

Annual statement regarding governance of the DC Section of the PPG Industries (UK) Limited Pension Plan ("the Plan"), including AVCs

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to prepare an annual statement regarding governance, which should be included in the annual trustee report and accounts. The governance requirements apply to defined contribution ("DC") pension arrangements that are classified as "relevant schemes" and aim to help members achieve a good outcome from their pension savings.

This statement has been prepared by the Trustee and covers the period from 6 April 2024 to 5 April 2025 ("the Plan Year") and is signed on behalf of the Trustee by the Chair.

This statement covers governance and charge disclosures in relation to the following:

1. The Plan's default arrangement
2. Net investment returns
3. Member borne charges and transaction costs
 - i. Default arrangement
 - ii. Self-select funds
 - iii. Additional Voluntary Contributions
 - iv. Illustrations of the cumulative effect of these costs and charges
4. Value for Members assessment
5. Processing of core financial transactions
6. Trustee knowledge and understanding

1. The Plan's default arrangement

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Plan's membership.

The Plan is used as a Qualifying Scheme for auto-enrolment purposes.

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default arrangement - the Aon Managed Retirement Pathway 'flexible glidepath'. This reflects the Trustee expectation that members will take their benefits flexibly through income drawdown in retirement.

This statement is accompanied by the Plan's Statement of Investment Principles (SIP) which is located here: [PPG DC SIP - September 2024](#). This governs decisions about investments made available to members, including the default, along with their aims and objectives.

The default arrangement is a series of Target Date Funds (TDFs), which provide an asset allocation based on the retirement date of the member. The aim of the TDFs is to provide opportunity for growth in the early years of investment by investing in growth seeking assets such as equities. As retirement approaches, assets in the TDFs are gradually switched into a

more diversified range of investments with the aim of reducing overall volatility, and to align the distribution of assets to the different options members have when they take their benefits from the Plan.

Investment strategy review

The Trustee has decided to implement the Plan's DC investment strategy through Aon's Delegated DC Services. Under this approach, the Trustee delegates the selection of the platform provider and day to day management of the funds to Aon, through the Aon Investments Limited ("AIL") Investment Management team ("the Manager").

The underlying managers and structure of each blended fund is delegated to the Manager. However, the Trustee maintains responsibility for the investment fund options made available to members and takes expert advice as required from its professional advisors.

The Plan's last investment strategy review was completed on 20 June 2024. As part of the review, the membership and investment objectives of the Plan were considered to assess the suitability of the current investment offerings. The review concluded that the current investment offerings remain appropriate, and no changes were made as a result. The next formal review is due to take place by 20 June 2027.

Performance Monitoring

Investment monitoring takes place on a quarterly basis with monitoring reports provided to the Trustee by the Manager with additional commentary from the investment adviser. The investment reports include performance reporting for all on all of the investment funds relative to their respective benchmarks and/or targets and performance commentary, which highlights key factors affecting the performance of the funds over the quarter. In addition, over the Plan year, the Manager incorporated performance and volatility benchmarking of the default arrangement at different stages to retirement. These reports also contain updates on any changes to the funds made by the Manager over the quarter.

The default arrangement outperformed against the inflation linked objectives over the longer since inception and five-year periods for members in the growth (15+ years from retirement) and pre-retirement phase (<15 years from retirement). For members at retirement, returns were broadly in line with inflation linked objectives. Although the strategy underperformed inflation linked objectives over the three-year period, it was noted this was primarily due to the historically high inflation rates witnessed in recent years. Funds and the underlying investment managers continued to perform as expected in the market environment and no significant concerns were raised regarding the investment strategy over the Plan year.

Default arrangement asset allocation

The Trustee is required to disclose their full asset allocations in the default arrangement. These are shown in the table below as at 31 March 2025 for four sample ages:

	Asset allocation as at 31 March 2025 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Cash	0.3	0.3	1.5	2.6
Bonds				
<i>Corporate bonds</i>	0.0	0.0	0.7	1.3
<i>Fixed interest government bonds</i>	0.0	0.0	2.5	6.4
<i>Index-linked government bonds</i>	0.0	0.0	4.8	26.3
<i>Other bonds</i>	0.0	0.0	5.1	9.7

	Asset allocation as at 31 March 2025 (%)			
Asset class	25 years old	45 years old	55 years old	65 years old
Listed equities				
<i>UK equities</i>	3.0	3.0	2.4	1.3
<i>Developed market equities (excluding UK)</i>	78.7	78.7	62.7	33.2
<i>Emerging markets</i>	9.0	9.0	7.1	3.8
Private equity	0.0	0.0	0.0	0.0
Infrastructure	1.4	1.4	1.0	0.4
Property	7.6	7.6	5.7	2.5
Private debt	0.0	0.0	0.0	0.0
Other	0.0	0.0	6.5	12.5

Source: AIL

2. Net investment returns

The Trustee is required to report on net investment returns for each default arrangement and for each non-default fund which members were invested in during the Plan year. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges.

