

VOLVO CAR UK PENSION SCHEME

MEMBER NEWSLETTER



MESSAGE FROM THE TRUSTEE

Welcome to the latest edition of your member newsletter from the Scheme Trustee.

What's been happening?

We have been reviewing the Scheme's investment strategy and progressing data projects, required by law. Some of the main projects are to ensure benefits are in line with pensions legislation and recent Court cases relating to other pension schemes. Following this review, any affected pensioners in payment from the Scheme will receive a small increase to their pension, and where relevant, a small backpayment lump sum. Those affected received a letter at the end of November from Aptia, the Scheme administrator, to outline the increase. The annual increase on your Scheme pension will be based on the updated amount.

One of the projects is the pensions dashboard which aims to enable individuals who haven't yet taken their pension scheme benefits to securely access their state, private and workplace pension information in one place. The Scheme is due to connect by 31 May 2026.

We hope you will find this newsletter interesting and informative. If you would like to see something included next year, please let us know. You can contact us at:

Email: volvocars@vidett.com Tel: 0845 313 0024

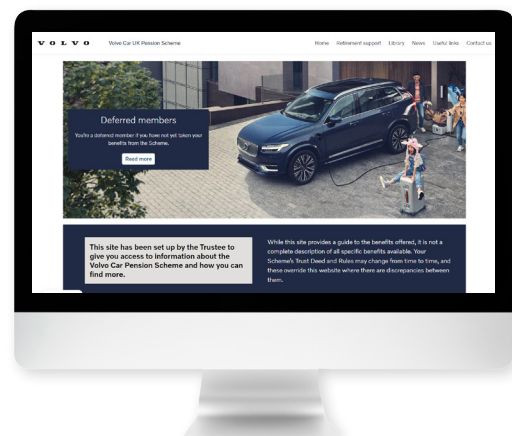


James Double & Simon Lewis

The latest audited annual report and accounts for the year ending 31 December 2024 were completed in June 2025. You can request a copy by contacting Aptia (see page 6) or by visiting the Scheme website.

Although the Scheme's total asset value decreased during the year, there is no cause for concern. The cost of providing members' current and future pensions (the Scheme's liabilities) improved, resulting in an overall increase in the Scheme's funding level. For more details on the funding, see page 4.

We want to remind you about our member website where you can find out more about the Scheme. There is a dedicated page to help deferred members with retirement planning, including videos and 'how to' guidance. You can visit the website here: volvocarpensionscheme.co.uk.



GET SET FOR RETIREMENT

Support available if you are yet to receive your Scheme pension

The Trustee and Company have appointed Isio, an independent financial adviser (IFA), to provide impartial advice to support your decision making.

The IFA advice is paid for by the Company at key stages of your retirement planning, so there is no cost to you! The Trustee will write to you near a key milestone of your retirement planning, reminding you of your options and the access to the paid for advice, at ages 50, 54, 55, 60 and 6 months before you turn 65.

You can contact Isio directly if you are thinking of getting some advice. Their contact details are:

Email: volvoadvice@isio.com

Phone: **020 3727 9729**

Website: www.isio.com

How much will I need in retirement?

Pensions UK help people picture what kind of lifestyle they could have in retirement. They suggest:

	SINGLE	COUPLE
Minimum expenditure Covers all your needs, with some left over for fun	£13,400 a year	£21,600 a year
Moderate expenditure More financial security & flexibility	£31,700 a year	£43,900 a year
Comfortable expenditure More financial freedom & some luxuries	£43,900 a year	£60,600 a year

Remember this is generalised guidance and it's always best to get advice based on your personal situation. Isio can help you with this.

STEPS TO STAY SCAM SAFE

Pension scams are a very real issue. Scammers appear professional and it's becoming increasingly harder to spot the difference between something that's credible and something that's fraudulent. To help protect yourself we recommend you go through this checklist:

1 Is the offer unexpected?

Legitimate pension providers are highly unlikely to contact you out of the blue about your pension. Be wary of free pension review offers and/or promises of high/guaranteed returns.

2 Have you checked who you're dealing with?

The Financial Conduct Authority's (FCA) website register.fca.org.uk has a 'FCA Firm Checker' where you can check anyone offering you advice or services is authorised by them. Double check their contact details against the register and see if they match.

3 Stop and think – are you being rushed or pressured?

Pressure to act quickly or you will miss out is often a warning sign. Take your time to make all the checks you need. Remember, if it sounds too good to be true, it probably is.

4 Should you seek impartial advice or guidance?

MoneyHelper - free and impartial information and guidance available online, over the phone or webchat. You'll find their contact details on the last page.

