Boots Pension Scheme

PENSIONS UPDATE

Autumn 2025

WELCOME

Welcome to the latest issue of *Pensions Update*, the newsletter for members of the Boots Pension Scheme.

You may have seen news coverage about the recent acquisition of the Company by Sycamore Partners. The acquisition does not affect your Boots Pension Scheme benefits in any way. Your pension remains fully protected and unchanged.

Our journey to secure your pension for the future is progressing well. Since insuring all members' benefits with Legal & General (L&G) in November 2023, we've achieved another significant milestone when Legal & General took over the administration of the Scheme from the in-house pensions team at Boots in May 2025*.

In addition, in August, the Company paid the remaining contributions of close to £338m to the Scheme to enable us to settle the remaining payments due to L&G, ahead of schedule. Since signing the deal with L&G in November 2023, the Company has now contributed just over £695m to the Scheme to secure members' pensions with L&G. As a result, all premiums due to L&G under the policy held by the Trustee have now been paid. The Trustee is committed to protecting your interests, and these are important steps in ensuring the long-term security of your pension benefits. Following the administration transfer, we continue to manage the Scheme and remain responsible for paying your pension.

L&G wrote to the majority of our pensioner members recently with registration details for their secure member portal. If you haven't registered yet, please remember to do so, as you'll find this is the most efficient way to

*With the exception of a small group of Channel Islands members.

"OUR JOURNEY TO SECURE YOUR PENSION FOR THE FUTURE IS PROGRESSING WELL."

manage your pension. There's more about the member portal on page 5. Please get in touch with the team at L&G who will be pleased to answer any questions about your pension and provide any support you need with your benefits. You'll find their contact details on the back page.

We'd like to thank the Boots Pensions Team for their support and dedication over the years, but especially this year, helping to ensure a smooth transition to L&G and ongoing service for our members.

We hope you find this issue of *Pensions Update* helpful and informative.

Trustee of the Boots Pension Scheme

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NOTICEBOARD

SECURING YOUR PENSION WITH L&G

With the financial support of Boots, the Trustee has insured all members' benefits with L&G.

The Company has paid the remaining contributions to the Scheme allowing the Trustee to settle all remaining payments due to L&G ahead of schedule, which is an important moment in our journey to fully secure your pension for the future.

The Scheme no longer relies on the Company's financial support to pay pensions, nor is it exposed to the ups and downs of the financial markets. Your insured benefits also have a layer of extra protection because insurance companies are subject to very strict financial requirements, more so than pension schemes. On top of this, the Financial Services Compensation Scheme provides further reassurance for insurance policyholders.

The Scheme currently holds the L&G insurance policy, (known as a 'bulk annuity' policy) as an asset. As insurer and administrator, L&G now pays members' pensions that are due, although the Trustee remains ultimately responsible for paying your pension.

L&G: OUR NEW SCHEME ADMINISTRATOR

In May 2025, the administration of the Scheme was transferred to L&G, providing you with dedicated support. Please get in touch if you have any queries about the Scheme or your benefits, using the contact details on the back page.

For our pensioner members only

L&G's portal is available to our pensioners at **legalandgeneral.com/my-account**. Using My Account, you can:

- keep your personal information up to date to ensure all documents reflect your current details
- review your product summary and access your policy details, so you can have a comprehensive view of your account
- access important documents like your P60 and pension payslips, which are available to view or download
- find answers to frequently asked questions about your policy.

For deferred members

If you're a deferred member, you can't currently view details about your benefits online. Please contact L&G by phone or email (details are on the back page) if you have any queries or need to tell us about a change in your personal details. You can also request a retirement quotation by phone or email. Once you retire, you'll be able to manage your account online.

How to register

L&G recently sent you some registration details. Please refer to these when logging in for the first time. If you have any issues registering, please contact the L&G helpline.

Go to:
legalandgeneral.com/my-account

STAY SAFE FROM SCAMS

Pension scammers appear professional, and it's getting harder than ever to spot the difference between something that's genuine and something that's a scam. Here are four key things to consider:

1. Have you received an unexpected offer about your pension?

Cold calling about pensions is illegal. Legitimate pension providers won't ever contact you out of the blue. Be wary of 'free pension reviews' and promises of high or guaranteed returns.

2. Have you checked who you're dealing with?

The Financial Conduct Authority (FCA) has a Financial Services Register that you can check on its website: **www.fca.org.uk/scamsmart**. Use it to make sure anyone offering you advice or services is authorised to do so. Double check the contact details you've been given match those on the register.

