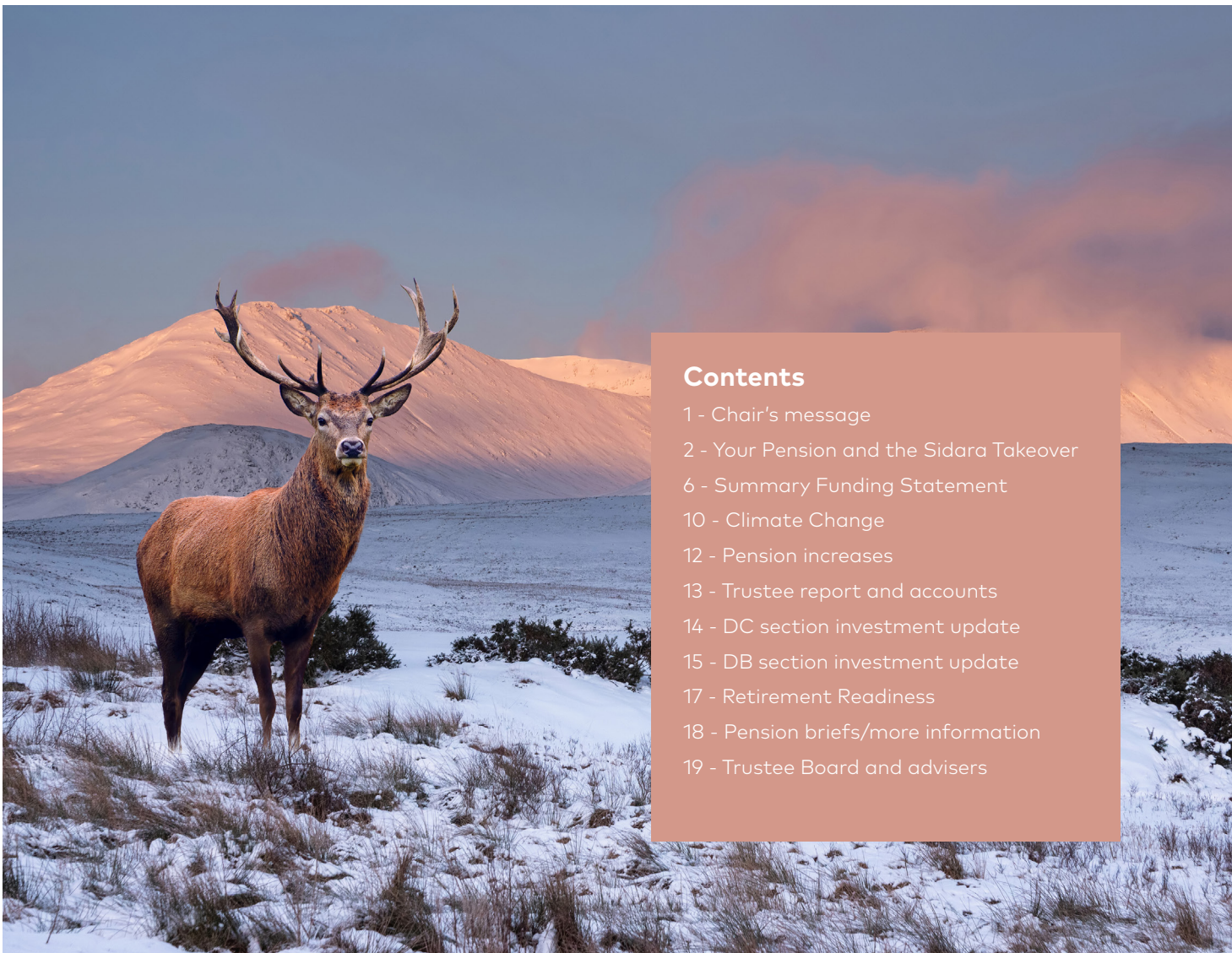


Pension News

Issue Nº 10
Winter 2025

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Chair's message...

Welcome to the 2025 edition of Pension News, the annual newsletter for members of the Wood Pension Plan.

This issue provides important updates on the performance of the Defined Contribution (DC) Section, and ongoing strategic discussions regarding the Defined Benefit (DB) Section.

Over the last 12 months the Trustee has been monitoring closely the developments at Wood, including the offer from Sidara to acquire the Company. We understand that such changes can raise questions, and I want to reassure you that the Trustee continues to take professional advice on the strength of the employer covenant supporting the Plan. We are guided at all times by the need to ensure the security of members' benefits. Included in this Newsletter is a Q&A about Sidara and what a change in sponsoring employer would mean for the Wood Pension Plan and its members.

The Trustee continues to discuss with Wood the long-term strategic options for the Defined Benefit (DB) Section of the Plan. As part of these discussions, we are currently exploring the possibility of a 'buy-in' – the purchase of an insurance policy, with the Plan's assets, which would match the DB Section's liabilities. This approach could provide additional security for members' benefits as it would reduce further the Plan's reliance on the company for financial support.

A buy-in is an investment decision which would leave the structure of the Plan unchanged, but it often forms the first step towards a 'buy-out.' Under a buy-out, the insurer issues individual policies to members and assumes responsibility for paying all benefits directly. The completion of a buy-out would enable the DB Section to be wound up, as the Trustee's duties would be fulfilled and members' promised benefits secured.

Exploring buy-out has always formed part of the Trustee's long-term strategy to protect members' benefits and the Plan's strong funding position has now made it feasible to examine in detail whether to take the first step, namely undertaking a buy-in.

We will update you further when a final decision on buy-in has been made.

This year has seen positive performance in the Defined Contribution (DC) Section of the Plan. Despite market volatility, the default Target Date Funds and self-select options have delivered strong long-term growth, helping members build their retirement savings. The Trustee continues to monitor investment performance closely and works with its advisers to ensure the strategy remains appropriate.

