Expense Ratio consists principally of the provider’s charges for administration, member communication and education services, the investment platform manager’s annual charge for managing and operating a fund(s), it also includes additional expenses (such as custodian fees) incurred by the manager. The costs for other services provided by the Plan relating to pension consultancy services provided to the Trustees are paid for by the Plan’s sponsor.

Below, we set out the Total Expense Ratio for each fund within the default investment strategy along with those from the selected fund range in which members are invested. The transaction costs incurred are in addition to the Total Expense Ratio:

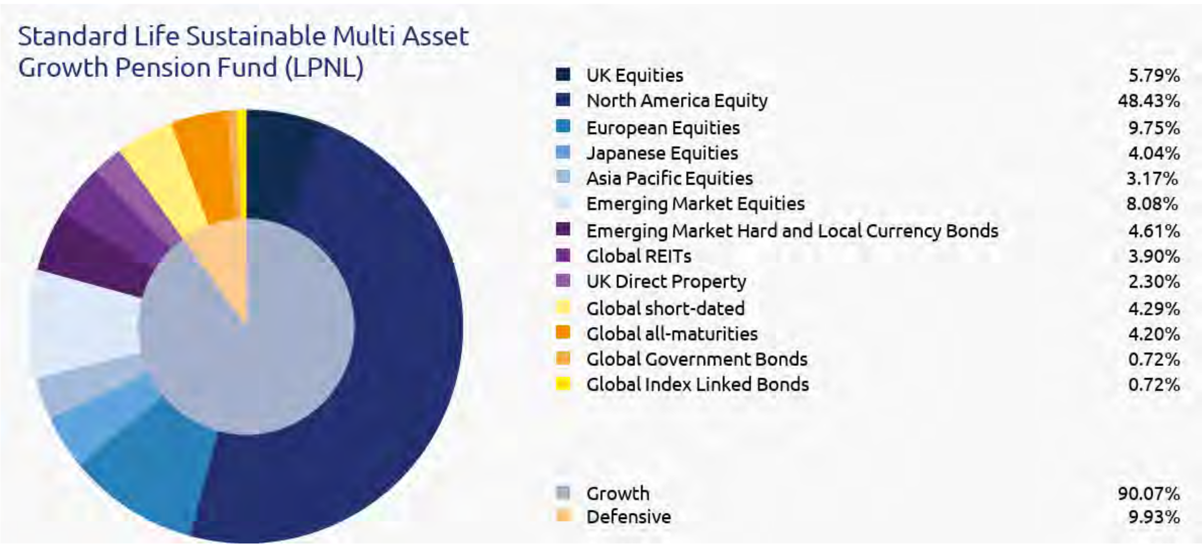
Default strategy funds	Used in the default strategy	Annual Total Expense Ratio)	Fees deducted per year per £1,000 invested	Annual total transaction costs incurred
Sustainable Multi Asset Growth	Yes	0.24%	£2.40	*0.1135%*
Sustainable Multi Asset Pre Retirement	Yes	0.25%	£2.50	*0.0967%*
Sustainable Multi Asset At Retirement	Yes	0.25%	£2.50	*0.0748%*
Selected range of funds				
SL BlackRock ACS World ex UK Equity Tracker Pension Fund		0.26%	£2.60	*0.0330%*
SL BlackRock Managed (50:50) Global Equity		0.27%	£2.70	*-0.0038%*
SL HSBC Islamic Global Equity Index		0.52%	£5.20	*0.0078%*
SL iShares >15 Year Gilt Index		0.26%	£2.60	*0.0404%*
SL iShares UK Equity Index		0.26%	£2.60	*0.0066%*
Standard Life Deposit and Treasury		0.26%	£2.60	*0.0630%*
Standard Life Ethical		0.26%	£2.60	*0.1670%*

The Plan's investment platform manager does not apply an explicit charge to switch investments between unitised funds.

