

UNITED UTILITIES PENSION SCHEME

DC GOVERNANCE STATEMENT – YEAR ENDED 31 MARCH 2026

1. Introduction and Governance Arrangements

- 1.1 This statement describes how the Trustee has governed the Defined Contribution (DC) Section of the Scheme during the year. The Occupational Pension Schemes (Scheme Administration) Regulations 1996 require the Trustee to include an annual statement regarding governance in the annual report. This statement covers the period from 1 April 2025 to 31 March 2026.
- 1.2 The Trustee Board delegates certain DC matters to its DC Sub-Committee (DCSC). The Trustee Board has agreed appropriate terms of reference for the DCSC, which meets at least four times each year to consider matters relating to the DC Section. The DCSC reports on a quarterly basis to the Trustee Board.
- 1.3 The DCSC is supported by an independent DC investment adviser, who also covers wider DC matters and governance, and attends DCSC meetings. The Trustee's legal advisers provide additional support and attend meetings as required. Day-to-day support to the DCSC is provided by the employer's in-house pensions team.
- 1.4 The statement covers four principal areas:
 1. Investment, including the Scheme's default investment arrangements.
 2. Internal controls, with particular focus on the processing of core financial transactions.
 3. Value for members, including charges and transaction costs borne by members.
 4. The knowledge and resources available to the Trustee, including how the Trustee maintained the statutory levels of knowledge and understanding to govern the Scheme and how these help the Trustee to ensure that the Scheme is governed effectively.

2. Investment Arrangements

Introduction

- 2.1 A copy of the Scheme's Statement of Investment Principles (SIP), prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 is included within the Annual Report and online through [UUPS SIP](https://www.unitedutilities.com/globalassets/documents/corporate-documents/uups-sip.pdf)¹. The SIP covers the Trustee's aims and objectives in relation to the default investment arrangement as well as policies in relation to risk, diversification, and environmental, social, and governance (ESG) matters. It also states why the Trustee believes the default investment arrangement to be designed in members' best interests.
- 2.2 During the year, while there were no changes to the overall DC investment strategy, the SIP was reviewed and updated, primarily to reflect changes to the investment arrangements of the Defined Benefit Section of the Scheme. The Trustee also made minor changes to the names of certain funds in the DC Section and updated the SIP to reflect the replacement of a money market fund within the DC Section with a money market fund that explicitly takes into account ESG considerations.
- 2.1 The current SIP is dated December 2025.

Current Default Investment Strategy

- 2.2 For members who don't make an investment choice, contributions are invested in a default investment strategy. The default investment strategy during the year was the Retirement Flexible Income Fund Lifestyle. This strategy is designed to meet the needs of members who intend to remain invested when they start drawing benefits and assumes that members invested in the strategy will take benefits out in stages, via income drawdown. Currently, the Scheme does not provide an income drawdown facility, but members are able to transfer out of the Scheme when they take their benefits in order to access such a policy.

¹ The full address for the website where the SIP can be found is: <https://www.unitedutilities.com/globalassets/documents/corporate-documents/uups-sip.pdf>. This is held alongside other documents at <https://www.unitedutilities.com/corporate/careers/pensions/information-library/>

- 2.3 The default strategy invests in equities and other growth-seeking assets during its growth phase, when members are further from retirement. Starting from 10 years prior to each member's selected retirement date (or the member's default normal retirement date where none is selected), investments are gradually switched into a balanced mix of assets by the year of the member's normal or selected retirement date, including cash, corporate and government bonds, global equities and alternative assets such as property and infrastructure (accessed using diversified growth funds).

Strategic Review of Default Investment Strategy

- 2.4 The Trustee concluded its triennial review of the default investment strategy during the year. We outline below the steps involved in the review and the Trustee's conclusions.

- 2.5 As a precursor to the formal review, the Trustee carried out a member survey which included investment-related questions. For example, feedback was sought on the range of funds, views on performance and fees, and member beliefs on ESG matters. The results of the survey were discussed at the DCSC meeting held on 26 November 2024 and the exercise informed the later steps of the review outlined here.