We are also pleased to welcome two new Trustee Directors to the Board: Lisa Whelpdale, Wood's President of Total Rewards, and Varun Wadhwa, Wood's President of Tax and Treasury. They bring valuable experience and insight to the Trustee Board. Lisa and Varun replaced Bill Setter and Jo Myerson, and we thank Bill and Jo for their significant contributions during their tenure.

Thank you for your continued engagement with the Plan. The Trustee remains committed to acting in your best interests and ensuring that your benefits are protected. We will continue to keep you updated.

If you have any questions or feedback, please don't hesitate to get in touch.

My fellow Trustees and I, send you best wishes for Christmas and the New Year,



Mervyn Walker
Chair of Trustees, Wood Pension Plan



Your Pension and the Sidara Takeover – What You Need to Know

The takeover of John Wood Group Plc by Sidara has now been agreed by shareholders. We understand this may raise questions about what it means for your pension. Here's what you need to know:

Who are Sidara?

Sidara is one of the leading privately-held planning, design, engineering and project management groups in the world. Since its inception in 1956, Sidara has grown organically and through strategic acquisitions. Sidara is now a global partnership, operationally headquartered in London with over 21,500 specialists, operating across 350 offices across 69 countries, advising and supporting some of the world's biggest and most complex design and engineering projects. Today's group of companies rebranded as Sidara in 2023; some of the industry's most recognisable brands are proud members of the Sidara Group, including Dar, Perkins & Will and TYLin. Sidara is 100% owned by the working partners within the business.

Sidara is interested in Wood because it holds a strong leading position in the energy sector and is responsible for designing, managing, optimising, and operating infrastructure important for energy security globally.

Sidara believes the combination of Sidara with Wood will strengthen the combined group's capabilities across the Energy and Materials sectors. More specifically, Sidara believes that the combination will deliver diversification, scale and skills that will represent a competitive proposition, driving customer and revenue synergies.

The combination would establish an energy leader, leveraging both firms' expertise and knowledge to serve clients navigating the energy transition.

Sidara recognises Wood's talented people, global clients, and technical capabilities. Sidara is not only committed to stabilising our financial foundation but excited about supporting us realising our full potential.

The Structure of the Wood Pension Plan

The Wood Pension Plan is an occupational pension scheme established under trust law. This means:

- The Plan is a separate legal entity from the sponsoring employer.
- Assets are held in trust for the benefit of members and beneficiaries.
- The Trustee Board, made up of directors of Wood Pensions Trustee Limited, manages the Plan independently and in members' best interests.

The Plan has two sections:

- **Defined Benefit (DB):** Salary-related benefits, now closed to new entrants and future accrual.
- **Defined Contribution (DC):** Individual accounts where contributions are invested through Scottish Widows.

Does the takeover affect my pension?

- **DB Members:** Your benefits are protected by law and governed by the Plan's Trust Deed and Rules. The takeover does not change your accrued benefits. The Trustee continues to oversee the Plan independently.
- **DC Members:** Your savings remain invested through Scottish Widows and protected under trust law. They are not affected by changes in company ownership.

Who regulates the Wood Pension Plan?

The Wood Pension Plan is regulated by The Pensions Regulator, an independent body that oversees work-based pension schemes in the UK. The regulator ensures that pension plans adhere to legal requirements and are managed appropriately to protect member benefits.

What protections do I have as a member?

You are protected by:

- Trustee fiduciary duties.
- Plan rules and legislation.
- Oversight by The Pensions Regulator.
- Disclosure requirements under the UK Takeover Code, which mandates bidders to declare intentions regarding pension schemes.

Who administers the Wood Pension Plan?

The day-to-day administration of the Wood Pension Plan is handled by an in-house pension administration team. The team work on behalf of the Trustee and are responsible for maintaining member records, processing contributions and benefits, and supporting members with queries about their pension entitlements.

Defined Benefit (DB) Section

Are there sufficient funds in the Wood Pension Plan to pay my pension now and in the future?

Yes, the DB section is currently well-funded. According to the most recent actuarial valuation, conducted on 31 March 2023, the Plan has a healthy surplus. This surplus means that the Plan has more assets than are currently required to cover its liabilities, which include all expected future pension payments to members. Members can find additional details in the annual summary funding statement, which is accessible on our website.

What would happen to the Wood Pension Plan if the sponsoring employer ceased to operate?

If the employer were to cease operating, the DB section is structured to continue independently. The assets of the Plan are not accessible to the employer and are managed by the Trustee. Given the Plan's healthy surplus, there is no immediate need for additional contributions from the sponsoring employer to fulfil the Plan's current obligations. The Trustee Directors would carefully review the Plan's position and could choose either to continue operating it in its current format or to secure members' benefits through an insurance policy, which would guarantee benefit payments for the future.

What happens if there isn't enough money in the Wood Pension Plan to pay member benefits and the sponsoring employer ceases operations?

Currently, the Plan has a robust surplus, so this scenario is very unlikely. However, if in the future there were insufficient funds in the Plan to cover all member benefits, and the sponsoring employer had ceased to operate, the Plan may be eligible to enter the Pension Protection Fund (PPF). The PPF is a safety net for UK pension plans, designed to protect members' pensions in the event of an underfunded scheme and a dissolved employer.

Further information about the Pension Protection Fund and its role in safeguarding member benefits can be found at their website: [Pension Protection Fund](https://www.ppf.co.uk/).

Defined Contribution (DC) Section

How is the Defined Contribution (DC) section of the Plan managed?

Member and Employer contributions are deducted by payroll and paid into the Wood Pension Plan Trust account. The Wood Pension Plan administration team are responsible for storing member data and maintaining pension records for each member. Contributions are then sent to Scottish Widows.