The net annualised returns have been prepared having regard to statutory guidance and are shown in tables (i) to (iii).

The net returns for the default arrangement and other TDFs are based on a member having a Target Retirement Age of 65. As the default arrangement and other TDFs have the same type and composition of assets until five years before retirement (until age 60 where the Target Retirement Age is 65), the net returns are the same up until this age, and can vary thereafter as the type and composition of assets changes to better match how the member's is expected to take their benefits in retirement (income drawdown, annuity, cash).

It is important to note that past performance is not a guarantee of future performance.

(i) Target Date Funds

- Default arrangement:
 - Aon Managed Retirement Pathway Funds 'flexible glidepath'
- Other Target Date Funds:
 - Aon Managed Retirement Pathway to Annuity Fund
 - Aon Managed Retirement Pathway to Cash Funds.

Performance to 31 March 2025	Net return (% p.a.)	
Age of member at start of investment reporting period	1 year	5 years
25	3.2	10.9
45	3.2	10.9
55	3.9	10.3

Source: AIL

(ii) Self-select individual funds

Performance to 31 March 2025	Net return (% p.a.)	
Fund name	1 year	5 years
Aon Managed Bond Phase Fund	4.4	1.8
Aon Managed Long Term Inflation Linked Fund	-9.4	-9.9
Aon Managed Pre-Retirement Bond Fund	-3.5	-5.4
Aon Managed Liquidity Fund	4.8	2.2
Aon Managed Global Equity Fund	4.1	12.0
Aon Managed Active Global Equity Fund	-2.5	11.5
Aon Managed Global Impact Fund ¹	-3.8	-
Aon Managed Property and Infrastructure Fund	3.7	5.5
Aon Managed Diversified Multi Asset Fund	7.5	5.7
Aon Managed Passive Corporate Bond Fund	2.5	-0.6
Aegon HSBC Islamic Global Equity Index Fund	3.2	16.1
Aegon LGIM FTSE4GOOD Developed Equity Index Fund	3.0	15.1
Aegon BlackRock UK Equity Index Fund	9.2	11.1
Aegon BlackRock World (ex-UK) Equity Index Fund	2.8	14.6
Aegon BlackRock Emerging Markets Equity Index Fund	7.5	7.3

Source: AIL

¹Fund performance over a five year period is not available since fund inception was 31/10/2020.

(iii) Additional Voluntary Contributions

Performance to 31 March 2025	Net return (% p.a.)	
Fund name	1 year	5 years
Aviva		
Aviva With Profit Guaranteed Fund (NU)	4.0	4.0
Aviva With Profit (NU) Fund*	5.5	4.2
Aviva European Equity Fund	-0.1	11.7
Aviva Pacific Equity Fund	-1.3	10.4
Aviva UK Equity Fund	8.6	11.6
Aviva US Equity Fund	5.8	17.2
Prudential		
Prudential With Profits Cash Accumulation Fund*	2.5	1.7

Source: Providers, Financial Express Analytics

*The Aviva With Profit (NU) and Prudential With Profits Cash Accumulation 5-year net return is based on bonus rates. Aviva With Profits (NU) Funds use annualised bonus rates up until 31 December 2024 and the Prudential With Profits Cash Accumulation rates up until the 15 March 2025.

For the With Profits funds, the net returns shown are the bonus rates declared on the funds over the relevant period. Whilst in practice we would expect a final bonus to increase returns close to the returns on the underlying assets in the With Profits funds over the period held (after all costs of running the funds, including the cost of any guarantees), these amounts are unknown and are not guaranteed. Furthermore, a market value reduction which can reduce the return delivered to investors may be applied on exit at any time other than maturity date, or in the event of death before retirement.

3. Member borne charges and transaction costs

The Trustee should regularly monitor the level of costs and charges borne by members through the investment funds. These comprise:

- **Charges:** these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;
- **Transaction costs:** these are not explicit and are incurred when the Plan's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.

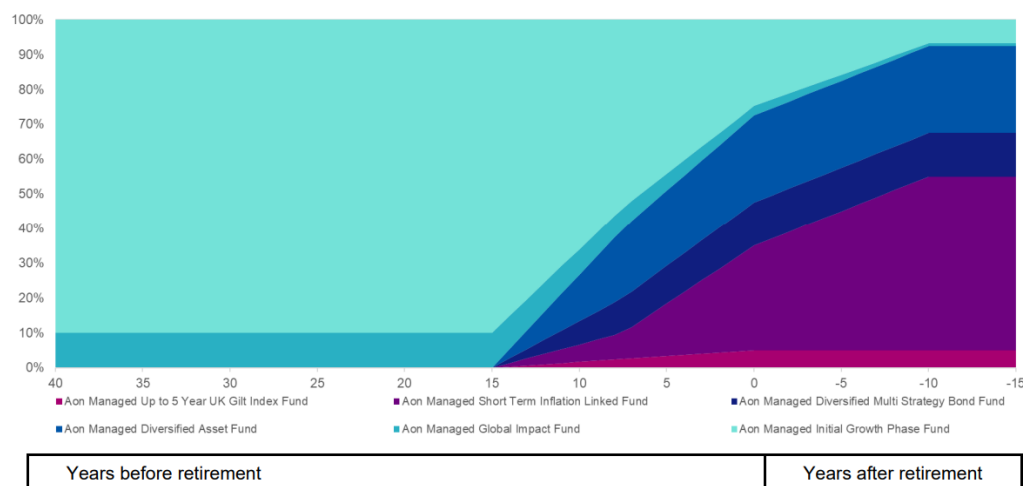
The Trustee is also required to confirm that the charges on the default arrangement have not exceeded 0.75% p.a. (the charge cap) and produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