- 2.6 The review encompassed the following activities:

- **Membership analysis.** In considering the membership profile, the DCSC reviewed the size of members' savings pots, the range of pot sizes, the age profile and the projected size of members' benefits at retirement. Using the Pensions UK Retirement Living Standards, the analysis considered whether the default investment arrangement was on track to provide good member outcomes in retirement.
- **Review of retirement experience.** A detailed review of the experience of the Scheme was completed, in terms of the age at which members take benefits, and the way in which they withdraw funds (e.g. cash, annuity, or transfer out to access drawdown). This was particularly useful when deciding on the target benefit type for the default strategy.
- **Consideration of "off the shelf" default options.** The DCSC reviewed products available in the market that are designed and managed by a single provider, which offer a pre-built investment solution. While these were considered interesting, on balance the DCSC agreed that retaining a bespoke investment strategy, tailored to the Scheme and its members, remained appropriate.
- **Review of the lifestyle strategy:** Alternative designs for the lifestyle "glidepath" were considered, such as having a different de-risking period. The DCSC concluded that the current default strategy is suitable for the Scheme's members as it strikes a sensible balance between delivering good long-term growth while protecting members from volatility in challenging market conditions.
- **Fund review:** The asset allocation and investment manager line-up within the default strategy was reviewed. The DCSC agreed to give further consideration to private markets funds, though we note that there are no options currently available on the Aegon platform and therefore this has been placed on hold.

- 2.7 As a result of the review, the Trustee agreed to replace the DC cash fund that had been used in the de-risking phase of the default strategy. The change was to replace the fund with an alternative fund that explicitly takes into account ESG factors (the BlackRock Liquidity Environmentally Aware Fund). This change also applies to the cash fund element of the alternative lifestyle options, and the self-select version of the fund. The new fund has the same broad risk and return characteristics as the previous fund and also has an enhanced approach to managing ESG risks and opportunities. For example, the new fund excludes investments issued by companies or governments with high exposure to ESG risks, such as those where a high proportion of revenues come from fossil fuel mining, exploration and/or refinement. The Trustee took written advice regarding this new fund and updated the SIP to reflect the change.

- 2.8 Subsequent to the Scheme year end, at the 2 June 2025 DCSC meeting, the review moved on to consider the investment arrangements across the following aspects:

Investment Governance

- 2.10 In addition to the strategic reviews described above, the Trustee has an investment governance framework in place in order to monitor the investments regularly. This includes considering performance and risk metrics on a quarterly basis, using reporting provided by the DC adviser. The quarterly reports incorporate consideration of:
- Fund performance after fees relative to fund benchmarks, peer group levels (where relevant) and also relative to inflation measures (for the default investment strategy).
 - Investment manager research ratings published by the Trustee's investment adviser. These ratings incorporate an assessment of each manager's ESG capabilities and the extent to which ESG issues are integrated into investment processes and portfolios.
 - Analysis of member experience throughout the de-risking path.
 - Risk analysis, including the volatility and experience of capital loss within the default strategy.
 - Members' retirement experience, to assess whether the default investment strategy aligns with the actual retirement benefits typically accessed by members when they draw their DC benefits from the Scheme.

Net Investment Returns

- 2.11 Investment returns after charges and costs for the funds available to members during the year are provided in the tables on the following pages, using data sourced from Aegon unless otherwise stated. Note that 15-year and 20-year returns (and in some cases, returns over shorter periods) are not available because a number of the Scheme's funds were only launched by the investment manager or added to the Scheme more recently.
- 2.12 In respect of the very small legacy additional voluntary contribution policy held with Clerical Medical (administered by Utmost Life) these assets are invested in a with-profits arrangement where annualised returns do not represent the likely experience of individual members, as there are guarantees and specific fund terms linked to terms of investment and expected termination dates. Therefore, they are not shown in the table to avoid providing potentially misleading information.