Scottish Widows serves as the platform provider for the DC benefits within the Wood Pension Plan. This means that members' DC contributions are invested and managed through Scottish Widows.

Are my DC benefits under the Wood Pension Plan protected if the sponsoring employer ceases operations?

Yes, DC benefits are held separately from the sponsoring employer's assets, within a legal trust, so they remain protected if the employer ceases operations. The DC benefits are safeguarded by Scottish Widows. The Wood Pension Plan administration team would continue operations and retain ownership of the funds held by Scottish Widows on behalf of the Plan members so accumulated DC savings are protected regardless of the employer's financial status.

If the employer did cease operations, no new member or employer contributions would be paid into the Plan.

Will a change in sponsoring employer affect my pension savings?

No, your existing pension savings are legally protected. These funds are managed by regulated investment providers and are not affected by changes in the sponsoring employer.

What happens to my DC benefits if Scottish Widows ceases operations?

If Scottish Widows were to cease operations, several protections are in place to safeguard members' DC benefits:

1. Financial Services Compensation Scheme (FSCS): If Scottish Widows ceased trading or was unable to meet its obligations, members' investments may be protected under the Financial Services Compensation Scheme (FSCS). The FSCS offers compensation for investment-related losses if the platform provider fails. Under the FSCS, pension investments generally qualify for protection of up to 100% of the value of the fund if managed under a UK-authorized firm. More details about FSCS protection can be found on the FSCS website.
2. Trustee Oversight and Plan Protections: The Trustee Directors of the Wood Pension Plan monitor and oversee the DC benefits, including platform providers like Scottish Widows. In the event of financial instability or operational issues with Scottish Widows, the Trustee Directors have the authority to take steps to secure members' investments, including transferring assets to an alternative provider if necessary.



3. Regulatory Oversight: Scottish Widows is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). These regulatory bodies impose strict capital requirements, operational standards, and risk management practices to ensure that financial institutions like Scottish Widows can meet their obligations to clients. This oversight further reduces the likelihood of financial failure.

These protections are designed to ensure that members' pension savings are safeguarded and accessible even if the current platform provider faces operational or financial difficulties.

Is the Trustee taking steps to protect the DC section?

Yes. The Trustee Board continually works with independent pension and investment specialists to review the DC section's governance, investment options, and provider arrangements. Their goal is to ensure continued value for money, strong performance, and member protection.

What happens to future contributions after a takeover?

Future contributions will continue as normal unless the new sponsoring employer proposes changes. Any changes to contribution levels, matching arrangements, or scheme design must be communicated clearly and agreed upon.

Could the new employer change the DC scheme structure?

Potentially, yes. The new employer may review the scheme design, including contribution rates, investment options, or provider platforms. However, any changes must comply with pension regulations and be communicated to members in advance. The Trustee will assess any proposals to ensure they are in members' best interests.

Will my investment options or provider change?

Not immediately. The Trustee continually reviews the current investment arrangements to ensure they remain suitable. If any changes are proposed, members will be informed and supported through the transition.

What is the Trustee doing to ensure long-term value for DC members?

The Trustee is:

- Monitoring investment options, performance and charges.
- Reviewing provider service levels.
- Promoting member engagement and financial wellbeing.
- Ensuring that the DC section remains well-governed.



Summary funding statement

The Trustee of the Wood Pension Plan (DB Legal Section) (the 'Plan') is pleased to provide you with an update of the funding position of the Plan as at 31 March 2025.

The purpose of the statement is to provide you with details on how the funding position has changed over the year since the previous update as at 31 March 2024.

Why have you sent me this Summary Funding Statement?

The Trustee of the Plan looks after the Plan on behalf of you, its members. We provide this statement to tell you about the financial security of the Plan. We recommend you take some time to read it, since the Plan's financial security could affect the benefits, you will ultimately receive. We will send you a similar statement each year to keep you up to date; this will usually be as part of the Winter Pension Newsletter.

How is the Plan's financial security measured?

The estimated cost of providing the pensions you and other members have earned to date is known as the Plan's "liabilities". This includes the pensions of members who have left the Company or retired.

The Plan holds assets that are invested to help provide your pensions. The money is held in a communal fund, not in separate funds for each individual.

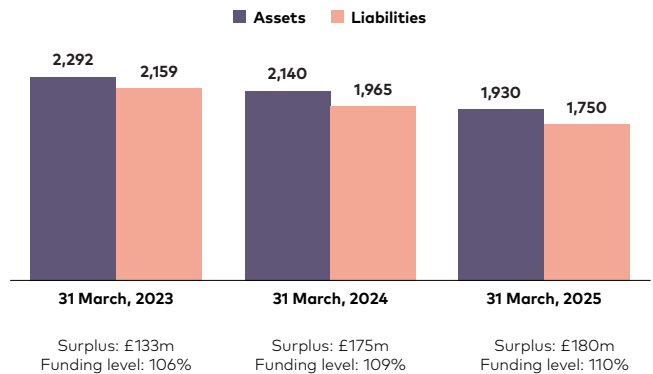
To check the Plan's financial security, we look at its financial position and compare the value of its liabilities to its assets. If the Plan has lower assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities, there is said to be a "surplus".

We carry out an in-depth look at the Plan's finances at least every three years. This is called an actuarial valuation. We ask a qualified, independent professional, known as an Actuary, to do this. We also ask the Actuary to review the financial position of the Plan more regularly and, in years when a full actuarial valuation does not take place, we receive an actuarial report from the Actuary on the Plan's finances. This statement provides the results of the 31 March 2025 Actuarial Report.

What is the Plan's financial position?

In the chart below, we have included:

- The financial position at 31 March 2023, being the Actuary's previous Actuarial Valuation;
- The financial position at 31 March 2024 from the Actuary's previous Actuarial Report (as shown in last year's Summary Funding Statement); and
- An update of the financial position as at 31 March 2025 from the Actuary's latest Actuarial Report.



