

Shaw Group Pension Scheme

Chair's Statement - Year ended 5 April 2025

Introduction

Governance requirements apply to defined contribution pension arrangements such as the Defined Contribution (DC) section of the Shaw Group Pension Scheme (the Scheme), to help members achieve a good outcome from their pension savings. The Trustees of the Scheme are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met.

This statement covers the period from 6 April 2024 to 5 April 2025. The Trustees continue to be committed to high governance standards and have an annual meeting at which they monitor the control and processes in place in connection with the Scheme's investments and administration.

The Scheme operates under a definitive Trust Deed and Rules dated 2 November 1999. A copy is available to members and beneficiaries on request from the Trustees.

The Trustees remain resolute in their determination to continue ensuring members' interests remain at the forefront of their minds whilst making decisions and ensuring value for money is maintained at a high standard. The Trustees welcome this opportunity to explain what they do to help to ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please do contact Cerys Smith, Payroll & Pension Compliance Manager, using the following contact details:

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Default Investment Arrangements

Members who join the Scheme and who do not choose an investment option from the Self-Select Funds offered are placed in the default investment arrangement.

The Trustees are responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangement. Details of the objectives and the Trustees' policies regarding the default arrangement can be found in the 'Statement of Investment Principles' ("**SIP**"), attached to this annual statement.

The Trustees' key aim is to provide investments that are suitable for meeting members' long and short-term investment objectives. They have considered members' potential circumstances, in particular members' attitudes to risk and how this might vary with the term to retirement.

The Trustees note that powers of investment must be exercised in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole.

The Trustees are aware of the need for assets to be invested in the best and sole interest of the members and beneficiaries and in a way which helps ensure that the members' benefit aspirations are met.

Performance for the revised default strategy is shown in the table below and reflects market movements over the last year:

Member's term to retirement	Performance over the year to 31 March 2025
Over 10 years	4.5%
10 years to 5 years	Between -3.1% and 4.5%
5 years to target retirement age	Between -3.1% and 5.1%

The revised default arrangement has been in place since June 2024 and a summary is set out in the Value for Members' assessment below.

Charges and transaction costs paid by members

Default arrangement

The Total Expense Ratio (TER) that applied to the Scheme's default arrangement over the year to 5 April 2025 is detailed in the table below. The default strategy was previously designed for members who wished to take their benefits as drawdown and cash at retirement. In June 2024 the Trustees reviewed the default strategy and replaced the Baillie Gifford Multi Asset Fund with the Legal & General Future World Annuity Aware Fund. The default strategy was redesigned for members who purchase an annuity and take cash at retirement. The Lifestyle switches under the default investment strategy are conducted on a quarterly basis.

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Funds (after redesigning the default strategy)	Years to retirement	TER
100% Legal & General World Equity Index Fund	Over 10 years	0.12%
5% per quarter switch to: 100% Legal & General Future World Annuity Aware Fund	10 years to 5 years	0.10% to 0.12%
2.5% per quarter switch from Legal & General Future World Annuity Aware Fund to 25% Legal & General Cash Fund	5 years to target retirement age	0.09% to 0.10%

The TER sets out the total annual costs involved in running an investment fund. This includes the Annual Management Charge, plus other charges incurred in administering the fund (including, but not limited to, share registration fees, legal fees, auditor fees and custodian fees) but excluding transaction costs.

As can be seen, the total charge that applied to the default investment strategy at the end of the year did not exceed the 'charge cap' of 0.75%. The charge cap is assessed against a different measure of the costs that apply to the funds, known as the Member Borne Deduction (MBD). The MBD can be considered to be the same as the TERs shown above.

Self-select funds

The Baillie Gifford Multi Asset Growth Fund merged with the Baillie Gifford Defensive Growth Fund in June 2025.

