



HOWDENS

Your Summer Pensions Update

July 2022



Welcome to your summer update from the Plan Trustee

This newsletter is to bring you up to date with recent changes in the Plan and follows on from the last version produced in November 2021. We will provide a further newsletter later in the year with the usual funding level updates and the annual report and accounts summary.

People News

In March 2022, Amy Lim left the company after over 15 years with the group and two years as a Trustee Director. Her place on the Board has been filled by Paul Jones. We thank Amy for her time on the Board during a busy period and welcome Paul.



Paul Jones

I joined Howdens in November 1999 as a Depot Manager, when I opened up the Salford branch in Manchester,

which at the time was only the second depot to be opened in the new North West Region.

I am now very proud to be the Regional Director of the North West region, and we have grown our network to 88 depots with more to come in the future. It's been a fantastic experience to see the company grow over the years and my primary responsibility is to help it continue to prosper.

I feel very fortunate to have this opportunity to be a Trustee Director, and I am enjoying expanding my learning every day as I work through the online and in person training.

Have Your Say

The Plan is run on behalf of members by us the Trustee Board, which is a group of volunteers who go through training to ensure the Plan is well run. The Board includes Trustee Directors nominated by the company, and Trustee Directors nominated by members of the Plan - that's you. We are inviting members who would like to consider this role to apply.

This means that you can have a say in who runs the Plan in the best interests of members.

Nominations open (mid July)

Nominations close (19 August)

Selection committee meets (late Aug/early Sept)

Announcement of outcome (September)

Are you someone who'd do a great job overseeing that the Plan is well-run, and members' interests are protected? Find out everything you need to know, and how to submit a nomination, at <https://howdenjoinerypensions.co.uk/media/4196/mnd-announcement-2022-final.pdf>

Note: only 'in-service deferred' members (current employees who are now members of the closed DB Plan) and pensioner members are eligible to apply.

The Top-Up Account of the Howden Joinery Pension Plan

If you are a member of the Top-Up Account section of the Plan you will have received communications from us, and from Standard Life, advising you that we have taken the decision to transfer this section of the Plan to a Master Trust with Standard Life. We have set out the key dates in this Newsletter as a reminder.

Following the closure of the Plan in March 2021 we undertook an in depth due diligence exercise and decided to transfer all assets in the Top-Up Account of the Plan to a new scheme with Standard Life. Members affected

by this transfer will be kept fully informed during the transition process.

This transfer does not affect any of your defined benefits in the Plan, and if you do not have a Top-Up Account this does not impact you at all.

For 'in-service deferred' members, the opportunity to use your Top-Up Account to fund your tax free lump sum at retirement will still be possible using a switch back mechanism from Standard Life to transfer your Top-Up back to the Howden Joinery Pension Plan when you take your pension.



Key dates:

14 July - no further changes can be made to your Top-Up Account in the current Plan.

31 July - confirm to Standard Life how you would like your Top-Up Account invested in the new Scheme.

16 August - transfer to the new Scheme.

September - Standard Life will confirm the transition is complete.

Appointment of new Plan Auditors

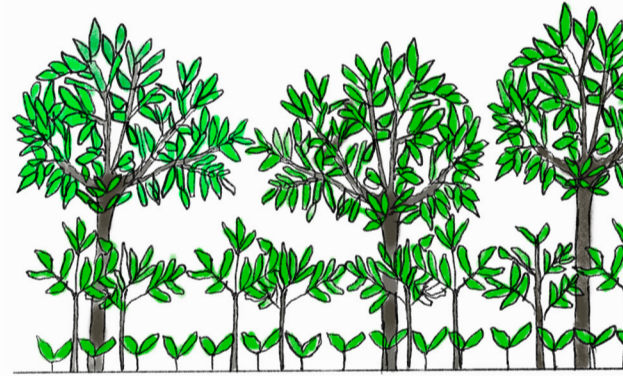
The Plan's auditors, Crowe, have been in place for a number of years. As part of our governance process we decided to review the auditor appointment this year and carried out a tender process. We are pleased to announce that as a result of this process we have appointed RSM who will take over from next year. Crowe are currently finalising the accounts for the year to 31st March 2022 and a summary of these accounts will be provided in the next newsletter. RSM will produce the Plan accounts from 31st March 2023.

Funding Update

We are pleased that despite volatile and difficult conditions the Plan's funding level remains around 100% on the 'technical provisions' basis. This means that no further contributions are currently being made to the Plan so we need to consider carefully the income from our investments to meet regular pensioner payroll. We will report further on the funding position when the results of the 2022 actuarial update are available.

Responsible investment and net zero

New regulations require UK pension schemes with more than £1 billion in assets to meet new climate governance requirements and produce an annual Taskforce for Climate related Financial Disclosures ('TCFD') report about their climate related risks. We have started work on this and are pleased to give a brief summary below. Full disclosure will be required next year.



Net zero - what is it?

Net zero means reducing greenhouse gas (GHG) emissions (scope 1, 2 and 3) as much as possible, with the goal of putting no more emissions into the earth's atmosphere than are removed.

The Trustee has committed to manage the investment portfolio in line with achieving net zero greenhouse gas emissions by 2040. To achieve this, the Plan will aim to reduce the carbon footprint of the investment portfolio as much as possible. The Trustee recognises that as the target date of 2040 approaches, it may not be possible to reduce the Plan's emissions completely. The Trustee will consider industry best practice and the availability of suitable arrangements at that time, including the potential use of offsetting approaches.

We believe that the risks associated with climate change can have a materially detrimental impact on the Plan's investment returns, and, as such, we have a role to play in helping tackle climate change.

We have started to engage with our investment managers to encourage them to vote and engage with companies in their portfolios on climate change issues and the transition to a low carbon economy.

We are currently working with our advisors to select climate related metrics and targets and carry out an analysis of the Plan's carbon emissions. We will then be able to measure performance against our climate related target. We will continue to update you as this work progresses.



Scope 1:
Direct GHG emissions

All direct emissions from the activities of an organisation which are under their control; these typically include emissions from their own buildings, facilities and vehicles.



Scope 2:
Indirect GHG emissions

These are the indirect emissions from the generation of electricity purchased and used by an organisation.



Scope 3:
Other indirect GHG emissions

All other indirect emissions linked to the wider supply chain and activities of the organisation from outside its own operations - from the goods it purchases to the disposal of the product it sells.

Measuring greenhouse emissions is a key way for pension schemes to assess their exposure to climate change risk:

- Greenhouse gases trap heat in the atmosphere and contribute to climate change.
- Greenhouse gases are categorised into three types or scopes by the Greenhouse Gas protocol.

If you have any questions about the Plan

Get in touch with the Plan Administrators:

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Or the pensions team at Howdens
pensions@howdens.com

Clair Hood **020 7535 1114**
Nilam Gardiner **020 7535 1152**



Helpful Information

Independent financial advice

If you are thinking about retirement or moving your benefits to another provider you may need to obtain independent financial advice. To help you decide, the Trustee has appointed Wren Sterling to provide Plan members with tailored impartial financial advice. They have knowledge about the Plan, so are able to explain your Plan benefits, how the transfer option works and make a recommendation about the most appropriate option for you. Further details about the service can be found here:

howdenjoinerypensions.co.uk/howden
Call: 0808 175 0010
Email: howdens@wrensterling.com

Money Helper

Money Helper offers free, clear, unbiased guidance to help you manage your money and pension.

There are a number of useful financial planning tools available, including a pension calculator and budget planner. You can also find guidance and support available if your finances have been affected by the rising cost of living.

moneyhelper.org.uk/