Details of the charges and transaction costs for the funds available to members are shown below and in the Appendix.

(i) Default arrangement: Aon Managed Retirement Pathway 'flexible glidepath'

The Aon Managed Retirement Pathway Funds are TDFs. Member's assets are invested in the TDFs relative to their retirement date e.g. a member due to retire in 2025 will be invested in the Retirement Pathway 2025-2027 Fund. The funds relating to different retirement years are known as "vintages".

The following Glidepath shows the type and composition of the assets with term to retirement as at 5 April 2025.



The table below shows the TER and transaction costs for the funds available to members. The TERs have been supplied by the Manager and transaction costs has been supplied by Aegon, the platform provider for the Plan.

There can, on occasion, be negative transaction costs (profit) as a result of the underlying trades in a fund. However, a floor of 0% p.a. has been applied in these instances to avoid potentially understating the total level of costs and charges.

	TER (% p.a.)	Transaction costs (% p.a.)	Total costs (% p.a.)
Aon Managed Retirement Pathway 'flexible glidepath'			
Perpetual	0.43	0.08	0.51
2016 - 2018	0.43	0.08	0.51
2019 - 2021	0.43	0.08	0.51
2022 - 2024	0.43	0.08	0.51
2025 - 2027	0.44	0.08	0.52
2028 - 2030	0.44	0.08	0.52
2031+	0.44	0.07 – 0.08	0.51 – 0.52

Where a fee is calculated by reference to the returns from investments held by the Plan and is not calculated by reference to the value of the member's rights under the Plan, the Trustee must state the amount of any such performance-based fees in relation to the default arrangement.

The Trustee confirms that, over the Plan year, no performance based fees were incurred by members in the default arrangement.

(ii) Self-select funds

There are two further TDFs that are available to members that target Annuity or Cash at retirement.

	TER (% p.a.)	Transaction costs (% p.a.)	Total costs (% p.a.)
Aon Managed Retirement Pathway to Annuity			
Annuity Perpetual	0.41	0.00	0.41
2022 - 2024	0.41	0.00	0.41
2025 - 2027	0.42	0.02	0.44
2028 - 2030	0.44	0.07	0.51
2031 - 2033	0.44	0.08	0.52
Aon Managed Retirement Pathway to Cash			
2022 - 2024	0.41	0.01	0.42
2025 - 2027	0.42	0.03	0.45
2028 - 2030	0.44	0.07	0.51
2031 - 2033	0.44	0.08	0.52

A full listing of the underlying funds in each of the Retirement Pathway Funds, and the respective transaction costs is shown in the Appendix.

The following self-select funds are also available to members of the Plan.

Fund name	TER (% p.a.)	Transaction costs (%)	Total cost (% p.a.)
Aon Managed Bond Phase Fund	0.42	0.19	0.61
Aon Managed Long Term Inflation Linked Fund	0.28	0.00	0.28
Aon Managed Pre-Retirement Bond Fund	0.39	0.00	0.39
Aon Managed Liquidity Fund	0.37	0.01	0.38
Aon Managed Global Equity Fund	0.33	0.05	0.38
Aon Managed Active Global Equity Fund	0.87	0.10	0.97
Aon Managed Global Impact Fund	0.88	0.11	0.99
Aon Managed Property and Infrastructure Fund	0.48	0.16	0.64
Aon Managed Diversified Multi-Asset Fund	0.42	0.00	0.42
Aon Managed Passive Corporate Bond Fund	0.28	0.00	0.28
Aegon BlackRock UK Equity Index Fund	0.25	0.08	0.33
Aegon BlackRock World (ex UK) Equity Index Fund	0.25	0.03	0.28
Aegon BlackRock Emerging Markets Equity Index Fund	0.45	0.00	0.45
Aegon LGIM FTSE4GOOD Developed Equity Index Fund	0.54	0.01	0.55
Aegon HSBC Islamic Global Equity Index Fund	0.54	0.00	0.54

TERs are as at 31 March 2025 and include Additional Fund Expenses. Transaction costs are as at 31 March 2025.

