

Chair's statement – The Rexel UK Pension Scheme

Annual statement regarding governance

1. Introduction

Governance requirements apply to defined contribution (“DC”) pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Rexel UK Pension Scheme (the “Scheme”) (the “Trustee”) is required to produce a yearly statement (which is signed by the Chair of the Trustee) to describe how these governance requirements have been met in relation to:

- the investment options in which members’ funds are invested (this means the “default arrangement” and other funds members can select or have assets in, such as self-select or “legacy” funds).
- the requirements for processing financial transactions.
- the charges and transaction costs borne by members.
- an illustration of the cumulative effect of these costs and charges.
- net returns of the investment options.
- a ‘value for members’ assessment; and
- Trustee knowledge and understanding.

This statement covers the period from 6 April 2024 to 5 April 2025.

Following advice from Barnett Waddingham, the Scheme’s investment advisers, contributions for active members (excluding the ex-Senate members) ceased on 1 July 2023 and members’ assets were transitioned to the Scottish Widows Master Trust on 3 October 2023, with an effective transaction sale date of 25 September 2023.

This means this statement focuses on the remaining members of the Scheme – the ex-Senate members who have assets invested within Aviva With Profits policies, and the small number of remaining AVC members, also invested within Aviva With Profits policies.

2. Default investment arrangements

The Trustee is responsible for the Scheme’s investment governance, which includes setting and monitoring the investment strategy for the default arrangement, given that all remaining members are now invested within With Profits with no further option to make contributions or change investment choice within the Scheme, on-going investment monitoring is reduced.

Details of the objectives and the Trustee’s policies regarding the Scheme investments can be found in a document called the ‘Statement of Investment Principles’ (“SIP”). The Scheme’s latest SIP is attached to this annual statement.

The Trustee’s main investment objective for the remaining DC section assets is to invest members’ accumulated contributions under the Scheme appropriately, considering:

- The risk that the investment return achieved on a member's retirement pot over the member's working life will not keep pace with price and wage inflation.
- The risk that investment market movements in the period immediately prior to retirement may lead to a substantial reduction in the anticipated level of benefits.

- The various methods that members may use to take their benefits from the Scheme.

The investment strategy and the performance of the investment arrangements were not reviewed during the period covered by this statement. The last review was carried out in 2021 by Barnett Waddingham. The Trustee regularly monitored the performance of the default arrangement and fund range, prior to the transfer to Scottish Widows, and formally reviewed both this and the strategy at least every three years. Prior to the transition of Scheme assets to the Scottish Widows Master Trust in September 2023, the next review was intended to take place by November 2024.

However, given the nature of the Scheme's remaining With Profits investments the Trustee reviewed the performance of the investment arrangements against its aims, objectives and policies on a quarterly basis. This review includes an analysis of fund performance and member activity to check that the risk and return levels meet expectations. The Trustee reviews that took place during the Scheme year concluded that the arrangement was performing broadly as expected and consistent with the aims and objectives as stated in the SIP.

The Scheme SIP was last updated in October 2024,.

3. Requirements for processing core financial transactions

The Trustee has received assurance from the Scheme's administrator XPS, that there were adequate internal controls to support prompt and accurate processing of core financial transactions relating to the Scheme during the Scheme year. This includes the investment of contributions, processing of transfers in and out of the Scheme, transfers of assets between different investments within the Scheme, and payments to members/beneficiaries.

The Trustee holds regular meetings and in the normal course of events meets at least four times a year. Reviews of core financial transactions and service level performance provided by XPS, the Scheme's administrator, take place at each meeting.

The deduction and payment of contributions was previously reviewed by the Trustee, albeit no contributions have been made after 1 July 2023 and therefore during the Scheme year under review. Rexel UK Limited (the "Sponsor") and Trustee historically reviewed at each Trustee meeting the contributions paid each month, together with details of any difficulties in processing these with XPS and how any such difficulties have been resolved. These details would be discussed at the meeting and compared with the administration reports provided by XPS.

The Trustee is pleased to report therefore that given the reduced number of transactions, during the period under review, the core financial transactions were completed within the agreed parameters set out in the service level agreement ("SLA") and the Trustee concludes that there are currently no concerns regarding the processing of core financial transactions.

The Scheme's risk register details the risks in relation to the Scheme and the corresponding controls in place. This is monitored at each meeting and is reviewed on at least an annual basis.

The remaining Scheme members can no longer switch their funds as there are now no alternative funds available under the Scheme.