A reminder of how the Plan's financial position changed between 31 March 2023 and 31 March 2024

Between 31 March 2023 and 31 March 2024, there was an improvement in the funding position of the Plan with the funding level increasing from 106% to 109% and the £133m surplus as at 31 March 2023 increasing to a surplus of £175m as at 31 March 2024.

The Plan holds assets that are highly correlated with movements in the value of the liabilities. The value of the liabilities, and hence the value of the assets, fell over the period. The improvement in the Plan's funding position compared to that expected is because the assets fell by a lesser amount than the value of the liabilities, due mainly to favourable returns from the Plan's asset holding in corporate bonds.

How has the Plan's financial position changed over the year to 31 March 2025?

There has been a slight improvement in the funding position of the Plan with the funding level increasing from 109% to 110% and the £175m surplus as at 31 March 2024 increasing to a surplus of £180m as at 31 March 2025.

The Plan holds assets that are anticipated to broadly match changes in the value of its liabilities, with the anticipation that the monetary surplus will remain broadly stable. The surplus rose slightly due to favourable investment returns; at a time where the value of both assets and liabilities fell due to increases in future interest rate expectations, the monetary surplus rising slightly resulted in a 1% rise in the overall funding level.

Developments since 31 March 2025?

Since March 2025, market conditions have remained volatile. However, as the Plan holds assets that are intended to move closely in line with the value of the Plan's liabilities, the Plan's funding position has been well protected against this volatility. As such, the funding position at the time of writing is broadly unchanged.

What types of assets does the Plan invest in?

We invest contributions in a broad range of assets, but are reducing the Plan's exposure to riskier asset classes such as equities and property, to reduce volatility. As at 31 March 2025, the classes were as follows:

Asset Class	Holding
Private Equity	<1%
Property	1%
Bonds	95%
Cash and other	4%

How does the Trustee know what contributions should be paid into the Plan?

Following each actuarial valuation, the Actuary advises what contributions should be paid into the Plan so that we can expect to be able to continue to pay people's pensions. We then agree a level of contribution for the Plan with the Company and record this in a document called the Schedule of Contributions.

As the Plan is in surplus, no contributions are payable by the Company at the present time. The Trustee monitors the funding level regularly and this position will be kept under review by the Trustee.

We review and update the Schedule of Contributions at least each time the Plan has an actuarial valuation.

The valuation and Schedule of Contributions follow standards we have set out in a Statement of Funding Principles. This document describes how we will manage the Plan with the aim of being able to continue to pay people's pensions.

The Pensions Regulator has legal powers to make any directions as to any of:

- The level of pensions available from the Plan going forward;
- The method or assumptions used to calculate the liabilities or the length and structure of the recovery plan;
- The contributions that should be paid under the schedule of contributions.

The Regulator has not used these powers in relation to the Plan and not issued any directions.

The latest valuation was as at 31 March 2023, and as part of the valuation, the Trustee and Company agreed the method and assumptions to be adopted and no contributions to be paid.

The law requires us to tell you whether there have been any payments made from the Plan to the Company. We can confirm that no such payment has been made during the period covered by this statement.

Is my pension guaranteed?

Our aim is for there to be enough money in the Plan to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to pay for the Plan.

If the Company goes out of business or decides to stop supporting the Plan, it is expected to pay the Plan enough money to secure all the pensions built up by members with an insurance company. This is known as the Plan being "bought-out" and "wound-up".

The comparison of the Plan's assets to the cost of buying the benefits with an insurance company is known as the "solvency position".

What happens if the Plan is wound-up and there is not enough money to pay for all my benefits?

If the Plan winds up without enough money to buy all the members' pensions with an insurance company, then, unless the Company can afford to pay the difference, you are unlikely to receive the full pension you were expecting. To help members in this situation, the Government set up the Pension Protection Fund (PPF). The PPF pays a legally defined level of pension to members of eligible UK pension schemes in certain situations where the scheme does not have enough money to cover the cost of buying this level of pension for members with an insurance company and the company is insolvent and so cannot provide extra finance.

If the Plan were to be wound up and go into the PPF, the pension you would receive from the PPF may be less than the full pension you have earned in the Plan, depending on your age and when your pension was earned.

Further information and guidance is available on the PPF website at: www.pensionprotectionfund.org.uk. Alternatively, you can write to the Pension Protection Fund at PO Box 254, Wymondham, NR18 8DN.

Is there enough money in the Plan to provide my full pension if the Plan is wound-up?

The actuarial valuation at 31 March 2023 showed that the Plan's assets could not have paid for the full pensions of all members to be provided by an insurance company if the Plan had wound-up at that date.

The liabilities if the Plan were to be wound-up were	£2,378 million
The Plan's assets were	£2,292 million
This means that there was a shortfall of	£86 million

The Trustee monitors the funding level regularly and the Actuary has advised that at the date of writing, his assessment of the solvency position would be that the Plan had sufficient assets for full pensions of all members to be provided by an insurance company if the Plan had wound-up at that date.

The fact that we have shown the solvency position does not mean that the Company is thinking of winding up the Plan. It is just another piece of information we are required by law to provide and which we hope will help you understand the financial security of your pension.

As noted earlier, the position at 31 March 2025 indicates there is now enough money in the Plan to provide full pension benefits if the Plan is wound-up.

Can I leave the Plan before I am due to retire?

If you leave Wood before you are due to retire, your pension will be based on your service to the earlier of your date of leaving and the date the DB section closed to accrual. Your pension benefits may then be left in the Plan to be paid at retirement or transferred to another pension arrangement.