The charges applicable to the self-select funds offered under the Scheme are:

Fund name	Asset class	TER
Legal & General FTSE4 Good Developed Equity Index (previously Ethical Global) Fund	Equity	0.34%
Legal & General UK Equity Index	Equity	0.07%
Baillie Gifford Defensive Growth Fund	DGF	0.54%
Legal & General Property	Property	1.54%
Legal & General AAA-AA-A Corporate Bond Index	Bonds	0.10%
Legal & General Future World Annuity Aware Fund	Bonds	0.10%
Legal & General Over 15 Year Gilt Index	Gilts	0.08%
Legal & General Cash Fund	Cash	0.09%
Legal & General World Equity Index Fund	Equity	0.12%

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Transaction costs

Transaction costs are incurred as a result of buying, selling, lending or borrowing investments. The costs mainly arise as a result of delivering a fund's target investment return where a passive or active investment approach is used. As an example, a fund may need to buy or sell assets when members pay money into or take money out of a fund and the buying or selling of assets will incur costs.

Transaction costs arise as a result of participating in a financial market and are separate from any annual management charges. The transaction cost for buying or selling an investment includes all costs incurred by a buyer or seller from the point an order to transact is received to the point at which the transaction completes.

These costs include all charges, commissions, taxes, and other associated payments incurred directly or indirectly. These costs are ultimately borne by assets of the arrangement or of any investment in which the arrangement is directly or indirectly invested. Of these costs, some are easily identifiable as specific costs incurred, but some are less identifiable and may rely on the investment manager's judgement.

Mobius Life has confirmed the transaction costs for the scheme year 5 April 2025 as listed below:

Fund name	Transaction cost
Legal & General World Equity Index Fund	0.04%
Baillie Gifford Defensive Fund	0.62%
Legal & General Over 15 Year Gilt Index	0.06%
Legal & General Cash Fund	0.13%
Legal & General FTSE4 Good Developed Equity Index (previously Ethical Global) Fund	0.01%
Legal & General UK Equity Index	0.02%
Legal & General Property	0.64%
Legal & General AAA-AA-A Corporate Bond Index	0.05%
Legal & General Future World Annuity Aware Fund	0.16%

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Illustration of costs and charges

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. 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 Trustees have had to make a number of assumptions about what these might be. The assumptions are explained below:

- The "Before charges" figures represent the savings projection assuming an investment return with no deduction of member-borne fees or transaction costs. The "After all charges & costs deducted" figures represent the savings projection using the same assumed investment return but after deducting member-borne fees.
- The illustration is shown for the current default arrangement since it is the strategy with the most members invested in, where members were automatically enrolled, as well as a range of funds from the Scheme's self-select fund range. The self-select funds shown in the illustration are:
 - the fund that has attracted the greatest investment - this is the Legal & General World Equity Index
 - a diversified growth fund - this is the Baillie Gifford Defensive Growth Fund (merged with the Baillie Gifford Multi Asset Growth (MAG) Fund in June 2025)
 - the fund with the lowest costs and return - this is the Legal & General Cash

Active member

The figures in the table overleaf show the effect of the fund managers' charges on an active member's fund value over incremental periods for the next 40 years. The table shows the effect based on the assumptions set out in the notes below.

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Projected pension pot in today's money for a member aged 25 (£)								
	Fund choice							
	Default strategy		<i>L&G World Equity Index</i>		<i>Baillie Gifford Defensive Growth Fund</i>		<i>L&G Cash</i>	
Years	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted
1	63,888	63,803	63,888	63,803	63,153	62,447	61,655	61,570
3	84,703	84,396	84,703	84,396	82,067	79,588	76,876	76,590
5	106,984	106,377	106,984	106,377	101,820	97,066	91,978	91,448
10	169,802	168,036	169,802	168,036	155,124	142,274	129,222	127,902
15	244,278	240,624	244,278	240,624	214,542	189,731	165,744	163,388
20	332,576	326,075	332,576	326,075	280,773	239,548	201,559	197,932
25	437,261	426,672	437,261	426,672	354,600	291,843	236,680	231,560
30	561,375	545,096	561,375	545,096	436,893	346,740	271,122	264,295
35	710,080	685,262	708,522	684,509	528,624	404,367	304,897	296,161
40	868,994	832,613	882,978	848,630	630,875	464,861	338,018	327,181