Financial advisers - if you can, it's a good idea to invest in speaking to a financial adviser. Often large amounts of money are at stake and they'll help you make the right decision for you. **Remember you have Isio to help you.**

Stop! Think Fraud - learn how to spot and avoid scams at stophinkfraud.campaign.gov.uk

INVESTMENT UPDATE

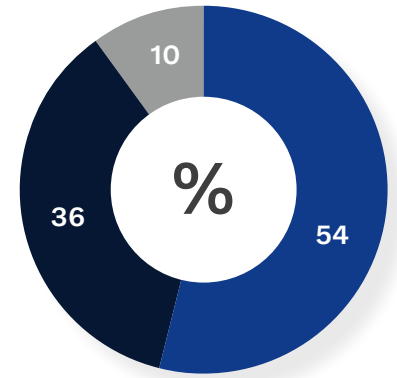
We continued to review the Scheme's investments quarterly with the Company and our investment consultants, Mercer, addressing urgent matters as needed.

Following a joint review, the Trustee and Company have decided to adopt a fiduciary management model with Mercer. While the Trustee retains responsibility for the overall investment strategy, Mercer will manage day-to-day asset decisions to help protect the Scheme's funding level.

Key benefits of this change include:

- quicker implementation of investment changes within the agreed strategy
- reduced adviser and management costs
- broader access to authorised investments

Implementation is underway, and the expected initial asset allocation is shown in the chart.



- Matching assets
- Growth assets
- Secure finance funds



The Trustee's investment policies & environmental, social and governance matters

The Statement of Investment Principles (SIP) outlines our policy on environmental, social and governance (ESG) matters. Quarterly reports from our investment consultant include the latest ESG ratings of the Scheme's investments. If a rating drops significantly, we review its suitability against other options.

The SIP was updated in October 2025 following the new investment strategy and reflects our latest ESG views. Our ESG actions, and those of our investment consultant, are detailed in the Implementation Statement. You can read these at volvocarpensionscheme.co.uk/library or request a paper copy from Aptia.

Details of the Scheme's investments are in the annual report and accounts, available online or in print from Aptia.

MEMBERSHIP NUMBERS

Scheme membership as at 31 December 2024:

284
Deferreds

672
Total members

388
Pensioners

THE SCHEME'S ASSETS

At 1 January 2024	£114,436,929*
Money in	
Contributions & other income	£1,829,753
Money out	
Benefit payments, transfers out & expenses	(£6,011,914)
Investment performance	
Investment returns	(£2,796,299)
At 31 December 2024	£107,458,469*

*includes any Additional Voluntary Contributions held

SUMMARY FUNDING STATEMENT



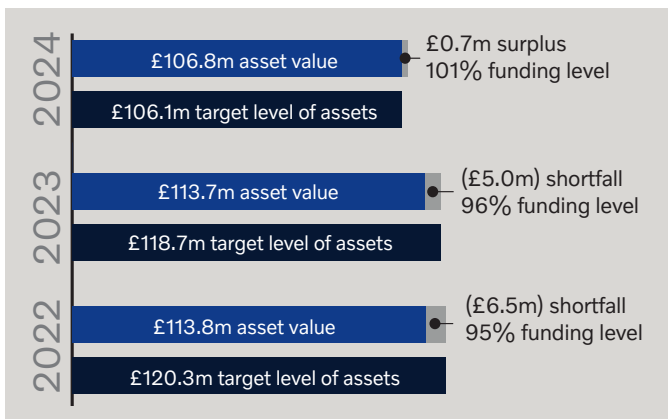
The amount of money the Company pays into the Scheme may go up or down following regular funding checks (known as actuarial valuations), which are carried out at least every three years. Following each actuarial valuation, the Trustee comes to an agreement with the Company on future contributions, which allows for making up any shortfall in the Scheme’s assets over an agreed timescale. These contribution amounts are documented in the Scheme’s Schedule of Contributions.

We have to value the Scheme on two bases, assuming the Scheme:

1. continues (the continuing basis) and
2. is discontinued and all accrued benefits are settled by buying annuities from an insurance company (the buy-out basis).

What is the funding level on a continuing basis?

The last triennial valuation was carried as at 31 December 2022 and we received an update as at 31 December 2023 and 31 December 2024. Details of the 2024 update, together with 2023 update and the valuation results as at 31 December 2022 are set out in the graph below:



Following completion of the 2022 valuation, there was a funding shortfall of £6.5m. It was agreed the Company would pay additional contributions to the Scheme of £1.8m per year up to 31 December 2025, with the aim of reaching 100% of pensions benefits being covered by the assets on a continuing basis. Additional security is still in place - Volvo Car Corporation, as the parent company, will meet the required contributions if the Company fails to pay them, up to the value of £100m.

When we last sent you a summary funding statement, we reported the Scheme’s shortfall had decreased to £5.0m at 31 December 2023, with the assets being sufficient to meet 96% of the Scheme’s pension benefits due to be paid.