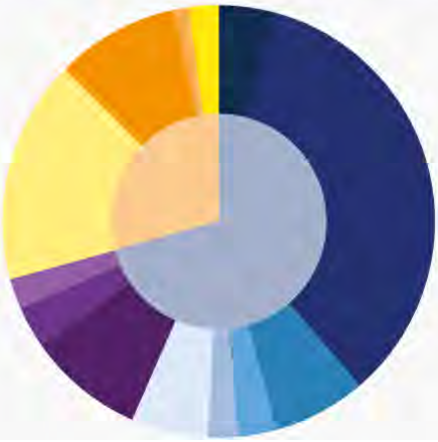
The investment performance of the funds is calculated after transaction costs which can be positive or negative as shown, and the performance of the funds after transaction costs are reviewed on a regular basis.

The Trustees will continue to request transaction cost information and will provide further details in the Chairman's Statement in the 2024 Annual Report as available.

The Trustees also monitor via Secondsight the underlying asset class breakdown of their default strategy, and the phases within that, and these are currently:

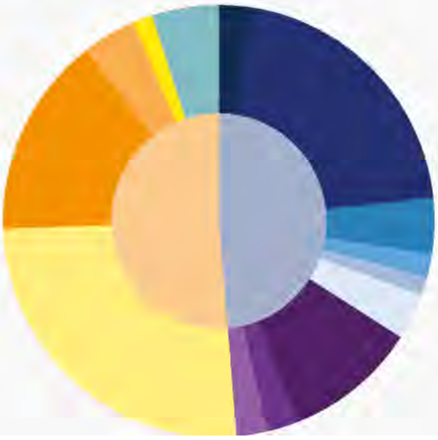


Standard Life Sustainable Multi Asset Pre Retirement Pension Fund (CEMH)



UK Equities	4.13%
North America Equity	34.56%
European Equities	6.96%
Japanese Equities	2.89%
Asia Pacific Equities	2.26%
Emerging Market Equities	5.77%
Emerging Market Hard and Local Currency Bonds	8.73%
Global REITs	3.11%
UK Direct Property	2.30%
Global short-dated	16.75%
Global all-maturities	9.25%
Global Government Bonds	1.08%
Global Index Linked Bonds	2.21%
Growth	70.71%
Defensive	29.29%

Standard Life At Retirement - Universal Pension Fund (PLND)



UK Equities	2.49%
North America Equity	20.80%
European Equities	4.19%
Japanese Equities	1.74%
Asia Pacific Equities	1.36%
Emerging Market Equities	3.47%
Emerging Market Hard and Local Currency Bonds	10.05%
Global REITs	2.30%
UK Direct Property	2.30%
Global short-dated	25.74%
Global all-maturities	15.03%
Global Government Bonds	4.06%
Global Index Linked Bonds	1.47%
Money Market	5.00%
Growth	48.70%
Defensive	51.30%

The Trustees are also required to undertake an assessment of Good Value for the Plan considering all charges and transaction costs. Further details of this assessment are on page 8.

ILLUSTRATIVE IMPACT OF CHARGES

We have provided illustrations showing the likely impact of charges compared to having no charges for two example members, one being representative of the youngest members of the Plan with the longest terms to retirement (cohort 1) and the other being representative of the average member of the Plan with typical terms to retirement (cohort 2). In addition, we have provided three sets of illustrations for each cohort to cover the range of charges members could incur, including the Plan's default strategy and the lowest and highest cost/risk options as detailed in the tables below.

These illustrations are projections of what could happen for example members. They are not personal to a specific member of the Plan and are not a promise or guarantee to deliver the values shown.

Cohort 1

Assuming the member is aged 35, with a current fund value of £56,825, a pensionable salary of £42,995 (post deduction of the 2024/25 Lower Earnings Limit), standard contribution rates as per the table below and taking benefits at age 65 – representative of a younger members of the Plan.