Default strategy – Retirement Flexible Income Fund Lifestyle Returns (net of fees unless stated) % p.a. Assumes retirement age of 65.			
Age of member	1 year	5 years	10 years
Up to age 55 (UUPS Medium Growth)	13.1	6.3	6.6
60 (part way through de-risking)	10.9*	5.1*	N/a - the Scheme made changes to the default strategy over the period
65 (based on the at-retirement asset allocation)	8.7*	4.5*	
Other funds - net of fees returns % p.a. (unless stated otherwise)			
Fund	1 year	5 years	10 years
UUPS Medium Growth	13.1	6.3	6.6
BlackRock Corporate Bond All Stocks Index	4.2	-0.9	1.8
BlackRock Up to 5 yrs Index Linked Gilt Index	5.1	4.5	2.7
BlackRock Liquidity Environmentally Aware*	4.4	Launched 16/02/2023	
DC Cash*	4.0	3.2	N/A
UUPS Blended Bond	4.7	1.8	2.3
UUPS Defensive	4.5	2.2	2.2
UUPS Higher Growth	13.6	7.4	7.8
UUPS Lower Growth	9.7	4.6	4.9
UUPS Diversified Growth	11.8	3.6	Launched 30/08/2017
UUPS Property Fund	3.4	3.2	2.6
UUPS Corporate Bond	3.9	0.2	2.4
UUPS Ethical UK Equity	17.0	10.3	8.3
UUPS Shariah Global Equity	19.3	13.0	15.2
UUPS Global Emerging Market Equity	35.6	4.5	9.8
UUPS Sustainable Global Equities	17.1	Launched 28/06/2021	
BlackRock UK Equity Index	18.9	9.6	7.9
BlackRock (30/70) Currency Hedged Global Equity Index	19.6	10.2	10.7
BlackRock (50/50) Global Equity Index	21.7	10.3	10.3
BlackRock US Equity Index	14.2	11.8	14.6
BlackRock European Equity Index	15.7	8.7	9.9
BlackRock Japanese Equity Index	23.3	7.6	10.0
BlackRock Pacific Rim Equity Index	53.4	8.2	10.5
BlackRock Over 15 Year Gilt Index	-0.4	-10.8	-3.3
BlackRock Over 5 Yr Index-Linked Gilt Index	2.5	-9.0	-1.7
BlackRock Over 15 Yrs Corporate Bond Index	2.5	-6.4	0.1
BlackRock Emerging Markets Equity Index	26.4	4.2	8.8
L&G Future World Annuity Aware	2.9	-5.2	-0.3

Analysis for the default strategy is based on a fixed weight average of underlying funds, using weightings at the ages shown. Over the periods above, Aegon changed their fees for some funds. The 10 year net returns shown are based on the current pricing series.

*The BlackRock Liquidity Environmentally Aware Fund was added to the Scheme in Q4 2025 (replacing DC Cash). Default returns for the two funds have been chain-linked from 1 January 2026.

Asset Allocation Disclosure as at 31 March 2026

- 2.13 The Trustee makes available asset allocation information on the Scheme's funds through quarterly factsheets which are available to members online. The Trustee is also required to set out in this Statement the asset allocation of the default strategy, at prescribed member ages. This is shown below. Note that as the strategic asset allocation of the Scheme's default investment arrangement does not change until a member is 10 years away from their target retirement date, the asset allocation at ages 25, 45, and 55 (the ages we are required to show) is identical.

	Allocation – Age 25 to 55 (%)	Allocation – age 65 (%)
Cash	5.0	32.5
Bonds (corporate and government)	16.0	27.9
Listed Equities	73.1	36.6
Private Equity	0.4	0.2
Infrastructure	0.0	0.0
Property/Real Estate	1.9	1.0
Private Debt/Credit	0.0	0.0
Other	3.6	1.8

Source: Aegon.