The annual update as at 31 December 2024 indicates that the position has improved and the Scheme’s shortfall has been removed and turned into a surplus of £0.7m, with the assets being sufficient to meet 101% of the Scheme’s pension benefits due to be paid.

The main reason for the improvement in the funding position between the update at 31 December 2023 and the update at 31 December 2024 was due to the Company contribution paid and an increase in yields, which as a result reduced both the value of the Scheme’s targeted level of assets and the Scheme’s assets. However, importantly given the Scheme’s investment strategy, the value of the liabilities reduced by more than the invested assets.

All members who have retired continue to receive the full amount of their pension.

In addition, we can confirm that The Pensions Regulator has not used its powers in relation to the Scheme and the Scheme is not subject to any directions in relation to benefits payable, contributions payable or assumptions to be used to determine the liabilities.

The next actuarial valuation as at 31 December 2025 will start in Q1 2026, and typically takes 12-15 months to complete.

SUMMARY FUNDING STATEMENT

YOUR QUESTIONS ANSWERED



Have any payments been made to the Company?

We are required to inform you whether a payment has been made to the Company, as permitted under the Pensions Act 1995, since the Trustee last sent you a summary funding statement. The Trustee can confirm no such payment has been made.

Is my pension guaranteed?

Our aim is for there to be enough money in the Scheme to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Scheme. If the Company goes out of business or decides to stop paying for the Scheme, the Company would be required to pay into the Scheme enough money to buy all the benefits built up by members from an insurance company. This is known as the Scheme being 'wound up'. The comparison of the Scheme's assets to the cost of buying the benefits from an insurance company is known as the 'solvency position'. If the solvency position is not 100% or more, the Scheme may not be able to pay full benefits.

What is the funding level on a buy-out basis?

This is an assessment to see if the assets would cover the Scheme's liabilities if the Scheme were to wind up.

The last triennial valuation as at 31 December 2022 showed the Scheme's assets represented approximately 85% of the cost of buying out the Scheme's pension benefits with an insurer. This does not mean the Company is thinking of winding up the Scheme. We must share this information with you as required by law.

Is there enough money in the Scheme to provide my full benefits if it wound up at the date of the last valuation?

The Trustee has agreed with Volvo Cars (the Company) a funding plan (the Statement of Funding Principles) that aims to make sure there is enough money in the Scheme to pay for pensions now and in the future.

The funding levels referred to on page 4 are based on a funding target that assumes the Scheme will continue. This is less than the amount that would be needed to guarantee all benefits by purchasing insurance policies. This is known as the buy-out liability and is used to measure the solvency position if the Scheme had to wind up.

The cost of securing benefits immediately with insurance policies is generally much higher than the amount needed to pay benefits as they fall due in the future. Consequently, the vast majority of pension schemes are not fully funded on this basis.

The 2022 valuation showed Scheme assets could not have paid for all members to be provided with their full benefits by an insurance company if it had wound up at that date.

What happens if the Scheme wound up and there is not enough money?

Under the Pensions Act 2004, the government established the Pension Protection Fund (PPF), to which the Scheme pays an annual levy. The PPF provides compensation to members should the Company become insolvent, leaving the Scheme in financial difficulty.

More information about the PPF and the compensation payable by it can be found at: www.ppf.co.uk



USEFUL CONTACTS

The Scheme administrator

If you have any general queries about the Scheme or what to request information including key scheme documents such as the Scheme's Trust Deed and Rules and latest scheme valuation, please contact Aptia, the Scheme administrator. Please quote your scheme membership number. You should find this on any correspondence issued by Aptia which is specific to you.

Web: pensionuk.aptia-group.com

Phone: **0344 209 6587**

Address: **Aptia, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP**

The easiest way to contact Aptia is using Contact Aptia Pensions, pensionuk.aptia-group.com, where you can:

- raise a new request or ask a question
- upload photos or scanned copies of original documents and completed forms
- request updates about your benefits

MoneyHelper

This service is here to make your money and pension choices clearer, to put you in control with impartial help that's on your side, backed by the government and free to use.

Web: www.moneyhelper.org.uk

Tel: **0800 011 3797**

+44207 932 5780 (overseas)

Pensions Ombudsman

If you have a complaint about the Scheme or any other pension you hold, you can contact:

Email: enquiries@pension-ombudsman.org.uk

Tel: **0800 917 4487**

State Pension

If you would like to receive a forecast quotation of your State Pension, you can contact:

Web: www.gov.uk/future-pension-centre

Tel: **0800 731 0175**

+44191 218 3600 (overseas)

Change of personal circumstances

Please tell Aptia if your personal circumstances have changed, for example, you have got married or moved to a new house, it is important that you let us know so that we can keep our records up to date. This also needs to happen if you need to update your wishes for benefits that might be payable upon your death.

If you change the account into which your pension is paid, please contact Aptia Limited at least three weeks before pay day with the new details to avoid any delays.