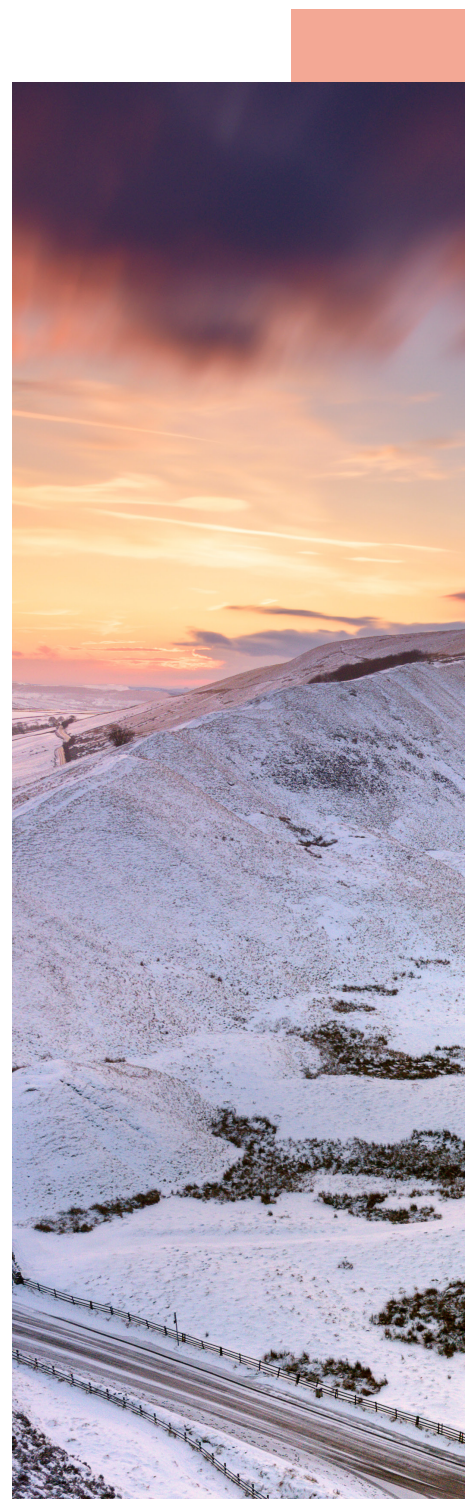
Similarly, if you have already left the Plan and have "paid up" benefits you can, if you wish, transfer your benefits to another pension arrangement prior to retirement which is currently available from age 55 onwards.

If you are thinking of transferring your pension out of the Plan for any reason, you should consult a professional adviser, before taking any action. The law prevents us from providing you with financial advice.

Climate Change Governance and Reporting

The Trustee has published its report on climate change governance and reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021.

The report sets out the Trustee's identification, assessment and management of climate change risk and can be found at the following website address: www.woodplc.com/ukpensions





Climate update

Climate Risk and Investment Strategy Update 2024/25

The Trustee of the Wood Pension Plan is pleased to provide an update on the Plan's approach to managing climate-related risks and opportunities, as outlined in the 2024/25 Taskforce on Climate-related Financial Disclosures (TCFD) report. This report reflects the Trustee's ongoing commitment to ensuring that the Plan's investments are resilient to the impacts of climate change and aligned with long-term sustainability objectives.

The Importance of Climate Considerations in Pension Management

Climate change presents a range of financial risks that can affect the performance of pension investments. These risks include both physical risks, such as extreme weather events and resource scarcity, and transition risks, which arise from changes in policy, regulation, and market behaviour as economies shift towards lower-carbon models. The Trustee recognises that these risks may influence the value of assets held within both the Defined Benefit (DB) and Defined Contribution (DC) sections of the Plan, and therefore has taken steps to assess and mitigate their potential impact.

In accordance with regulatory requirements introduced in 2021, the Trustee reports annually on the governance, strategy, risk management and metrics used to evaluate climate-related risks. This year's report builds upon the foundations laid in previous years, incorporating enhanced scenario modelling, updated data, and a refined strategic direction.

Strategic Developments and Governance

During the 2024/25 reporting period, the Trustee made the decision to explore a full buy-in of the DB section's liabilities with an insurer. A buy-in would mark a significant milestone in the Plan's long-term strategy. In anticipation of this potential development, the Trustee is reviewing the environmental, social, and governance (ESG) credentials of potential insurance partners to ensure that climate-related considerations remain embedded in future investment oversight.

The Trustee continues to maintain a robust governance framework, including regular reviews of the Statement of Investment Principles (SIP), engagement with investment managers and advisors, and monitoring of climate-related metrics. Climate change remains a standing item on the Trustee's agenda, and time and resources are allocated to ensure that decisions are informed by the latest developments in climate science and financial modelling.

Scenario Analysis and Risk Assessment

To evaluate the resilience of the Plan's investments, the Trustee has undertaken detailed scenario analysis using updated climate and economic data. These scenarios explore a range of plausible futures, including a successful transition to net zero emissions by 2050, delayed or fragmented policy responses, and a failed transition resulting in significant global warming.

The analysis indicates that the Net Zero 1.5°C scenario presents the greatest short-term risk to DB assets due to the costs associated with aligning investments to stringent climate policies. Conversely, scenarios involving higher temperature outcomes pose greater long-term physical risks, particularly in the DC section where members' savings are more exposed to equity markets. The Trustee notes that a failed transition scenario could result in a substantial reduction in retirement savings over a 40-year horizon.

These findings underscore the importance of maintaining a diversified and forward-looking investment strategy that balances financial performance with climate resilience.

Metrics, Targets, and Data Quality

The Trustee continues to monitor a range of climate-related metrics across both sections of the Plan. These include total financed emissions, carbon intensity, implied temperature rise, and data quality scores. In the DB section, the PGIM Buy & Maintain Credit Fund remains the most carbon-intensive, while RLAM has demonstrated improvement in both emissions and data quality. AXA's data quality declined slightly over the year, highlighting the challenges associated with obtaining consistent and reliable emissions data.