- 2.14 The following describes the types of investments covered by the above asset classes:
- **Cash** – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.
 - **Bonds** – Loans to a bond issuer such as a government or a company, to be repaid at a later date.
 - **Listed Equity** – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
 - **Private Equity** – Unlisted equities that are not publicly traded on stock exchanges.
 - **Property** – Real estate, such as offices, retail, and industrial buildings rented out to businesses.
 - **Infrastructure** - physical structures, facilities, systems, or networks that provide or support services including water, gas and electricity networks, roads, telecommunications, schools, hospitals, and prisons
 - **Private Debt** – Other forms of loan that do not fall within the definition of a 'Bond' and are not traded on a listed market.
 - **Other** – Any assets that do not fall within the above categories. For the Scheme this includes commodities and derivatives.

3. Internal Controls and Core Financial Transactions

Introduction

- 3.1 The Trustee has appointed a professional third-party administrator, Aegon. The Trustee has received assurance from the administrator, and has taken steps to seek to ensure, that there were adequate internal controls to ensure that core financial transactions relating to the Scheme were processed promptly and accurately during the year. This includes investing contributions, processing transfers in and out of the Scheme, transferring assets between investments, and paying benefits. Our processes in this regard are documented below.

Administration

- 3.2 The Scheme has established service level agreements (SLAs) with the administrator which include target timescales for processing core financial functions relating to contribution handling, quoting, switching and paying benefits. The target timescales are all well within applicable statutory timescales.
- 3.3 Administration performance against the SLA targets are monitored each quarter by the Trustee, via the DCSC and the in-house team. For the quarter to the end of March 2026, the total percentage level achieved against the Scheme-specific SLAs was 94% against a target level of 95%. This slight dip reflected a high volume of queries and we note that the other quarters of the year had SLA metrics above 95%.
- 3.4 Where items fall outside of the agreed service levels by more than 5 days, the administrator documents in quarterly reports (which are considered at each DCSC meeting) whether these instances relate to financially critical requests. For example, for the quarter ending 31 March 2026, within the overall SLA achieved (94%), the financially critical items also attained 97%.
- 3.5 The administrator includes information in quarterly reports that focus specifically on core financial transactions. This highlights, for example, the administrator's processes and controls in relation to checking and reconciling contributions and investment records.
- 3.6 Through the administrator, the quality of the common and conditional records in respect of member data is reviewed at least annually. The administrator provides an annual report to the Trustee summarising the quality of member records, allowing any actions to be identified and carried out.
- 3.7 The DCSC also reviews member feedback on their interactions with the administrator, using metrics such as the Net Promoter Score (which was consistently high during the year) and qualitative feedback. As noted earlier, in 2024 a member survey was carried out, which included questions about administration. The DCSC grouped the feedback received into themes and put in place changes to address the comments, with an action plan agreed at the DCSC meeting of 2 June 2025.

Broader Controls

- 3.8 The Scheme has put arrangements in place to seek to ensure that detailed disaster recovery plans are in place with the administrator, other relevant third parties, and within the employer.
- 3.9 The Trustee requires all third-party providers to share their data security and cyber risk policies with the Trustee. The policies are reviewed and the parties are questioned on any areas requiring clarity. Trustee training on cyber security was carried out for the Board at the 2 October 2025 training day, when a "cyber wargame" exercise was carried out to provide practical training to help to ensure that the Trustee is aware of new threats and keeps the Scheme's risk controls up-to-date.
- 3.10 The administrator provides an independently produced Audit and Assurance Faculty (AAF) internal controls audit report each year. For the Scheme year, the report received was for the period 1 October 2024 – 30 September 2025 and noted the Independent Service Auditor's opinion that, in all material aspects, Aegon's controls were suitably designed and those tested operated effectively.
- 3.11 The Trustee maintains a Risk Register which outlines the risks to members and the Scheme, including those in relation to financial transactions, and considers the impact, likelihood, controls and mitigation steps for each risk. The Risk Register at the total Scheme level is maintained by the Scheme's Governance, Risk and Audit Sub-Committee. The risks relating to the DC Section are then considered at each DCSC meeting, with additional oversight from the Trustee board. The DCSC seeks to integrate the output of the Risk Register with its strategic agenda; that is, we focus our time on significant risks and / or those where practical action can be taken to mitigate the risks.
- 3.12 The Trustee has appointed a Registered Auditor to undertake an annual audit.