(iii) Additional Voluntary Contributions (AVCs)

Charges and transaction costs for the funds held with the Plan's AVC providers are shown in the table below.

Fund / Provider	AMC (% p.a.)	Transaction costs (%) ¹	Total costs (% p.a.)
Aviva¹			
Aviva Deposit NU	0.88	0.00	0.88
Aviva European Equity NU	0.88	0.13	1.01
Aviva Global Equity NU	0.88	0.02	0.90
Aviva Mixed Investment (40-85% Shares) NU	0.88	0.08	0.96
Aviva Pacific Equity NU	0.88	0.06	0.94
Aviva UK Equity NU	0.88	0.20	1.08
Aviva US Equity NU	0.88	0.01	0.89
Aviva With-Profit Guaranteed NU	0.88	0.03	0.91
Aviva With-Profit NU	0.88	0.03	0.91
Prudential²			
With-Profits Cash Accumulation ²	See note 3	0.10	See note 3

Notes:

1. Aviva AMC and transaction costs as at 31 March 2025.

2. Prudential transaction costs as at 31 December 2024.

3. Charges on the Prudential With-Profits fund are inherent within the annual bonus declarations. This charge is deducted through the bonus mechanism.

(iv) Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided three illustrations of their cumulative effect on the value of typical Plan members savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance and selecting suitable representative members. They are based on a number of assumptions about the future which are set out below. Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. As the illustrations are based on typical example members, the information provided here is not a substitute for the individual and personalised illustrations which are provided to members in their annual benefit statements.

Each illustration, A, B and C is shown for a different type of member invested in the Aon Managed Retirement Pathway 'flexible glidepath', which is the default arrangement. As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have included comparison figures with two other investments:

- Aon Managed Global Impact Fund – the highest charging self-select fund in which members are invested; and
- Aegon BlackRock World (ex UK) Equity Index Fund – the lowest charging self-select fund in which members are invested.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

Assumptions and data for illustrations

The following assumptions have been made for the purposes of the above illustrations:

- Annual salary growth and inflation are assumed to be 2.5% per annum.
- The starting fund values and future contributions used in the projections are representative of each illustrative member based on the Plan membership demographics.
- The projected annual gross returns are as follows:

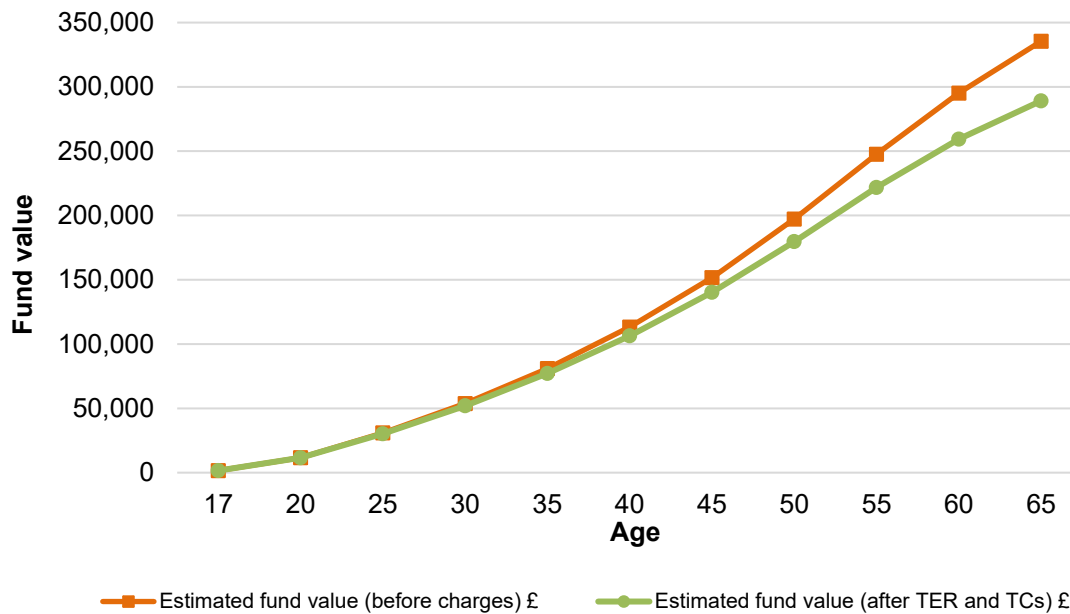
Fund name	Projected annual gross returns (% p.a.)
Aon Managed Global Impact Fund*	7.0
Aon Managed Initial Growth Phase Fund*	6.0
Aon Managed Diversified Asset Fund*	4.0
Aon Managed Diversified Multi Strategy Bond Fund*	2.0
Aon Managed Short Term Inflation Linked Fund*	2.0
Aon Managed up to 5-year UK Gilt Index Fund*	2.0
Aegon BlackRock World (ex UK) Equity Index Fund	6.0

*Funds underlying the default arrangement

- The assumptions used for projecting fund values are those set out in Actuarial Standards Technical Memorandum version 5.1. This specifies the actuarial assumptions and methods to be used in the calculation of Statutory Money Purchase Illustrations.
- The transaction costs have been averaged over a five year period in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.