Notes

1. Projected Pension Account values are shown in today's terms and do not need to be reduced further for the effect of future inflation. Values shown are estimates and are not guaranteed.
2. The starting Pension Account value is assumed to be £54,000 and total contribution rate of 13%. Inflation is assumed to be 2.5% each year.
3. Contributions are assumed to continue to retirement age based on the minimum contribution rate and based on a current salary of £61,000 pa which will increase in line with assumed earnings inflation of 2.5% each year.
4. The projected growth rates before charges for the fund choices are as follows:
 - a. Default investment strategy during the lifestyling period from 0.40% to 3.65% pa depending on how close you are to retirement
 - b. Legal & General World Equity Index Fund: 3.55% pa
 - c. Baillie Gifford Defensive Growth Fund (previously MAG Fund): 2.25% pa
 - d. Legal & General Cash Fund: 0.40% pa.

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Deferred member

The figures in the table below show the effect of the fund managers' charges on a deferred member's fund value over incremental periods for the next 27 years. The table shows the effect based on the assumptions set out in the notes below the table.

Projected pension pot in today's money for a deferred member aged 38 (£)								
	Fund choice							
	Default strategy		<i>L&G World Equity Index</i>		<i>Baillie Gifford Defensive Growth Fund</i>		<i>L&G Cash</i>	
Years	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted	Before charges deducted	After all charges deducted
1	54,836	54,758	54,836	54,758	54,163	53,517	52,793	52,716
3	58,700	58,451	58,700	58,451	56,567	54,566	52,382	52,151
5	62,836	62,393	62,836	62,393	59,078	55,636	51,974	51,593
10	74,498	73,451	74,498	73,451	65,853	58,404	50,968	50,224
15	88,324	86,468	88,324	86,468	73,405	61,309	49,981	48,891
20	104,797	101,833	104,716	101,793	81,824	64,358	49,013	47,593
25	123,788	119,192	124,150	119,833	91,207	67,560	48,064	46,330
27	130,782	125,473	132,898	127,915	95,256	68,884	47,690	45,834

Notes

1. Projected Pension Account values are shown in today's terms and do not need to be reduced further for the effect of future inflation. Values shown are estimates and are not guaranteed.
2. The starting Pension Account value is assumed to be £53,000 and inflation is assumed to be 2.5% each year.
3. No further contributions are assumed.
4. The projected growth rates before charges for the fund choices are as follows:
 - a. Default investment strategy during the lifestyling period from 0.40% to 3.65% pa depending on how close you are to retirement
 - b. Legal & General World Equity Index Fund: 3.55% pa
 - c. Baillie Gifford Defensive Growth Fund (previously MAG Fund): 2.25% pa
 - d. Legal & General Cash Fund: 0.40% pa.

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Value for Members Assessment

The Scheme is a “specified scheme” for the purposes of Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021. As such, the Trustees are required to carry out a detailed value for members assessment to determine whether members will receive value for money in the Scheme over the long term or whether they would obtain better value for money in a different scheme. This detailed value for members assessment covers three key areas:

- Costs and charges
- Net investment returns
- Administration and governance

In assessing costs and charges and net investment returns the Trustees are required to compare those in the Scheme with three “comparison schemes”. In assessing administration and governance, the Trustees are required to assess the value delivered across the following seven key metrics:

- Promptness and accuracy of core financial transactions
- Quality of record keeping
- Appropriateness of the default investment strategy
- Quality of investment governance
- Level of trustee knowledge, understanding and skills
- Quality of communication with scheme members
- Effectiveness of management of conflicts of interest

The Trustees are required to report the outcome of the value for members assessment in the annual scheme return to the Pensions Regulator and if the conclusion is that the Scheme does not provide value for members, the Trustees are also required to report what action they are taking to address matters. This can either be:

1. Transfer members to another arrangement and wind up the Scheme; or
2. Taking steps to improve the value for members within the Scheme.