Cohort 1	**Sustainable Multi Asset Universal SLP**		**Standard Life Deposit and Treasury Fund**		**SL HSBC Islamic Global Equity Index Fund**	
Year	Before Charges	After Charges	Before Charges	After Charges	Before Charges	After Charges
1	£63,900	£63,700	£62,700	£62,500	£64,200	£63,800
3	£78,800	£78,100	£74,900	£74,200	£79,800	£78,800
5	£94,900	£93,600	£87,500	£86,300	£96,800	£94,700
10	£140,000	£136,000	£121,000	£118,000	£145,000	£139,000
15	£193,000	£187,000	£158,000	£153,000	£204,000	£193,000
20	£257,000	£245,000	£198,000	£190,000	£274,000	£256,000
25	£331,000	£313,000	£242,000	£231,000	£359,000	£329,000
30 (NRD)	£418,000	£392,000	£290,000	£275,000	£460,000	£416,000

Cohort 2

Assuming the member is aged 55, with a current fund value of £108,320, a pensionable salary of £31,985 (post deduction of the 2024/25 Lower Earnings Limit), standard contribution rates as per the table below and taking benefits at age 65 - representative of an older member of the Plan.

Cohort 2	**Sustainable Multi Asset Universal SLP**		**Standard Life Deposit and Treasury Fund**		**SL HSBC Islamic Global Equity Index Fund**	
Year	Before Charges	After Charges	Before Charges	After Charges	Before Charges	After Charges
1	£118,000	£117,000	£115,000	£115,000	£118,000	£118,000
3	£138,000	£137,000	£131,000	£130,000	£140,000	£138,000
5	£160,000	£158,000	£147,000	£145,000	£164,000	£160,000
10 (NRD)	£223,000	£217,000	£191,000	£186,000	£232,000	£222,000

Key Assumptions Applies to cohorts 1 and 2.	Illustration based on 100% invested in **Sustainable Multi Asset Universal SLP** – the most popular investment option **Growth Rates** Sustainable Multi Asset Growth Fund (LPNL) – 4.50% p.a. Sustainable Multi Asset Pre Retirement Fund (CEMH) – 4.50% p.a. Sustainable Multi Asset At Retirement Fund (PLND) – 4.50% p.a.	Illustration based on 100% invested in **Standard Life Deposit and Treasury Fund** – representative of one of the lowest cost and risk funds available **Growth Rates** SL Deposit and Treasury Fund (G4) - 2.50% p.a.	Illustration based on 100% invested in **SL HSBC Islamic Global Equity Index fund** – representative of one of the highest cost and risk funds available **Growth Rates** SL HSBC Islamic Global Equity Index Pension Fund (JB) - 5.00% p.a.

Contribution Rates	Age 18-24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 69	Age 70 - 75
Employer	4%	6%	9%	13%	18%	21%	24%
Employee	4%	4%	4%	4%	4%	4%	4%
Total	**8%**	**10%**	**13%**	**17%**	**22%**	**25%**	**28%**

Supplementary to the above position, members also benefit from the fact that the Plan sponsor pays in full for all professional, legal and levy costs connected with the running of the Plan together with the cost of providing very competitive life cover through a group insured arrangement. Additionally, the Principal Employer pays in full for the provision of 'Aspire to Retire', a communication and education programme for members focussed upon lifestyle and money, planning for the future and accessing savings, as well as provision of guidance and advice on retirement. This therefore enhances further the benefits of membership of the Plan at no cost to the members.

GOOD VALUE FOR MONEY

In accordance with regulation 25(1)(b), as part of our assessment of charges we have considered the extent they offer good value to members.

Our assessment is based on member borne charges only, i.e. total expense ratios and transaction costs. Additional costs associated with running the Plan, e.g. day to day Plan administration, governance and professional advisers to the employer and Trustees, that are met by the employer are not included in this assessment.

Our assessment, which included dialogue with our advisers Secondsight, focussed on a number of key areas where costs are derived in relation to the range and quality of services provided to members, and included:

- Plan management and governance;
- Administration services provided directly and indirectly to members;
- Investment governance including the quality of investment management and investment performance, as well as the level of charges borne by members; and
- The quality and timeliness of member communications, support tools, and broader information available via the Plan's own website hosted by Standard Life on the Trustees' behalf

The size of the Plan specific charge rebate with Standard Life increased by 0.02% during the 2022/23 scheme year. The Trustees, with input from their advisers, consider the member charges to be extremely competitive and offer good value. The rebate is reviewed and benchmarked at least yearly, typically as part of the annual governance process.