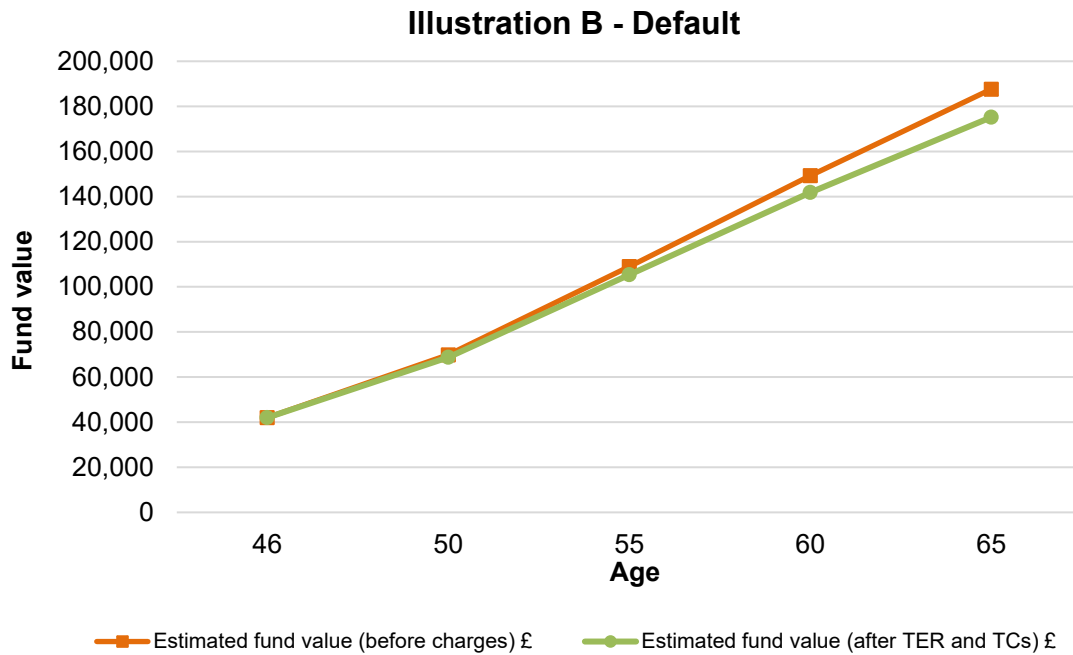
Illustration A: Active Plan member who is currently age 17 and has 48 years to go until their retirement at age 65. The member has a current salary of £22,600 and contributions of 14% p.a. of salary. The member has a current fund value of £1,600 and is invested in the default: Aon Managed Retirement Pathway 'flexible glidepath' (2073-2075).

Illustration A - Default



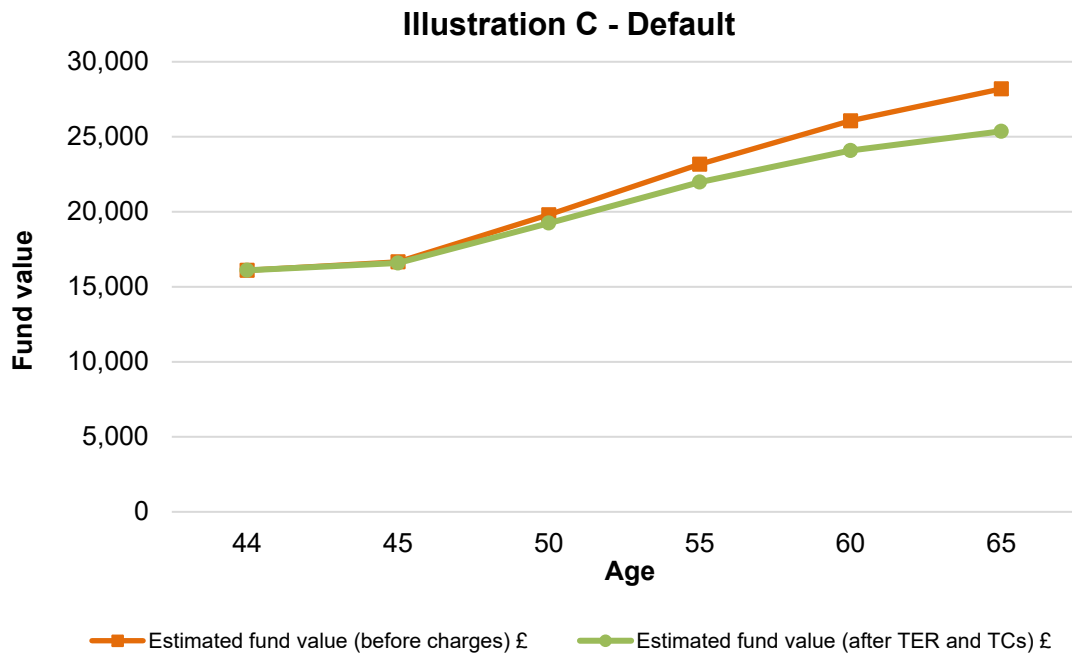
Projected retirement savings in today's money									
Age	Aon Managed Retirement Pathway 'flexible glidepath' (2073-2075)			Aon Managed Global Impact Fund			Aegon BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
17	1,600	1,600	0	1,600	1,600	0	1,600	1,600	0
20	11,652	11,556	96	11,826	11,633	193	11,633	11,582	51
25	30,902	30,258	644	32,090	30,769	1,321	30,773	30,433	340
30	53,778	51,961	1,817	57,210	53,401	3,809	53,411	52,452	959
35	80,964	77,146	3,818	88,351	80,166	8,185	80,188	78,171	2,017
40	113,271	106,372	6,899	126,954	111,820	15,134	111,860	108,213	3,647
45	151,664	140,288	11,376	174,809	149,255	25,554	149,320	143,303	6,017
50	197,290	179,646	17,644	234,132	193,526	40,606	193,629	184,290	9,339
55	247,688	221,757	25,931	307,672	245,884	61,788	246,037	232,166	13,871
60	295,175	259,369	35,806	398,836	307,804	91,032	308,025	288,088	19,937
65	335,457	289,136	46,321	511,847	381,033	130,814	381,344	353,408	27,936