The Trustee receives quarterly reports about the administrator's performance and compliance with the SLA; using information provided by the administrators, which has been reviewed by the auditors, the Trustee is satisfied that over the period covered by this statement:

- the administrator was operating appropriate procedures, checks and controls and operating within the agreed 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.

Administration services provided by XPS

During the Scheme year the Trustee was reassured that XPS's service levels were satisfactory. The Trustee will continue to closely monitor this area, to ensure any issues are addressed and resolved.

The Trustee has reviewed the quality of the Scheme's data during the year. The Trustee confirms that, as of 5 April 2025, XPS held all common data for 93% of members. The Trustee continues to focus on improving the address data for any of the remaining deferred members, which contributes to much of the missing common data.

4. Member-borne charges and transaction costs

The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

The Trustee is also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds.

However, within a with profit investment charges and transaction costs are implicit within the declared annual bonus rates which for the year ending 31 December 2024 the charge equated to 0.55% as confirmed by Aviva.

Fund name	Risk level	Annual charge	Goal of the fund
Aviva (Friends Life) With-Profits (former Rexel Senate members only)	Low to Medium	0.55% (0.50% for 1 member)	Invests in mainly equities, property, bonds, and cash investments (such as bank deposits). May include regular bonuses and a final (terminal) bonus when the policy ends. Only available to ex-Senate members who are already invested. If members move their funds away from this fund, they are not able to move them back.

There are no additional charges for the AVC with profit policies.

When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

4.1 The ex-Senate members, who are the only remaining DC deferred Scheme members, continue to have DC funds held within an Aviva With-Profits fund:

Fund name	Risk level	Annual charge	Approximate yearly cost per £1,000	Goal of the fund
Aviva (Friends Life) With-Profits (former Rexel Senate members only)	Low to Medium	0.55%	£5.50	Invests in mainly equities, property, bonds, and cash investments (such as bank deposits). May include regular bonuses and a final (terminal) bonus when the policy ends. Only available to ex-Senate members who are already invested. If members move their funds away from this fund, they are not able to move them back.

The asset allocation, as at 31 March 2025, for the with profits fund was as follows:

Asset Class	Aviva FP With-Profits Sub-Fund (NGP Series 2) fund
UK Equities	17.30%
International Equities	28.50%
Private Equity	0.10%
Property	16.00%
Alternative Trading Strategies	7.20%
Fixed Interest- Gilts	7.00%
Fixed Interest- Other Bonds	23.20%
Cash / Money Market	0.70%

4.3 Illustration of charges and transaction costs

Over 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 Trustee has set out below illustrations of the impact of charges and transaction costs on different investment options in the Scheme. The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

As each member has a different amount of savings within the Scheme and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained below:

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs, i.e. line 1 with 0.00% costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs, i.e. the next 3 lines in the table.
- The transaction cost figures are based on the historic figures provided by the managers and for With-Profit investments are implicit within the declared bonus rates.

The illustration is shown for the remaining With Profit arrangements, for active and deferred members (although as there are no longer any active members these are illustrative only).

Active members	Total expense ratio (TER) including transaction costs	Short term (5 years)	Medium term (15 years)	Long term (25 years)
The Rexel UK Pension Scheme Aviva With Profits. No charges.	0.00%	£25,022	£83,762	£156,356
Aviva With-Profits (Av FP With-Profits Sub-Fund (NGP Series 2) fund)	0.55%	£24,669	£80,205	£145,164
Aviva With-Profits (Av FP With-Profits Fund (NGP Series 3))	0.50%	£24,701	£80,520	£146,138
Charge cap for qualifying workplace pension scheme	0.75%	£24,542	£78,960	£141,350

*There are no additional transaction costs.

Starting assumptions:

- Starting salary: £25,000
- Contributions: £400 per month
- Salary increases: 2.8% p.a.
- Nominal fund growth:
 - Aviva With-Profits: 5% p.a.

- Figures in today's terms based on an assumed inflation rate of 2.8% p.a.

Deferred members

Below incorporates a table assuming members have ceased active membership of the Scheme and are no longer paying regular contributions. This is on the assumption they have an accrued pot of £10,000.

Deferred Members	Total expense ratio (TER) including transaction costs	Short term (5 years)	Medium term (15 years)	Long term (25 years)
The Rexel UK Pension Scheme default investment strategy. No charges.	0.00%	£11,117	£13,739	£16,979
Aviva With-Profits (Av FP With-Profits Sub-Fund (NGP Series 2) fund)	0.55%	£10,815	£12,650	£14,797
Aviva With-Profits (Av FP With-Profits Fund (NGP Series 3))	0.50%	£14,983	£17,053	£14,506
Charge cap for qualifying workplace pension scheme	0.75%	£10,708	£12,276	£14,075

*There are no additional transaction costs.