The results and conclusions of the value for members assessment carried out by the Trustees are set out below. In completing this value for members assessment, the Trustees have followed the Guidance for trustees of relevant occupational defined contribution schemes as published by the Department of Work and Pensions (DWP) on 21 June 2021 and the Pensions Regulator’s DC Code of practice number 13.

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Value for Members – Costs and Charges

The Trustees have obtained indicative costs and charges from comparison schemes. The results of the comparison are set out in the table below:

Fund	Annual Fund / Management Charge (TER)	Transaction costs and other charges (2 d.p.)	Total costs and charges
The Scheme at age 50* (L&G World Equity Index Fund)	0.12%	0.04%	0.16%
The Scheme at age 60* (Baillie Gifford Defensive Growth (previously MAG Fund))	0.54%	0.62%	1.16%
The Scheme at age 65* (L&G Cash Fund)	0.09%	0.13%	0.22%
Comparator A	0.26%	0.05%	0.31%
Comparator B	Unavailable	Unavailable	Unavailable
Comparator C	0.55%	0.01%	0.56%

*Based on retirement at age 65

The LGIM World Equity Index Fund and Cash Fund have very low charges and are considerably below the statutory charge cap of 0.75%, as well as those of the comparator schemes. The Baillie Gifford Multi Asset Growth Fund is actively managed and has merged with the Baillie Gifford Defensive Growth Fund, it also has charges below the statutory charge cap. However, the transaction costs mean that the total costs and charges for this fund equate to a rate that is significantly greater than the passive L&G funds and comparator schemes. The Trustees considered the results of a review of the default strategy and selected a suitable bond fund, Legal & General Future World Annuity Aware Fund (within Mobius) to replace the Baillie Gifford Defensive Growth (MAG) Fund (see 'Appropriateness of default investment strategy' below for further details).

Value for Members – Net Investment Returns

The Trustees have obtained net investment performance figures from the same three comparison schemes that were used for the comparison of costs and charges. A comparison of 1, 3 and 5 year annualised returns (where possible) is set out in the table below. The comparison has been made with the default arrangements in the comparator schemes which in some cases cover multiple funds as a lifestyling approach is used.

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Investment Funds	Performance figures over the period to 31 March 2025 (the returns are annualised)		
	1 year	3 years	5 years
L&G World Equity Index Fund	4.37%	8.25%	15.3%
Baillie Gifford Defensive Growth (previously MAG) Fund	7.2%	0.3%	4.22%
Comparator A	6.85%	5.97%	4.48%
Comparator B	Unavailable	Unavailable	Unavailable
Comparator C	4.58%	5.64%	11.69%

The L&G World Equity Index Fund has performed strongly over the 3 year period and in particular has produced a significantly greater return over the 5 year period compared with the comparator schemes. The Trustees consider it appropriate to maintain the L&G World Equity Index Fund as part of the default investment strategy.

The Trustees acknowledge that the Baillie Gifford Defensive Growth (MAG) Fund has performed poorly over the 3 year period and is not particularly competitive when being assessed against the comparator schemes over the 3 and 5 year periods. The Trustees have replaced the Baillie Gifford Defensive Growth (MAG) Fund with the Legal & General Future World Annuity Aware Fund (see 'Appropriateness of default investment strategy' below).

Value for Members – Administration and Governance

The Trustees have assessed the value for members delivered by the Scheme's governance and administration offering across the seven key areas required and the results of the assessment are set out below.

- Promptness and accuracy of financial transactions

The Trustees are required to report the processes and controls in place in relation to the 'core financial transactions', including but not limited to, investment of contributions, transfer of member assets from the Scheme, investment switches and payments out of the Scheme to members/beneficiaries.

The Trustees ensure that these important financial transactions are processed promptly and accurately. These transactions are undertaken on the Trustees' behalf by Mobius Life, Hughes Price Walker Limited (HPW) as Scheme administrator and Shaw Group operating the Trustees' bank account. The Trustees receive regular reports from these parties to enable them to assess that controls are in place and procedures are being followed appropriately. The Scheme's accounts are audited annually by UHY Hacker Young and HPW's administration department is ISO 9001 accredited.