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

Pressure to act quickly is a warning sign. Take your time to make all the checks you need – if it sounds too good to be true, it probably is.

4. Should you get impartial advice or guidance?

MoneyHelper provides free and impartial information and guidance online, over the phone or via webchat. Call 0800 011 3797 or visit **moneyhelper.org.uk**

FACTS & FIGURES

FINANCIAL HIGHLIGHTS

The information on these pages has been taken from the Scheme's formal report and accounts. The table shows a summary of how much money has been paid into and out of the Scheme during the year to 31 March 2024, compared with the previous year. As noted on page 2, the Company has since made further material contributions to the Scheme, which are not reflected below, to ensure members' benefits are fully secured with L&G.

	2023/24	2022/23
Value of the Scheme's assets at the start of the year (1 April)	**£4,928.9m**	**£7,118.4m**
Company contributions	£336.9m	-
Investment income	£112.1m	£20.3m
Change in the market value of the Scheme's investments	(£364.2m)	(£1,988.5m)
Benefits paid to members	(£229.0m)	(£221.3m)
Value of the Scheme's assets at the end of the year (31 March)	**£4,784.7m**	**£4,928.9m**

If you would like to see a copy of the full report and accounts, you can find it on the Scheme website at: **www.the-boots-group-pensions.co.uk/boots-pension-scheme/documents/**

The accounts made up to 31 March 2025 are in the process of being finalised and will be signed off shortly. Please also see the Summary Funding Statement on page 12 to understand more about the Scheme's current funding position.

MEMBERSHIP

At 31 March 2024, you were one of 52,488 members of the Scheme. The table below shows a breakdown of the membership compared with the previous year.

	2023/24	2022/23
Pensioners and dependants Members who are currently receiving their benefits	30,776	29,865
Deferred members Members who have not yet started receiving their benefits	21,712	23,424
Total	**52,488**	**53,289**

INVESTMENT UPDATE

Following the transaction with L&G in 2023 to secure members' pensions, the Scheme's principal asset is the insurance policy.

Known as a bulk annuity policy, it covers the current and future pension payments for all members. This is the Scheme's only investment aside from a relatively small amount of residual assets that are being sold over the next 12 months.

If you would like to see the Scheme's Statement of Investment Principles, Climate Disclosures (TCFD) report, and Implementation Statement, please go to the Scheme website at:
www.the-boots-group-pensions.co.uk/boots-pension-scheme/overview/

SUMMARY FUNDING STATEMENT

As you know, the Company agreed to provide additional funding to help the Scheme secure all members' pensions with L&G. We are pleased to confirm that the balance of contributions to fully secure the insurance arrangement has now been paid and ahead of when originally anticipated.

Even though members' benefits are now secured with L&G, the Trustee still has to monitor the Scheme's funding and recently completed the required actuarial valuation as of 1 April 2024 (these are carried out every three years).

The Trustee checks the funding position using what's called the 'technical provisions' basis, which should match the Scheme's investment approach. For the 1 April 2024 valuation, the Trustee and Company agreed to update the assumptions to reflect the estimated cost of buying annuities from an insurer, following the L&G policy purchase. Since insurers have to hold higher reserves, this increased the calculated value of the Scheme's liabilities compared to the previous (2021) valuation.

THE VALUATION RESULTS

The table below shows the results from the 1 April 2024 valuation, and the previous updates from 1 April 2022 and 2023 (which were based on the old investment strategy and the 2021 valuation assumptions).

	1 April 2024 valuation	1 April 2023 update	1 April 2022 update
Assets	£4,753m	£4,916m	£7,103m
Liabilities – insurance basis	£4,999m	£4,808m	£6,784m
Surplus/(shortfall)	(£246m)	£108m	£319m
Funding level	95%	102%	105%

The April 2024 valuation showed that the Scheme funding level had fallen when compared to the previously reported 2023 position. This was primarily the result of the update to the assumptions noted previously, rather than a fall in the asset value. As noted last year, the Company committed additional contributions to fully fund the insurance cost. These additional contributions are not reflected in the table above because they have been paid more recently, making good any shortfall. The insurance policy now in place means your benefits are more secure than ever, as they are backed by a leading insurer.

Recovery plan

The Trustee and Company agreed a Recovery Plan to remove the shortfall shown at the 2024 valuation. The Recovery Plan provided for the additional funding committed as part of the original L&G transaction and was originally expected to be paid by December 2025.

