SUMMARY FUNDING STATEMENT

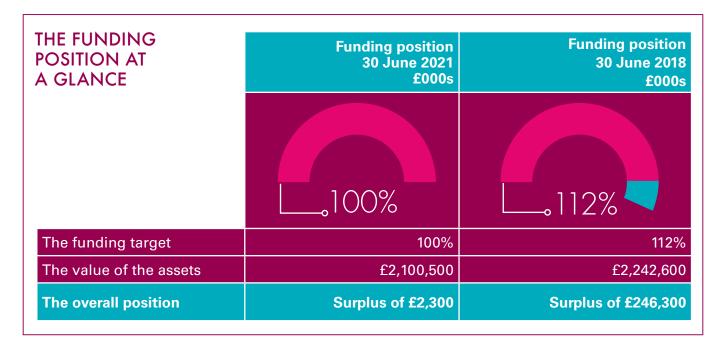
FUNDING YOUR BENEFITS

As Trustee, one of our responsibilities is to work with the Company to make sure the Final Salary Section of the Scheme has sufficient funds to pay the benefits that members have built up, whenever they need to be paid.

At least once every three years, our actuary carries out a formal check on the health of the Final Salary Section of the Scheme's funding in a process called a valuation.

To help us monitor progress in the years between valuations, we also ask the actuary to provide us with annual updates. These updates are less detailed than a valuation, but give us a good idea of how the funding position is developing and allow us to consider any steps that may be appropriate.

The information in this section gives a recap of the funding position as at the last formal valuation at 30 June 2021 and compares this to the results from the previous valuation.



REASONS FOR THE CHANGE

There has been no material change in the funding target since our last update was prepared as at 30 June 2020.

There has been a drop in the funding level since the 2018 valuation. The key reason for this is that since the 2018 valuation the Trustee has completed the purchase of insurance policies to now cover the entire liabilities of the Scheme.

As the assets are now held solely in insurance policies (that match the benefits due from the Final Salary Section) and cash, the Trustee is satisfied that the Scheme is in a healthy financial position.

CURRENT MARKET ENVIRONMENT

With significant volatility in investment markets this autumn, there has been some press coverage on impacts on pension scheme funding.

Because we are backed by insurance from Phoenix Life, this volatility has had no notable impact on the security of members' benefits – we remain well protected.

For Phoenix Life themselves, they retain significant buffers of both capital reserves backing their annuity fund and cash liquidity to meet all benefit payments arising.

They and other annuity funds have not been notably impacted by the recent market volatility. This is because they invest their fund entirely in assets chosen specifically to provide income to meet their benefit commitments, without having to use borrowing or 'leverage' to produce enough investment income.

PGL Pension Scheme 5

FOR INFORMATION - ALTERNATIVE FUNDING MEASURE

By law, we are required to show you the Scheme's funding level at the last formal valuation (30 June 2021) on an alternative measure: the 'full solvency' measure. This is an estimate of the Scheme's funding position, assuming that the assets are used to buy insurance policies to provide the benefits. As this is now the actual position that the Scheme is in, there are little merit in showing this, but since it is a statutory requirement, we have shown this below for completeness.

On this basis, the 'full solvency' funding level of the Final Salary Section was 100% at 30 June 2021.

The Pension Protection Fund (PPF) is a 'safety net' for members whose schemes wind up without their employer being able to afford to cover the cost of providing all the benefits. The PPF can provide compensation to people who would otherwise lose their pensions in this way, and the Company pays a levy in return for this protection. As the Scheme is fully funded and invested in insurance policies to provide the benefits we are comfortable that the Scheme will not require the support of the PPF.

www.pensionprotectionfund.org.uk

ADDITIONAL INFORMATION

We are required to tell you whether the Scheme has made any payments to the Principal Employer in the last 12 months. We can confirm that it has not.

We are also required to tell you whether the Pensions Regulator has had to intervene in the running of the Scheme. (The Regulator is the body that oversees the running of UK pension schemes and can step in if it feels trustees need additional guidance or if they have failed in their duties in some way.) We can confirm that the Regulator has not needed to do this.

Trustees are now required to take steps to meet the TCFD (Task Force on Climate-Related Financial Disclosures) requirements and produce a statement for members explaining the action they have taken. However, the TCFD requirements only apply for schemes which have 'relevant' assets. The PGL Pension Scheme does not have relevant assets, because the liabilities are now fully secured through insurance contracts, so the Trustee has not produced a TCFD statement for the Scheme.

WHERE TO GET MORE HELP

About your finances...

If you would like advice about your retirement benefits, or general advice about financial matters, you should speak to an independent financial adviser. You can find an adviser in your area by searching the Money and Pensions Service directory at:

www.moneyandpensionsservice.org.uk

MoneyHelper is a free, impartial guidance service, backed by the Government. It brings together the support previously available through the Money Advice Service, the Pensions Advisory Service and Pension Wise. The address is:

www.moneyhelper.org.uk

If you have a concern about your benefits...

You can contact the Pension Ombudsman's Early Resolution Service team at

- https://www.pensions-ombudsman.org.uk/ making-complaint
- Phone: 0800 917 4487 and select the option to discuss a potential complaint
- Email: enquiries@pensions-ombudsman.org.uk