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HPW has set internal service level standards, under which most calculations are to be completed within five working days. HPW reported that 99% of the 108 transactions and administrative events that took place during the Scheme year were completed within the agreed service level.

The Trustees are pleased to report that in the last Scheme year there were no material administration service issues or member complaints, and all core financial transactions were processed promptly and accurately. The Trustees also ensure that core financial transactions are processed promptly and accurately by having the Scheme auditor independently test monthly contributions for timeliness and compliance with the Payment Schedule, as part of the annual audit process.

- Quality of record keeping

Security

The Trustees have reviewed the security and accuracy of the Scheme's record keeping policies and processes and have taken into account the following:

- The Scheme has an up to date privacy notice for members.
- HPW & the Trustees use HPW's secure portal to transmit personal data in respect of members.
- HPW, who maintains members' records on the Trustees' behalf, have in place the following measures:
 - Back up data daily and all backups are encrypted at source and in an offsite data centre;
 - Their networks are password protected and staff passwords are reset every six months;
 - All HPW staff use multi-factor authentication and VPN to access HPW's server when working remotely;
 - HPW has firewalls and anti-virus is updated daily.
 - Undertake regular security patch management and have in place pro-active monitoring and alerting for new available updates;
 - On-premise data is encrypted and resides on a Storage Area Network with secure disk encryption;
 - Is Cyber Essentials certified and maintains the annual certification; and
 - Has a business continuity and disaster recovery policy in place that is regularly tested.

Whilst the Trustees are satisfied that these measures demonstrate the effectiveness of the controls that are in place to deal with data security and cyber risk, the Trustees recognise that the Scheme's risk register should be comprehensively reviewed during the next Scheme year and data security will form a key part in that review.

Accuracy

The Trustees confirm that the legal documentation governing the rules of the Scheme is complete and up to date.

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The Trustees also confirm that the Scheme's member records were last reviewed in February 2025, from which the common data scored 98% and the scheme-specific data scored 99%.

It is the Trustees' intention for the data to be reviewed on an annual basis going forward and consider member tracing to maintain current addresses for members on a case-by-case basis, as required. Some member addresses have not been traced and tracing will be reviewed again on their 55th birthdays, the missing data will continue to affect the data score until traced.

In consideration of the 2025 data review, the Trustees have concluded that in relation to the quality of record keeping the Scheme provides good value for members.

Appropriateness of default investment strategy

The review of the default strategy suggested that, based on limited recent evidence of member options, a target of annuity purchase plus an element of retirement cash could provide more retirement benefit security for more members than the current uncrystallised funds pension lump sum (UFPLS) target. The Trustees replaced the Baillie Gifford MAG Fund to achieve this alternative target strategy with a suitable bond fund, the L&G World Equity Index Fund

The review also considered the performance of the funds in the current default strategy and concluded that the L&G passively managed funds met or slightly exceeded their investment benchmarks. The Baillie Gifford MAG Fund did not meet its target benchmark over a 1 year or 3 year period.

The Trustees acknowledge that a large proportion of the DC assets are invested in a passive basis. This restricts the ability of the fund managers to take active decisions on whether to hold securities based on their consideration of ESG factors. The Trustees are aware however, that the current investment managers, L&G and Baillie Gifford, each implement a particular ESG approach to take account of ESG issues and the connected risks. There is also no evidence that Scheme members are looking for greater ESG presence in the default strategy, since there is currently very low take-up of the L&G Ethical Global Equity Index which is available from the self-select funds the Trustees have made available to members via the Mobius platform.

Quality of Investment Governance

The Trustees delegate tasks in relation to investment advice to HPW and tasks relating to individual investments for the pooled vehicles to the respective fund managers. Whilst HPW is not authorised under the Financial Services and Markets Act 2000, they are able in certain circumstances to offer a limited range of investment services to clients because they are licensed by the Institute and Faculty of Actuaries. They can therefore provide these investment services if they are an incidental part of the professional services they have been engaged to provide. The Trustees therefore receive section 36 investment advice, as well as investment training, from HPW, as and when required.