Issue Identified In Prior Periods

- 3.13 As noted last year, as part of the investment strategy review, it was identified that new joiners to the Scheme since July 2019 had been placed into an incorrect default option (the Retirement Cash Fund Lifestyle) by the administrator, rather than the correct Retirement Flexible Income Fund Lifestyle. The majority of members in this population were not impacted in any way as they were over 10 years from their target retirement age, as both lifestyles have the same growth phase. During the Scheme year, an exercise was carried out to correct the historical error such that no member suffers any detriment. The calculations required were complex and therefore the exercise spanned a number of months. As at the end of the Scheme year, there were a small number of calculations remaining.

- 3.14 The Trustee is pleased to confirm that in the last Scheme year there were no other administration service issues which need to be reported here by the Trustee. We are confident that the processes and controls in place with the administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly.

Legacy Additional Voluntary Contributions (AVCs)

- 3.15 In addition to governing the DC Section, the Trustee has oversight of the benefits, investments, and core financial transactions relating to legacy AVC policies with Clerical Medical, administered by Utmost Life. These transactions are limited given the small number of members who retain such benefits. The Trustee is satisfied that there have been no material service issues in respect of these policies.

4. Value, Charges and Transaction Costs

Introduction

- 4.1 The range of the levels of charges and transaction costs applicable to the investment arrangements during the period are detailed in this section.
- 4.2 The total expense ratio (TER) shown in the table reflects the annual total costs associated with managing a fund, including investment management, administration, fund legal fees, and any other expenses. In relation to transaction costs, such costs can be incurred when buying and selling investments. They are not explicitly deducted from a fund but are captured in its performance (in other words, the higher the transaction costs, the lower the return produced). The Financial Conduct Authority has provided guidance regarding calculation and disclosure of these costs. Due to the way in which the costs must be calculated, they can be negative or positive; a negative figure is effectively a gain from trading activity, whilst a positive figure is a cost from trading activity. The Trustee would not expect any gains from trading activity to be repeated in future years.

Charges and Transaction Costs for the Scheme

- 4.3 In the following table, we set out the charges and transaction costs applicable as at 31 March 2026. Funds used as part of the default investment option are shaded in blue. We can confirm that none of the fund options offered by the Scheme include any performance-based charges.

Fund	Total Expense Ratio % p.a.	Transaction Costs %
UUPS Medium Growth	0.33	0.13
BlackRock Corporate Bond All Stocks Index	0.16	0.01
BlackRock Up To 5 Year Index-Linked Gilt Index	0.15	0.04
BlackRock Liquidity Environmentally Aware	0.18	0.02
UUPS Blended Bond	0.21	0.02
UUPS Defensive	0.18	0.02
UUPS Higher Growth	0.31	0.09
UUPS Lower Growth	0.27	0.09
UUPS Diversified Growth	0.42	0.23
UUPS Property Fund	0.94	0.00
UUPS Corporate Bond	0.59	0.09
UUPS Ethical UK Equity	0.34	0.03

Fund	Total Expense Ratio % p.a.	Transaction Costs %
UUPS Shariah Global Equity	0.44	0.00
UUPS Global Emerging Market Equity	1.15	0.39
UUPS Sustainable Global Equities	0.30	0.00
BlackRock UK Equity Index	0.19	0.22
BlackRock (30/70) Currency Hedged Global Equity Index	0.21	0.07
BlackRock (50/50) Global Equity Index	0.16	0.04
BlackRock US Equity Index	0.19	-0.01
BlackRock European Equity Index	0.20	0.05
BlackRock Japanese Equity Index	0.19	0.06
BlackRock Pacific Rim Equity Index	0.21	0.04
BlackRock Over 15 Year Gilt Index	0.19	0.03
BlackRock Over 5 Year Index-Linked Gilt Index	0.19	0.01
BlackRock Over 15 Years Corporate Bond Index	0.20	0.05
BlackRock Emerging Markets Equity Index	0.22	0.00

Source: Aegon. Charges as at 31 March 2026, transaction costs cover 12 months to 31 March 2026.