In the DC section, the Trustee has adopted a Net Zero strategy for the default investment arrangements. The Mercer-managed funds have shown significant progress toward the interim target of reducing carbon intensity by 45% by 2030, relative to 2019 levels. For example, the Weighted Average Carbon Intensity (WACI) of the Long-Term Growth Fund has decreased from 274 in 2019 to 100.7 in 2024, indicating improved carbon efficiency and alignment with climate goals.

The Trustee also monitors the quality of emissions data and has set a target to improve data quality year-on-year. This enables more accurate reporting and supports informed decision-making.

Stewardship and Engagement

The Trustee places considerable emphasis on stewardship and expects investment managers to engage with companies on climate-related issues. This year's report includes examples of engagement activity, such as AXA's work with Vinci SA on biodiversity strategy, PGIM's collaboration with Eco Material to assess CO₂ reduction initiatives, and RLAM's engagement with Wessex Water on pollution and climate resilience.

These activities demonstrate the Trustee's commitment to responsible investment and the use of influence to encourage positive environmental outcomes.

Conclusion

The Trustee remains focused on managing climate-related risks in a manner that supports the long-term financial security of members. The decision to pursue a buy-in for the DB section reflects a strategic shift towards securing member benefits, while the DC section continues to evolve in line with Net Zero objectives.

As climate science and regulatory expectations continue to develop, the Trustee will review its approach regularly and ensure that the Plan remains aligned with best practice. Members are encouraged to read the full TCFD report, available on the Plan's website: www.woodplc.com/ukpensions/wood-pensions-news, for further detail on the actions being taken to protect and grow their pension savings in a changing world.



Pension increases

Former Amec DB Section - Pensions to rise in January 2026

The Trustee has approved the rate of increase for pensions in payment and deferred pensions under the former Amec DB section. The increase is effective from 1 January 2026.

Pre-1997 pensions have been equalised and converted into two elements of pension:

- A fixed pension, which does not increase
- An increasing pension, which increases each year by a fixed 5%.

(Pensions for a small number of members have not yet been equalised and converted, specifically members who retired in late 2025; these members' pensions will be converted in 2026.)

For these pensioners, the Plan rules provide for pension earned after April 1997 and prior to 1 January 2008 to be increased by price inflation up to a maximum of 5% a year and pension earned since 1 January 2008 to be increased by price inflation up to a maximum of 2.5% a year. Active members who left or retired from the Plan during 2025 receive a pro-rotta increase.

The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2025. The RPI published in October 2025 showed an increase in price inflation of 4.5% for the year ending September 2025.

	Pre January 2008 service	Post January 2008 service
Pensions in payment	4.5%	2.5%
Deferred pensions	4.5%	2.5%

Former Foster Wheeler DB Section - Pensions to rise in April 2026

For the former Foster Wheeler DB section, increases are effective at 1 April 2026. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Consumer Prices Index (CPI) for the 12 months ending December 2025. This figure will be published in January 2026.

Pre-1997 pensions have been equalised and converted and into two elements of pension:

- A fixed pension, which does not increase unless a discretionary increase is granted with the agreement of the company.
- An increasing pension, which increases each year by a fixed 3%.

(Pensions for a small number of members have not yet been equalised and converted, specifically members who retired in late 2025; these members' pensions will be converted in 2025.)

- Pension accrued between 6 April 1997 and 5 April 2005 is increased in line with CPI up to a maximum of 5%
- Pension accrued after 5 April 2005 is increased in line with CPI up to a maximum of 2.5%.

Former John Wood Group DB Section - Pensions to rise in April 2025

For the former John Wood Group DB section, increases are effective at 1 April 2025. Increases are applied to the pension in the following way:

- The rate of increase is set by reference to the Retail Prices Index (RPI) for the 12 months ending September 2025.

Pre-1997 pensions have been equalised and converted and into two elements of pension:

- A fixed pension, which does not increase unless a discretionary increase is granted with the agreement of the company.
- An increasing pension, which increases each year by a fixed 3%.

(Pensions for a small number of members have not yet been equalised and converted, specifically members who retired in late 2025; these members' pensions will be converted in 2026.)

- Pension accrued between 6 April 1997 and 30 June 2005 is increased in line with RPI up to a maximum of 5%. The RPI published in October 2025 showed an increase in price inflation of 4.5% for the year ending September 2025 so the increase will be 4.5%.
- Pension accrued after 1 July 2005 is increased in line with RPI up to a maximum of 2.5%. The RPI published in October 2025 showed an increase in price inflation of 4.5% for the year ending September 2025 so the increase will be 2.5%.

Trustee report and accounts

The 2025 and previous years' Trustee Report and Accounts are available on the Wood Pension Plan internet site: www.woodplc.com/ukpensions

The Trustee Report and Accounts is an annual document that provides a comprehensive overview of the Plan's financial position, performance, and key activities over the year. It is an essential part of the governance of a pension plan, ensuring transparency and accountability to members, employers, and regulatory bodies.

What Does It Contain?

The report and accounts include:

- 1. Financial Statements:** These outline the Plan's assets (the funds available to pay benefits), liabilities (what is owed to members), income (contributions and investment returns), and expenditures (benefit payments and administrative costs).
- 2. Trustee's Report:** This section describes the key developments during the year, such as changes in investment strategies, updates on regulatory compliance, and significant projects like GMP equalisation.
- 3. Investment Performance:** A review of how the scheme's investments have performed, including details about returns, asset allocation, and any changes to the strategy.
- 4. Membership Information:** A summary of membership movements, such as new joiners, retirees, or those transferring benefits out.
- 5. Auditor's Statement:** Independent auditors review the financial statements to confirm their accuracy and compliance with relevant laws and standards.