The Trustees are however, each responsible for the investments of the Scheme's assets as a whole and they have established the following decision-making structure.

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The Trustees:

- Set structures and processes for carrying out their role;
- Agree structure for implementing the investment strategy;
- Select and monitor planned asset allocation;
- Select and monitor investment advisers and fund managers;
- Select and monitor direct investments;
- Prepare and maintain the Statement of Investment Principles (SIP) and SIP Implementation policy;
- Report on compliance with the SIP annually.

The Trustees review the current suitability of the default strategy every three years and without delay following any significant change in investment policy, or the demographic profile of DC members. The Trustees also review the individual fund performance at every Trustees' meeting. The Trustees are satisfied that this is a proportionate level of monitoring and review for the Scheme. The Trustees are currently in the process of considering the results of a recent review, and as part of this process, are considering the long-term financial suitability of the default strategy and the ESG approach for self-select funds.

Members are reminded about their investment options on at least an annual basis when they receive their statutory money purchase illustrations (SMPs). The Trustees review these communications that are drafted by HPW, before they are issued to members. The Trustees will also work with HPW in drafting any member communications that might follow any actions taken as a result of the default strategy review.

Level of trustee knowledge, understanding and skills to operate the Scheme effectively

The Trustees are required by law to possess, or have access to, sufficient 'knowledge and understanding' to run the Scheme effectively. Each Trustee must:

- Be conversant with the trust deed and rules of the Scheme, the Scheme's statement of investment principles and any other document recording policy for the time being adopted by the Trustees 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.

The Trustees take this responsibility seriously and work with their professional advisers to address any areas where their knowledge might be less than the Pensions Regulator would expect.

The Trustees have 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 overleaf.

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We take our training and development responsibilities seriously and maintain a Trustee training record. This training record is reviewed at Trustee's meetings to identify any gaps in the knowledge and understanding across the board. This allows us to work with our professional advisers to address any areas where our knowledge is less than what the Pensions Regulator would expect.

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

All the Trustees are familiar with and have 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 Trustees refer to the Trust Deed and Rules as part of considering and deciding 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. Any new member of the Trustee board is required to be familiar with these documents.

Further, the Trustees consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

The Trustees consider that the Trustee board is sufficiently diverse in terms of background, experience and skills. Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers, the Trustees believe they are well placed to exercise their functions as Trustees of the Scheme properly and effectively.

The Trustees hold regular meetings. Given the size of the Scheme the Trustees consider that half-yearly formal meetings are adequate but are in regular communication with each other over specific member cases and issues as required. The Trustees consider that they have an open and constructive relationship with the employer.

The Trustees have concluded that the level of trustee knowledge, understanding and skills demonstrated by the current trustees enables the Scheme to operate effectively and provides good value for members.

Quality of communication with Scheme members

Communications with members are predominantly drafted by HPW and where appropriate, such as bulk communications (e.g. SMPs), are often reviewed by the Trustees before being issued. There have been no specific member complaints relating to the quality or accuracy of member communications or any breaches of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 in the year to 5 April 2025.

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Where the e-mail addresses of members are held on record, and such members have informed HPW their preference is to receive communications electronically, HPW will typically correspond via e-mail with those members.

HPW, on behalf of the Trustees, provide the following statutory information automatically in respect of the DC section:

- An annual DC benefit statement once in any twelve-month period. The statement includes an indication of the value at retirement and the impact of contribution levels on that value.
- A retirement statement within one month of the date the benefit becomes payable, or two months for early retirement. The wake-up pack includes:
 - A statement of the options available to the affected member under the scheme rules.
 - A statement that the member has the opportunity to transfer flexible benefits to one or more different pension providers.
 - A statement that different pension providers offer different options for what the affected member can do with the flexible benefits, including the option to select an annuity.
 - A statement that different options have different features, different rates of payment, different charges and different tax implications.
 - A copy of the MoneyHelper leaflet “Your pension: your choices”.
 - An estimate of the value of the affected member’s flexible benefits, the date this was calculated, an explanation that this is not guaranteed and information about any guarantees or features, restrictions or conditions that could affect the value.
 - A statement that there may be tax implications associated with accessing flexible benefits, that income from a pension is taxable, and that the rate at which income from a pension is taxable depends on the amount of income that the affected member receives from their pension and other sources.
- Retirement communications also refer the affected member to Pension Wise to enable them to receive guidance on their options to help them make informed decisions.