Impact of Costs and Charges

- 4.4 Using the charges and transaction cost data provided by Aegon and in accordance with Regulation 23(1)(ca) of the Administration Regulations, the Trustee has prepared illustrations demonstrating the possible impact of costs and charges typically paid by a member on their retirement savings. Statutory guidance has been considered when providing these examples.
- 4.5 To represent the range of funds available to members we are required to show the effect on an example member's savings of investing in the following:
- The fund or strategy with the most members invested (i.e., the most popular option).
 - The fund(s) available as self-select options with the highest charges.
 - The fund(s) available as self-select options with the lowest charges.
- 4.6 The illustrations take into account contributions and real terms assumed investment returns gross of costs and charges, adjusted for the effect of costs and charges (using assumptions made in the Scheme's Statutory Money Purchase Illustrations).
- 4.7 The illustrations are estimates and are not guaranteed. Projected values are shown in today's terms and do not need to be reduced for the effect of assumed future inflation. The starting pension pot size is assumed to be £0.

	Default strategy and most popular option: Retirement Flexible Income Fund Lifestyle		Highest cost fund: UUPS Global Emerging Market Equity		Lowest cost fund: BlackRock Corporate Bond All Stocks Index	
Year End	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£7,193	£7,161	£7,263	£7,160	£7,190	£7,177
5	£37,140	£36,649	£39,160	£37,493	£37,059	£36,856
10	£77,369	£75,484	£86,289	£79,522	£77,025	£76,244
15	£120,944	£116,633	£143,008	£126,633	£120,127	£118,337
20	£168,143	£160,237	£211,269	£179,442	£166,609	£163,322
25	£219,267	£206,440	£293,421	£238,639	£216,737	£211,397
30	£274,644	£255,399	£392,291	£304,995	£270,797	£262,775
35	£334,626	£307,276	£511,281	£379,377	£329,097	£317,682
40	£398,322	£361,370	£654,485	£462,755	£391,971	£376,360
45	£460,753	£414,124	£826,830	£556,217	£459,777	£439,069
49	£482,814	£432,648	£905,217	£596,694	£488,366	£465,343

Source for underlying data: Aegon.

Notes:

- Projections have been prepared with a time period based on the term of the expected age of the youngest member (age 16), up until the Scheme's Normal Retirement Age (65).
- Contribution rates are assumed in line with the Scheme median, which is 7% employee / 14% employer.
- An example salary is used to calculate contributions, based on the median salary baselined in the 2020 statement increased annually using an inflation measure, rounded. The salary used above is £34,000 p.a.
- Projected growth rates assumptions are based on those used for Statutory Money Purchase illustrations (SMPI) as at 31 March 2025, the most recently agreed version at the time of preparation of this illustration.
- Price inflation is assumed at 2.5% p.a. (in line with SMPI requirements).
- Salaries are assumed to grow in line with inflation.
- Regulations require that where possible the transaction costs assumed are based on an average of the previous five years' transaction costs, where available. Accordingly, the transaction costs used are an average across the 5-year period to 31 March 2026.

Value for Members

- 4.8 The Trustee assesses annually the extent to which the charges and transaction costs set out above represent good value for members and has concluded, following receipt of reports from its DC adviser, that the Scheme offers good value for money relative to peers including other pension schemes of a similar size and nature (using data from Mercer and other publicly available surveys), and relative to options available to the Trustee with alternative investment managers and providers.
- 4.9 The Trustee conducts an annual Value for Money assessment in order to arrive at this conclusion, which incorporates consideration of:
 - Total expense ratio charges borne by members.
 - Transaction costs borne by members.
 - Net of cost performance.
 - Governance arrangements.
 - Fund range available to members.
 - Investment manager and platform provider ratings, provided by the DC adviser.
 - Administration service levels.
 - Additional member services, including communications, services and member tools.