Illustration B: Active Plan member who is currently age 46 and has 19 years to go until their retirement at age 65. The member has a current salary of £36,600 and contributions of 14% p.a. of salary. The member has a current fund value of £42,000 and is invested in the default: Aon Managed Retirement Pathway 'flexible glidepath' (2043-2045).



Projected retirement savings in today's money									
Age	Aon Managed Retirement Pathway 'flexible glidepath' (2043-2045)			Aon Managed Global Impact Fund			Aegon BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
46	42,000	42,000	0	42,000	42,000	0	42,000	42,000	0
50	69,867	68,749	1,118	71,902	69,638	2,264	69,644	69,054	590
55	108,981	105,388	3,593	117,283	109,831	7,452	109,852	107,960	1,892
60	149,299	141,855	7,444	173,541	157,366	16,175	157,410	153,405	4,005
65	187,648	175,210	12,438	243,280	213,583	29,697	213,661	206,487	7,174

Illustration C: Deferred Plan member (a member who is no longer making contributions to the Plan) who is currently age 44 and has 21 years to go until their retirement at age 65. The member has a current fund value of £16,100 and is invested in the default: Aon Managed Retirement Pathway 'flexible glidepath' (2046-2048).



Projected Pension Account in today's money									
Age	Aon Managed Retirement Pathway 'flexible glidepath' (2046-2048)			Aon Managed Global Impact Fund			Aegon BlackRock World (ex UK) Equity Index Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
44	16,100	16,100	0	16,100	16,100	0	16,100	16,100	0
45	16,665	16,586	79	16,807	16,649	158	16,650	16,608	42
50	19,805	19,248	557	20,835	19,690	1,145	19,693	19,399	294
55	23,171	21,975	1,196	25,828	23,286	2,542	23,293	22,659	634
60	26,067	24,086	1,981	32,017	27,539	4,478	27,551	26,467	1,084
65	28,194	25,366	2,828	39,690	32,569	7,121	32,587	30,916	1,671

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the funds) in making investment decisions.

4. Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" or the process of determining this for Plan members. Therefore, working in conjunction with our advisers, Aon, the Trustee has developed a cost-benefit analysis framework in order to make an assessment as to whether our members receive good value from the Plan relative to the costs and charges they pay.

The costs have been identified as the TERs and transaction costs and are set out in section 3 and the Appendix. The Trustee has considered the benefits of membership under the following five categories: Governance, investments, administration, member communications and retirement support. Benchmarking relative to other pension arrangements and industry best practice guidelines is also undertaken.

The Trustee's beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

(i) Governance

The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members.

The Trustee has built a robust governance approach for the Plan, including obtaining and reviewing quarterly administration reports, regular reviews of the Plan's risk register and regular assessments of the effectiveness of the Trustee board in their oversight of the Plan. The Trustee has worked alongside its advisers to carry out significant work in preparation for meeting the Pension Regulators standards set out in the General Code of Practice.

The Trustee Board has a DC and Communications Sub-Committee (DCCSC) to provide greater strategic focus and time commitment to the DC arrangements. There is also a Governance Sub-Committee (GSC) which includes DC representation to help support a whole of trust governance approach.

(ii) Investments

The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of its suitability for the membership will make a large contribution to the delivery of good member outcomes.

The Plan offers TDFs to enable members to take their savings flexibly at retirement, or as an annuity or as cash. There are also self-select individual funds available covering a range of member risk profiles and asset classes. The Trustee, with advice from their investment adviser, regularly reviews the funds available and their performance to ensure they continue to remain suitable for the needs of members.