HPW, on behalf of the Trustees, provide the following information on request:

- Leaving service rights and options within two months of the Trustees being notified that an active member has ceased pensionable service.
- Members are entitled to receive an estimate of their transfer value within three months of the request being received. The Pensions Regulator and FCA’s ScamSmart leaflets are enclosed with all transfer value quotations.
- On death, beneficiaries or legal representatives must be notified of rights and options within two months of the Trustees being notified of the death.
- The fund factsheet and International Securities Identification Number (ISIN) for each fund offered by the Scheme, which will be no more than six months out of date when provided; or, for members who have made changes to their fund investment within the last six months, the date of the information will be no earlier than the date of the most recent change.

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Regulations came into effect on 30 November 2021 which require trustees and scheme managers to ensure specific checks are made before proceeding with a member's request to transfer their pension. The aim of the new regulations is to protect scheme members and pension trustees and there have been further updates to the regulations to ensure stringent due diligence checks are completed.

Since the regulations came into effect, HPW has incorporated all the new requirements into their processes and communications for transfers. Furthermore, as part of its commitment to combat pension scams, HPW has made the pledge to combat pensions scams with the Pensions Regulator.

Effectiveness of management of conflicts of interest

The Trustees have reviewed the effectiveness of the Scheme's management of conflicts of interest and concluded that, in this area, the Scheme provides good value to members. In arriving at this conclusion, the Trustees took into account the fact that:

- The Scheme has a written conflicts of interest policy that is subject to regular review
- A conflicts of interest register is in place that is up to date and discussed at each trustee meeting
- Controls in place to ensure that conflicts of interest for Trustees and advisers are declared on appointment and at each meeting.

Shaw Group Pension Scheme

Chair's Statement - Year ended 5 April 2025

Value for Members – Overall Assessment

A summary of the conclusions reached by the Trustees is set out in the table below:

Area	Assessment	Comments
Costs and Charges	Good value for members	Charges for funds in the default strategy are below the cap.
Investment Performance	Good value for members but Trustees considering changes for improvement	L&G World Equity Index Fund has performed particularly well over the long-term and the Trustees have replaced the Baillie Gifford MAG Fund with the L& G Future World Annuity Aware Fund in the default strategy.
Governance – Core financial transactions	Good value for members	All core financial transactions were processed promptly and accurately.
Governance – Record Keeping	Good value for members	Trustees can demonstrate the Scheme provides good quality record keeping.
Governance – Default Investment Strategy	Good value for members but Trustees considering changes for improvement	The Trustees are currently reviewing the investment strategy and funds for all DC members.
Governance – Investment Governance	Good value for members	Trustees can demonstrate that they have documented and robust investment governance procedures in place and that these are adhered to.
Governance – Trustee knowledge and understanding	Good value for members	The Trustees consider that the Trustee board is sufficiently diverse and that they are well placed to exercise their functions as Trustees of the Scheme properly and effectively.
Governance – Member communications	Good value for members	Trustees can demonstrate that they have met their statutory obligations and satisfy the regulatory expectations.
Governance – Conflicts of Interest	Good value for members	Scheme has robust conflicts of interest processes and policies in place.
Governance – Overall	Good value for members	The Trustees conclude that the Scheme offers good value for members.

Shaw Group Pension Scheme

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Value for Members – Actions to improve value provided to members

The outcome of the Trustees' DC investment review will be reported within next year's Value for Members assessment.

Signed by the Chair of Trustee of the Shaw Group Pension Scheme:

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Date