- 4.10 Alongside the annual review noted above, the Trustee has established an ongoing fee review process with the administrator. The last full review was completed during 2024/2025, which resulted in charges being reduced for a number of funds during 2025. This negotiation and the reductions agreed supports the Trustee's continued commitment to ensuring that members receive good value from the Scheme.

5. Trustee Knowledge and Understanding

Introduction and Policies

- 5.1 The requirement under the Pensions Act 2004 (requirement for knowledge and understanding) has been met during the Scheme year by the Trustee as a body in dealing with the whole Scheme, not just the DC Section.
- 5.2 The Trustee Board has in place a Trustee Director Training Policy, which sets out the Trustee's procedures and approach to meeting the Pensions Regulator's expectations of Trustee Knowledge and Understanding. The Trustee has also reviewed its compliance with the Pension Regulators General Code of Practice, including making updates to its policies and processes to ensure compliance with the new requirements.
- 5.3 The Trustee has also established arrangements for ensuring its Trustee Directors take personal responsibility for keeping up to date with relevant developments and each quarter considers training requirements. Training logs are maintained for each Director and training for the full board and its Sub-Committees is provided regularly during quarterly meetings. Training plans are tailored to issues that arise on the Trustee's business plan. Training plans are also discussed at the annual one-to-one meetings with the Chair of the Trustee Board.
- 5.4 Alongside dedicated Scheme-specific training events and meetings, the Trustee Directors also attend external webinars and events.
- 5.5 The Trustee has adopted a robust training programme in place for newly appointed Trustee Directors. Upon appointment, a Trustee Director is required to undertake an induction process. This includes a training session with the in-house pension department and completion of the Pensions Regulator's Trustee Toolkit.
- 5.6 The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules. If there are any ambiguities over the interpretation of the Trust Deed and Rules, legal advice is sought from the Scheme's legal advisers. The Trustee is also conversant with, and has a working knowledge of, the SIP. The Trustee carries out an annual review of the SIP, which allows the Trustee to ensure that it maintains a good working knowledge of this document and the policies it contains.
- 5.7 In addition, the Trustee receives advice from professional advisers. The relevant skills and experience of those advisers is a key criterion when evaluating performance or selecting new advisers.

Activity During the Scheme Year

- 5.8 During the course of the year, the training topics considered by the DCSC were delivered through the adviser's "DC current topics" training material, which is tabled at each DCSC meeting. During the year, this reporting included the following topics:

2 June 2025 DCSC meeting

- Updates to Guidance in relation tackling pensions scams
- "Anti-greenwashing" regulations.

8 September 2025 DCSC meeting

- The Pension Schemes Bill
- Changes to the Value for Money framework and the planned introduction of "guided retirement".

27 November 2025 DCSC meeting

- The Pensions Commission and retirement adequacy
- Updates to the UK Stewardship Code.

3 March 2026 DCSC meeting

- Changes to pensions saving through salary sacrifice
- DC aspects of the Own Risk Assessment (ORA).

- 5.9 The Trustee holds an annual dedicated training day. At the training day held on 2 October 2025 the Trustee Board received DC focused training, covering a series of policy and regulatory developments expected to impact the Scheme over the coming years, as part of a package of reforms introduced by the Pension Schemes Act 2026.
- 5.10 The Trustee periodically conducts assessments of its effectiveness. These assessments include candid feedback on the Trustee's operating framework and performance generally. They also provide insight into areas where we can improve our effectiveness by identifying training needs.
- 5.11 All of the Trustee Directors in office over the full Scheme year period have completed the Pension Regulator's Trustee Toolkit.
- 5.12 Taking account of the actions taken individually and as a trustee body, and the professional advice available to them, the Trustee Directors consider they are enabled properly to exercise their function as a Trustee.

6. Trustee Statement of DC Governance

- 6.1 The Trustee considers that its systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice.

Signed for and on behalf of United Utilities Pensions Trustee Limited

Date 22/09/2026

Gary Dixon
Chair of United Utilities Pensions Trustee Limited