Starting assumptions:

- Contributions: £0 per month
- Nominal fund growth:
 - Default investment strategy: 5% p.a.
 - Aviva With-Profits: 5% p.a.
- Figures in today's terms based on an assumed inflation rate of 2.8% p.a.

Notes:

Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund.

Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.

Source: XPS/LGIM - Costs and charges illustration for a contributing member / SecondSight Pension Calculator

5. Investment returns

This section states the annual return, after the deduction of member borne charges and transaction costs, for all default arrangements and investment options that members are able, or were previously able, to select and in which members' assets were invested during the scheme year. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

There were no arrangements where returns vary with age, such as for the previous default strategy, available to members during the Scheme year under review.

Av FP With-Profits Sub-Fund (NGP Series 2)

In respect of F53103

Period covered	Regular bonus rate %
01/01/2020 – 31/12/2020	3%
01/01/2021 – 31/12/2021	2.5%
01/01/2022 – 31/12/2022	2.5%
01/01/2023 – 31/12/2023	2.5%
01/01/2024 – 31/12/2024	2.5%
01/01/2025 – 30/06/2025	2.5%

In respect of AEP6600 and PY90006

Period covered	Regular bonus rate %
01/01/2020 – 31/12/2020	2.00
01/01/2021 – 31/12/2021	2.50
01/01/2022 – 31/12/2022	3.25
01/01/2023 – 31/12/2023	4.00
01/01/2024 – 31/12/2024	4.50
01/01/2025 – 30/06/2025	4.5

6. Value for members assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of “good value”, but the Trustee considers that it broadly means that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole, when compared to other options available in the market.

The Trustee reviews 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 Trustee notes 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 Trustee’s assessment included a review of the performance of the Scheme’s investment funds (after all charges) in the context of their investment objectives.

The returns on the investment funds members can choose during the period covered by this statement have been consistent with their stated investment objectives.

In carrying out the assessment, the Trustee also considers the other benefits members receive from the Scheme, which include:

- the Scheme’s charges and investment performance, against three established Master Trusts that have been through the authorisation process implemented by the Pensions Regulator.
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards for the Scheme year.
- A review of the oversight and governance of the Trustee, including ensuring the Scheme is compliant with relevant legislation, such as the charge cap, and holding regular meetings to monitor the Scheme and address any material issues that may impact members.
- the design of the default arrangement and how this reflects the membership as a whole.
- the range of investment options and strategies.
- the quality of communications delivered to members.
- the quality of support services such as the Scheme website where members can access fund information online; and

Following a report prepared by Second sight alongside the Trustee’s knowledge of Scheme and its membership, the Trustee has concluded that members of the Scheme are receiving value for money for the charges and cost that they incur. However, following the transition of members (excluding the ex-Senate population and the bulk of AVC members) to the Scottish Widows Master Trust as additional value was felt to be offered, including improved investment choice, a more appropriate at retirement default strategy target, increased member engagement and communication support, and a significant improvement in member borne charges, the remaining DC members have limited options, and consequently the Trustee is assessing whether there are alternative options that may provide better value for these members.

A summary of the assessment and the value provided to members of the Scheme can be found in the table below:

Governance & Oversight

Overall, the Trustee of the Scheme has good policies and structures in place to ensure the Scheme offers value to its members. During the Scheme year under review the Trustee continues to assess whether there are alternative options that may provide better value for the remaining deferred DC and AVC members who now all hold with profit policies.

During the scheme year under assessment the Trustee carried out regular review of the Scheme's investment strategy performance.

The Trustee Directors undertake significant training during the year and have a good understanding of the Scheme's deed and rules.

Overall, we conclude that the Scheme provides good value for members in respect of Governance & Oversight.



Costs & Charges The comparison shows that the charges offered through the Scheme whilst not overly competitive but is broadly in line with comparators. Therefore, we conclude that the cost and charges when considered in isolation represent reasonable value for members. However, given that with profits now represents the only investment option, the Trustee considers if the additional charges continue to represent reasonable value in comparison to the comparators when considering the nature of with profits investments and overall proposition of the Rexel Scheme.	Costs and charges 
Investment Performance Overall, we conclude that the performance of the Scheme's with profits investments for DC and AVC members has provided an appropriate level of both short and long-term value to members for this type of investment, and the now transitioned DC investments had also performed broadly in line with benchmarks and expectations.	Net investment returns 

Further details of the Trustee's value for members assessment can be provided on request.