However, determining good value for money (for members) is primarily a judgemental exercise, and should not simply focus on charges, and transaction costs (where known). A number of qualitative features that improve a member experience also need to be taken into account which may be difficult to quantify, such as for example member access to customer service teams and online connectivity to each member's details via the Plan's online digital member functionality.

We understand from ongoing general member feedback, characteristics such as these are valued by those making use of them. The Trustees continue to promote the value to members of such support to seek to improve utilisation.

As noted above, our assessment therefore took into account an evaluation of the benefits of membership against costs of membership in key areas.

Having considered all relevant aspects, and guidelines set out by the Pensions Regulator, and having compared aspects of our Plan to other pension arrangements and information made available by our advisers, we have concluded that our Plan offers good value for members. We will continue to keep this under review in subsequent years.

KNOWLEDGE AND UNDERSTANDING

The requirements under sections 247-248 of the Pensions Act 2004 for knowledge and understanding have been met during the Plan year by the Trustees.

The Plan is run by a Trustee Board comprising 3 Trustees of which 1 Trustee is an Independent Professional Trustee (IT). During the 2022/23 scheme year, Bernie Lewis (Member Nominated Trustee (MNT)) stepped down as Trustee and as a result a further MNT was sought. However, no nominations were forthcoming with the Trustees therefore continuing with the Board as noted below. The Trustees cover a broad range of background knowledge and experience and are currently as follows:

Name	Role	Company
Colin Richardson	Independent Trustee and Chair	Zedra
Debbie Skalli	Trustee	Ideal Boilers Ltd
Steve Hairsine	Trustee	Ideal Boilers Ltd

Zedra are part of this Board and are a specialist provider of independent governance services primarily to UK pension arrangements. Amongst other appointments Zedra act as an independent trustee on nearly two hundred trust based pension schemes and sit on a number of IGCs and Master Trusts. More information on Zedra can be found at Professional Trustees - ZEDRA.

Zedra is represented by Colin Richardson. Colin is a qualified Actuary and previously worked for a number of actuarial benefit consultants. He has significant DC trustee experience with DC Master Trust, single employer trusts and hybrid schemes. Colin also sits on independent governance committees for contract-based arrangements.

Zedra requires that each of the Client Directors is professionally qualified and undertakes a minimum level of Continual Professional Development each year. Colin and Zedra have met The Pension Regulator's knowledge and understanding requirements during the Scheme year. Colin holds the Pensions Management Institute Trustee Certificate. Colin is accredited as a Professional Trustee by the Association of Professional Pension Trustees.

All of the Trustees have undertaken the Pension Regulator's trustee training toolkit or are in the process of completing it.

The Trustee Board operates a calendar of Trustee Training at various times each year to ensure that each Trustee has training on relevant matters. The Secretary to the Trustees keeps records of the training. The training is chosen to reflect key areas on forthcoming matters for the Trustee Board. Each Trustee has completed an analysis of training assessment needs.

Training undertaken included professionalism, limitations of modelling, DC investment default design and structures, transaction costs, trustee standards, GDPR, cyber security, pensions communications, environmental and social impact investing, challenging of advisers and conflicts of interest.

Each new trustee is provided with a detailed induction plan which requires the trustee to complete the Pension Regulator's trustee toolkit. This contains modules on the law relating to pensions and trusts, and principles relating to funding and investment of pension schemes.

A training programme operates that is reviewed periodically. Trustee training needs continue to be monitored to ensure the Trustees' knowledge and understanding is maintained, with any knowledge gaps addressed appreciating that the collective knowledge and experience of the Trustee Board is broad.

The trustees have a working knowledge of the Trust Deed and Rules and are conversant with the SIP.

Secondsight provide professional advice to the Trustees and support them in reviewing the performance of the Plan and in governing the Plan in line with the Trust Deed and Rules. The advice received by the Trustees along with their own experience allows them to properly exercise their function as Trustees.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the regulations").

Signed: **Date:**

Colin Richardson on behalf of Zedra, Chair of Trustees