Membership Statistics as at 30 September 2025



Why Is It Required?

- 1. Legal Obligation:** Pension schemes must prepare and publish an annual report and accounts as required by UK law, including the Pensions Act 1995 and 2004, to ensure members' benefits are safeguarded.
- 2. Transparency and Governance:** The report allows members and stakeholders to understand how the scheme is being managed, providing confidence that their pensions are secure and being handled responsibly.
- 3. Regulatory Compliance:** The report demonstrates that the scheme is meeting all relevant regulatory requirements, including funding and investment standards.
- 4. Decision-Making:** For the Trustee, the report provides a valuable tool to assess the Plan's health and guide future decisions about funding, investments, and member benefits.

In summary, the Trustee Report and Accounts is a vital document that offers a clear picture of the Plan's financial health, operations, and management, ensuring that all members and stakeholders have the information needed to trust in the Plan's long-term sustainability.

Summary Fund Accounts

For the year ended 31 March 2025				
	DB	DC	Total	Total
	£'000	£'000	2025	2024
	£'000	£'000	£'000	£'000
Contributions and benefits				
Contributions				
Employer	-	63,128	63,128	55,925
Employee				
Transfers in	-	4,281	4,281	3,868
Other Income	-	1,452	1,452	2,108
	-	68,861	68,861	61,901
Benefits paid or payable	(116,673)	(6,107)	(122,780)	(121,696)
Payments to and on account of leavers	(1,995)	(34,997)	(36,992)	(22,106)
Administrative expenses	(4,034)	(345)	(4,379)	(3,619)
	(122,702)	(41,449)	(164,151)	(147,421)
Net (withdrawals)/additions from dealings with members	(122,702)	27,412	(95,290)	(85,520)
Returns on investments				
Investment income	58,724	167	58,891	58,521
Change in market value of investments	(147,990)	21,422	(126,568)	(40,103)
Investment management expenses	(2,183)	-	(2,183)	(4,217)
Net returns on investments	(91,449)	21,589	(69,860)	14,201
Transfers Between Sections	4,038	(4,038)	-	-
Net (decrease)/increase in the fund during the year	(210,113)	44,963	(165,150)	(71,319)
Net assets of the Plan at start of year	2,140,619	604,794	2,745,413	2,816,732
Net assets of the Plan at end of year	1,930,506	649,757	2,580,263	2,745,413

DC section - investment update

The Wood DC section continues to help members grow their retirement savings by offering flexible contributions and a range of investment options tailored to different needs.

The Wood Pension Trustees are supported by Mercer Workplace Savings as the Plan's fiduciary manager and Isio as the appointed DC Investment Consultant.

In the year ending March 2025, the Plan held approximately £642 million in total assets. At November 2025, this figure had increased to approx. £720 million, largely due to investment returns.

For Active Members – Contributions: Building Your Pension Pot

Employer and Member Contributions: Both you and your employer make regular payments into your pension.

Member Contributions made by salary sacrifice can reduce your tax and National Insurance deductions.

You can add extra money by increasing your contributions to grow your savings faster.

Combined contributions provide a strong foundation for building your retirement savings. Salary sacrifice can boost contributions while saving on tax.

Investment Options: Tailored to Your Needs

Default Fund – Target Date Funds: Introduced in summer 2024, these funds automatically adjust as you approach retirement: early years focus on growth, later years shift to lower-risk assets like bonds and cash.

Self-Selected Funds: Choose from Sustainable/Ethical Funds, Global Equity Funds, and Bond Funds for more control.

You can choose to let the Plan manage your investments through the default solution or take control by picking funds that match your goals.

Performance Highlights to 31 March 2025

The Plan's target-dated default arrangements are invested across a number of funds; the exact mix will depend on your age and target retirement date. More information about this can be found in our Investment Guide on the Plan's website.

- Growth Fund: Returned 8.0% p.a. over 5 years, ahead of its target of 6.5% p.a.
- Diversified Retirement Fund: Delivered 4.4% p.a. since inception, meeting its long-term objective with lower volatility.
- Long Term Growth Fund: Introduced in July 2024, returned 3.9% p.a. since inception, below its 6.2% target but positioned for long-term growth.

Why This Matters: Positive long-term returns mean your savings continue to grow, helping you reach your retirement goals.

Market Update – What's Happened in 2025?

So far, 2025 has been a year of ups and downs in the financial markets:

- Shares (Equities): Stock markets started the year with some uncertainty but bounced back strongly. Technology and healthcare companies have done well, while energy and smaller companies have faced challenges.
- Bonds: These are loans to governments or companies. Bond prices moved around as central banks adjusted interest rates, but overall they provided steady returns.
- Currencies: The U.S. dollar has weakened, making overseas investments more attractive.
- Commodities: Oil prices have fallen despite global tensions, mainly because demand has been lower than expected.

What does this mean for you? Markets can change quickly, which is why the default fund invests your money across different types of assets. This approach helps reduce risk and aims to grow your savings steadily over time.

Flexibility and Access

- Online Portal: Check your savings, switch funds, or run retirement estimates anytime.
- Retirement Options: Take a lump sum (up to 25% tax-free), buy an annuity for guaranteed income, or transfer your account to a drawdown arrangement and keep your money invested and withdraw as needed.

DB section - investment report

The Wood Pension Plan's DB Legal Section investment strategy is designed to ensure the security of member benefits while efficiently managing the fund's assets and liabilities. Here is an overview of its key elements:

Funding and Financial Position

- As of the latest valuation report (March 2025), the DB section reported a surplus of £180 million, with a funding level of 110% based on technical provisions. The next full valuation will be carried out as at 31 March 2026.
- The Plan is closed to future accruals, meaning no additional employee contributions are required to fund future benefits, although provisions are in place for Company contributions should certain triggers occur.
- The latest Pension Protection Fund (PPF) assessment indicates the DB section is 118% funded, exceeding the minimum required for member compensation in the event of insolvency.