As detailed in the earlier section covering processing of financial transactions, the Trustee is comfortable with the quality and efficiency of the administration processes.

The Trustee believes the transaction costs provided value for members as the ability to transact formed an integral part of the investment approaches, and we expected this to lead to greater investment returns net of fees over time. Transaction costs are implicit within the Scheme's remaining Aviva with profits investment.

Overall, the Trustee believes that members of the Scheme are receiving value for money for the charges and cost that they incur given the remaining assets are held within with profit investments.

7. Trustee knowledge and understanding

The Scheme's Trustee is required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively. The Trustee must:

- Be conversant with the trust deed and rules of the Scheme, the Scheme's SIP and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Scheme generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

In addition, the Trustees of schemes that are subject to the Climate Change Governance and Reporting Requirements in Part 1 of the Schedule to the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 must have knowledge and understanding of the identification, assessment and management of risks and opportunities relating to climate change for occupational pension schemes, including risks and opportunities arising from steps taken because of climate change.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the conversance and knowledge and understanding requirements have been met during the period covered by this statement are set out below.

The requirements have been met during the course of the scheme year as follows:

- The Trustee Chair is an independent trustee.
- The Trustee Directors training is logged and reviewed annually.
- The Trustee Directors have undertaken trustee training at trustee meetings on key agenda items and are kept abreast of pension legislation and relevant developments.
- Specific training has included: Bulk Annuity Transactions, and considerations for de-risking in preparation of a buy-in.
- The Trustee Directors fully utilise the knowledge of the appointed professional advisers who are present at each Trustee meeting. These sessions were provided by a range of professional adviser partners including; Barnett Waddingham and XPS.
- The Trustee Directors are conversant with and understand the Scheme's Trust Deed and Rules, taking advice from the Scheme's legal advisers where needed, as well as the Scheme's other documents including the SIP and have knowledge and understanding of pension and trust law and knowledge of funding and investment principles, as required by section 248 of the Pensions Act 2004. In addition, the Trustee has a good working knowledge of, and continued access to, the Scheme's other documents and policies including the SIP.

The Trustee with the help of its advisers, regularly considers training requirements to identify any knowledge gaps. The Trustee's investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustee's advisers would typically deliver training on such matters at Trustee meetings if they were material.

The Trustee is familiar with and has access to copies of the current Scheme governing documentation, including the Trust Deed & Rules (together with any amendments), the SIP and key policies and procedures. In particular, the Trustee refers to the Trust Deed and Rules as part of considering and deciding whether to make any changes to the Scheme and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Scheme's investments.

Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Scheme year. A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date.

Taking into account the knowledge and experience of the Trustee with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g. investment consultants, legal advisors), the Trustee believes that it is well placed to exercise its functions as Trustee of the Scheme properly and effectively.



Kenneth John Mullen (Aug 21, 2025 16:23:59 GMT+1)

Ken Mullen, Chair of Rexel UK Pension Trustees Limited

Date: August 2025

Appendix A – Statement of Investment Principles

Available at:

[Rexel UK Pension Scheme 2024 Statement of Investment Principles](#)

Rexel Chair's Statement - v1.1

Final Audit Report

2025-08-21

Created:	2025-08-21
By:	Dalriada Sign (DalriadaSign@dalriadatrustees.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6SdEBEuuRJvWxEs5pdqIW5nRDCcukC61

"Rexel Chair's Statement - v1.1" History

 Document created by Dalriada Sign (DalriadaSign@dalriadatrustees.co.uk)
2025-08-21 - 09:38:03 GMT- IP address: 195.26.51.19

 Document emailed to ken.mullen@rexel.co.uk for signature
2025-08-21 - 09:39:14 GMT

 Email viewed by ken.mullen@rexel.co.uk
2025-08-21 - 15:23:21 GMT- IP address: 31.94.68.209

 Signer ken.mullen@rexel.co.uk entered name at signing as Kenneth John Mullen
2025-08-21 - 15:23:57 GMT- IP address: 31.94.68.209

 Document e-signed by Kenneth John Mullen (ken.mullen@rexel.co.uk)
Signature Date: 2025-08-21 - 15:23:59 GMT - Time Source: server- IP address: 31.94.68.209

 Agreement completed.
2025-08-21 - 15:23:59 GMT