However, as mentioned previously, these payments were made ahead of schedule, and all contributions needed to secure the insurance arrangement are now complete.

Solvency position

The Trustee is also required to assess the Scheme's funding level on a solvency or insurance buyout basis. Given the ongoing funding basis was updated at the 2024 valuation to reflect the predicted cost of purchasing annuities from an insurance company, the solvency and ongoing measure are now set equally. The solvency shortfall as at 1 April 2024 was therefore £246 million, with a corresponding funding level of 95%. As noted on the previous page, the shortfall has now been addressed by the contributions recently paid, ahead of time, by the Company.

Payments to the Company

We can confirm that there have been no payments made to the Company out of Scheme funds.

The Pensions Regulator

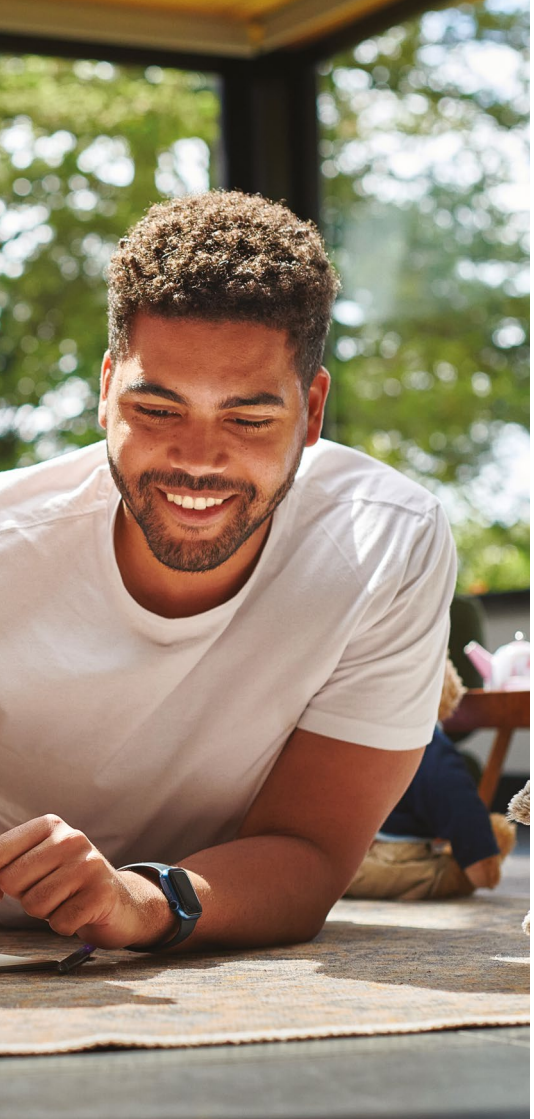
The Pensions Regulator has oversight in how pension schemes are funded. We have submitted the 2024 valuation results to them, with no further input.

USEFUL INFORMATION

For further information about pensions and saving for retirement, you may find these websites useful:

moneyhelper.org.uk
The government's free financial guidance service provides information on all money matters including pensions, financial planning and debt advice.

gov.uk
You can use the government website to check what your State pension age is and also to get a forecast of your State pension entitlement.



WHO'S WHO IN THE SCHEME?

The Scheme is managed by a trustee company called Boots Pensions Limited. It operates independently from the Company. It has six directors, three appointed by the Company and three who have been nominated by the Scheme's members.

Your Trustee directors

Adrian Brown*
Rosemary Counsell*
Marc Donovan, Chair
Bijal Patel
Felicity Walton-Bateson
Jason Ward*

*member-nominated directors

STAYING IN TOUCH

If you have any questions about your benefits or any of the topics covered in this newsletter, please contact the Scheme administrator, L&G.

DEFERRED MEMBERS

Call: 0345 077 8778

Email: dbretirements@landg.com

Write to: Legal & General Assurance Society Ltd
PRT Retirements Team
City Park
The Droveway
Hove BN3 7PY

PENSIONER MEMBERS

Call: 0345 766 0813

Email: paymentservices@landg.com

Write to: Legal & General Assurance Society Ltd
Customer Payment Services
PO Box 809
Cardiff CF24 0YL

L&G member portal: legalandgeneral.com/my-account

Remember to tell us!
Please help us keep in touch with you and pay your benefits when they're due, by telling L&G if you change your address.

Scheme website: www.the-boots-group-pensions.co.uk