Performance of the funds is reported to the Trustee on a quarterly basis, and performance is reviewed against agreed market benchmarks. The default arrangement is also reviewed against inflation-linked return objectives on a quarterly basis.

(iii) Administration

The Trustee believes that good administration and record keeping play a crucial role in ensuring that members receive the retirement income due to them. In addition, the type and quality of service experienced by members has a bearing on the level of member engagement.

The Trustee obtains information to assess the member experience through quarterly administration reports and discussions with the administrator. Service credits are payable if performance falls short of the agreed core service levels. No service credits were payable during the Plan year.

(iv) Member communications

The Trustee believes that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.

The Trustee delegates responsibility for the majority of communications to the DCCSC.

The DCCSC review member communications for accuracy and clarity to ensure key messages are delivered consistently. Members have access to PPG Pension Hub – a website that brings the Plan's online resources together securely and gives members a clear picture of their savings in one place to enhance the member experience.

The PPG Pension Hub is a mechanism to deliver members a clear overview of their pension on their desktop, laptop, tablet or mobile, providing expert pension insights and access to preferred modelling tools to help them forecast their finances.

(v) Retirement support

The Trustee believes it is important to have retirement processes that enable members to make informed decisions and select appropriate option(s) at retirement.

Members are able to gain support for their retirement decisions in a variety of ways. A dedicated helpline and guidance materials are available through the Aon Retirement Service, and members can receive one free round of advice with the Independent Financial Adviser who the Trustee has facilitated access to.

Additional support and information is available on the member website, TargetPlan. The Plan's microsite also highlights the help, advice and support mechanisms available, and the PPG Pension Hub brings together the Plan's online resources in one place.

Value for Members

The Trustee concluded that the charges and transaction costs borne by Plan members are competitive in comparison to current market rates and represent good value for members relative to the benefits of Plan membership.

The Trustee assessed the AVC providers and funds in addition to the funds held on the Aegon platform. In respect of the AVCs the Trustee assessment concluded that better value could potentially be achieved through the Plan as opposed to the AVC providers. The Trustee is continuing to monitor AVCs and communicating with Legacy AVC members to make them aware of the need to review their investments and the ability to transfer to the Plan's investment platform as an alternative. The Trustee will undertake its triennial review of the Legacy AVC arrangements in the second half of 2025.

5. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members/beneficiaries.

The bulk of the core financial transactions are undertaken on behalf of the Trustee by Aegon, who are the administrator and platform provider for the DC Section of the Plan. The Company is responsible for ensuring that contributions are paid to the Plan promptly. The timing of such payments is monitored by the Trustee and documented in quarterly administration reports provided by the administrator.

In order to determine how well the administrator is performing the Trustee has service level agreements ("SLA") in place with the administrator. These SLAs detail a number of key administration processes to be performed and the target timescales within which each of these processes must be completed. Processes are divided into groups, each with a target SLA. Performance against these groups are shown in quarterly administration reports.

The administrator attends quarterly DCCSC meetings to present the administration reports. Attendance at these meetings provides an opportunity for the DCCSC to discuss any issues and take action as required. Core financial transactions are service creditable items where a service credit payment is made if performance falls short of agreed core service levels. No service credits were payable over the Plan year and so the Trustee has taken comfort that core financial transactions have been processed as promptly as possible.

The Trustee has also reviewed the key processes adopted by the administrator, in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- Provision of quarterly administration reports – enabling the Trustee to check core financial transactions and review processes relative to any member complaints made.
- Monthly contribution checks and daily reconciliation of the Trustee's bank account.
- Checks for all investment and banking transactions prior to processing.
- Straight-through processing for many tasks, avoiding the need for manual intervention and, in turn, significantly reducing the risk of error.
- Documentation and operation in line with quality assurance policies and procedures.
- Operation in line with the business continuity plan and confirmation that the administrator has prioritised core financial transactions during this period.

The Trustee last carried out benchmarking of the Plan administrator in relation to core administrative tasks against four other mainstream DC administrators in 2023. The analysis did not raise any concerns with the service received or SLAs agreed.

The Trustee is satisfied that over the period:

- the administrator was operating appropriate procedures and checks and controls;
- there have been no material administration errors in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately.

6. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustees properly.

The comments in this section relate to the Plan as a whole and not solely the DC Section.

The Trustee has processes and procedures in place to meet the Pensions Regulator's Trustee Knowledge and Understanding requirement; some of which are identified below:

- A structured training programme is in place for newly appointed Trustee Directors including completion, within their first six months of formal appointment, of the Pensions Regulator's Trustees toolkit, which is an online learning programme. New Trustee Directors are also required to complete a Trustee knowledge and understanding self-assessment within their first year in the role.
- All current Trustee Directors have completed the Pensions Regulator's Trustee toolkit, including completion of the latest pension scams module.
- The Trustee assess training needs and identify gaps in knowledge through periodic assessments.
- The Trustee undergoing regular training for the year which included, but is not limited to, training on:
 - Pensions Dashboards
 - Artificial Intelligence
 - Risk Management framework for the Plan
 - General Data Protection Regulation refresher
 - Supporting members enter decumulation
 - Adequacy and the gender pensions gap
- Training logs are maintained for each Trustee, recording collective training undertaken as a Trustee board and any training the Trustee Directors undertake individually.
- Trustee policy and practices are detailed in the Trustee Manual which is designed to be used as a key reference document for all new and existing Trustees.
- Regular one-to-one Trustee performance assessments are undertaken.

The Trustee has engaged with their professional advisers regularly throughout the year to ensure that they exercise their functions properly and take professional advice where needed. Exercising their functions has required that the Trustee has knowledge of the key Plan documents such as the Trust Deed & Rules, Trustee Report & Accounts and SIP. All Plan documents are accessible to the Trustee via a secure online web sharing facility.

The Trustee is familiar with trust and pension law and the Trustee legal adviser regularly attends meetings to answer any questions that may arise.

A few of the activities undertaken during the period of review are set out below:

- Review of quarterly administration reports to monitor service delivery against agreed service levels standards and assessing the member experience.
- Review of quarterly investment reports to assess fund performance against benchmarks, and funds against overall Plan aims and objectives, as set out in the SIP.
- Maintaining a regime for proper governance through quarterly review and assessment of progress against the annual business plan for each sub-committee.
- Work in relation to reviewing and updating Plan policies, processes and procedures in following the release of the General Code of Practice which was formally launched in March 2024.

- Over the year to 31 March 2025, the Trustee conducted climate monitoring, assessing the climate related risks facing the Plan and the actions being taken by the Manager to mitigate against these risks.

The Trustee board is made up of eight Trustee Directors, including one independent professional Trustee. The Trustee Directors bring a diverse range of skills and experience to the board.

There are three sub-committees that provide support to the Trustee with the effective running of the Plan – the DCCSC, the Governance Sub-Committee (GSC) and the Funding and Investment Sub-Committee (FISC). The purpose of the DCCSC is to focus attention on DC members of the Plan in support of the delivery of good member outcomes and communication matters. The composition of the GSC, FISC and DCCSC utilise the different strengths and backgrounds of the Trustee Directors in the required areas. All of the sub-committees have Terms of Reference which set out how they operate and their overall responsibilities.

As a minimum, the full Trustee board and sub-committees meet at least four times per year.

The Trustee considers that they meet the Pensions Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustee of the Plan.

Signed on behalf of the PPG Industries (UK) Pension Trustee Limited (the Trustee)

Name	Claire Sherwood, Chair of Trustee
Signature	
Date	

Appendix

The table sets out the transaction costs for the underlying funds in each Retirement Pathway Fund. The TER for each Retirement Pathway Fund and the blended transaction cost, reflecting the mix of the underlying funds at each age, is set out in the tables shown in section 3 of this statement.

Fund name	Transaction costs (% p.a.)
Aon Managed Retirement Pathway 'flexible glidepath'	
<i>Aon Managed Initial Growth Phase Fund</i>	0.03
<i>Aon Managed Global Impact Fund</i>	0.09
<i>Aon Managed Diversified Multi-Asset Fund</i>	0.17
<i>Aon Managed Diversified Multi Strategy Bond Fund</i>	0.45
<i>Aon Managed Short Term Inflation Linked Fund</i>	0.05
<i>Aon Managed up to 5-year UK Gilt Index Fund</i>	0.04
Aon Managed Retirement Pathway 'annuity'	
<i>Aon Managed Initial Growth Phase Fund</i>	0.03
<i>Aon Managed Global Impact Fund</i>	0.09
<i>Aon Managed Diversified Multi-Asset Fund</i>	0.17
<i>Aon Managed Diversified Multi Strategy Bond Fund</i>	0.45
<i>Aon Managed Short Term Inflation Linked Fund</i>	0.05
<i>Aon Managed up to 5-year UK Gilt Index Fund</i>	0.04
<i>Aon Managed Pre-Retirement Bond Fund</i>	0.00
<i>Aon Managed Liquidity Fund</i>	0.02
Aon Managed Retirement Pathway 'cash'	
<i>Aon Managed Initial Growth Phase Fund</i>	0.03
<i>Aon Managed Global Impact Fund</i>	0.09
<i>Aon Managed Diversified Multi-Asset Fund</i>	0.17
<i>Aon Managed Diversified Multi Strategy Bond Fund</i>	0.45
<i>Aon Managed Short Term Inflation Linked Fund</i>	0.05
<i>Aon Managed up to 5-year UK Gilt Index Fund</i>	0.04
<i>Aon Managed Liquidity Fund</i>	0.02

A floor of 0% p.a. has been applied to any negative transaction cost to avoid potentially understating the total level of costs and charges.