Investment Strategy

- **Matching Assets (LDI):** A significant portion of investments is allocated to matching assets such as fixed income securities, including leveraged and index-linked gilts. These assets align closely with the Plan's liabilities, minimising funding volatility from interest rate and inflation changes.
- **Buy and Maintain Credit:** The remaining investments focus on purchasing high-quality bonds with the intention of holding them until maturity. This approach is commonly used in pension funds and other long-term investment portfolios to generate stable income and match liabilities.
- The Plan engages multiple investment managers, ensuring diversification and professional oversight of its investments. Performance is regularly reviewed to align with the Trustee's strategic objective to achieve a sufficient funding level that secures members' benefits with an insurer, beginning with a buy-in and progressing towards a complete buyout. After the Plan year end, the Trustee reviewed its investment strategy and took action to lower the Buy and Maintain and increase the LDI asset allocations, to align more clearly with insurer asset holdings.

Risk Management and Governance

- The Trustee Board oversees all aspects of the Plan's management, including investment performance, risk, and compliance.
- Regular assessments ensure the sponsoring employer's ability to meet its obligations.
- Comprehensive due diligence is conducted, and investments are structured to mitigate economic and regulatory risks.
- This strategy balances stability with growth, ensuring the long-term security of members' benefits.



DB section - investment report (continued)

Company	Asset Allocation %	Fund Return %	Benchmark Return %
Equities	0.9%		
Property	0.1%		
LaSalle Core Property	0.1%	n/a	n/a
LaSalle Inflation Linked Property	0.0%	n/a	n/a
Credit	56.5%		
AXA IM Buy & Maintain Credit	19.3%	1.4%	2.4%
Royal London UK Buy & Maintain Credit	16.7%	2.4%	2.4%
PGIM Buy & Maintain Credit	20.5%	1.7%	2.4%
LDI	42.5%		
BlackRock LDI	42.5%	-12.0%	-12.0%
Total Assets	100.0%		
Cash	0%		

The overall performance of the DB Section investments over one-year and three-year periods ended 31 March 2025 was as follows:

	Year to 31 March 2025	3 Years to 31 March 2025
Scheme	-4.4%	-9.9%
Benchmark	-4.3%	-11.1%

Commentary on Funding Changes

The improvement in funding level reflects a combination of factors, including positive investment performance across the credit portfolios and effective liability management. The surplus rose from £175 million to £180 million over the period, further strengthening the Plan's financial position.

The Trustee's strategic decision to reduce exposure to property over recent years has contributed to improved funding certainty. The Liability Driven Investment (LDI) portfolio, while impacted by market volatility, continues to play a key role in hedging interest rate and inflation risks.

Overall, the Plan remains well-funded and positioned to meet its long-term obligations to members. The Trustee will continue to monitor funding levels and investment strategy closely as it considers the long-term strategy to secure member benefits.



Retirement Readiness: Planning for a Secure Future

Retirement is one of life's most significant milestones, and preparing for it requires careful planning. Whether you are decades away or approaching retirement age, understanding what you need and avoiding common pitfalls can make all the difference.

How Much Will I Need?

A common question is: 'How much money will I need in retirement?' The answer depends on your lifestyle, health, and financial commitments. A widely used benchmark suggests aiming for two-thirds of your pre-retirement income to maintain a similar standard of living. However, this is only a guide. Consider housing costs, day-to-day expenses, healthcare needs, and leisure plans. Use online pension calculators or speak to a financial adviser to estimate your personal target.

According to the Pensions and Lifetime Savings Association (PLSA), a moderate retirement lifestyle for a couple requires around £34,000 per year, while a single person needs about £23,000. These figures assume no mortgage and modest discretionary spending.

Age-Based Guidance

In Your 20s or 30s – Start Early: The earlier you begin saving, the more time your money has to grow. For example, starting at 30 and contributing £200 per month could give you a pot of around £150,000 by age 65, assuming 5% annual growth. Waiting until 45 could reduce this to £80,000.

In Your 40s – Build Momentum: Review your pension regularly and increase contributions if possible. Avoid assuming your business or property will fund your retirement — markets fluctuate, and relying solely on these assets can leave you exposed.

In Your 50s – Fine-Tune Your Strategy: As retirement approaches, review your investment mix. Many people avoid risk entirely, but being too cautious can mean your savings don't keep pace with inflation. Balance growth and security. Also, check your projected income against your needs and consider topping up by increasing your contributions.

60 and Beyond – Make Informed Decisions: Confirm your benefits and understand your options: lump sum, annuity, or drawdown. Don't assume you will receive the full State Pension — eligibility depends on your National Insurance record. Check your forecast at gov.uk/check-state-pension.

Common Pitfalls to Avoid

Starting Too Late: Delaying pension saving is one of the most costly mistakes. Every year you postpone contributions means you lose out on compound growth. For example, starting at 30 instead of 40 could mean tens of thousands more in your pot at retirement.

Avoiding All Investment Risk: While it's natural to want security, being overly cautious can erode your purchasing power. Keeping all your pension in cash or low-risk assets may mean your savings fail to keep pace with inflation. A balanced approach, gradually reducing risk as you near retirement, helps maintain growth while protecting capital. The Plan's default investment fund is designed in this way; read more about this in our DC Investment Update or in the Plan's Investment Guide on our website: www.woodplc.com/pensions

Relying on Your Business or Property: Many people assume their business or home will fund their retirement. However, markets fluctuate, businesses can fail, and property values are not guaranteed. Selling a home or business can be difficult and may not provide the income you expect.

Assuming You Will Receive the Full State Pension: Not everyone qualifies for the full State Pension. Your entitlement depends on your National Insurance record. Gaps in contributions — due to career breaks, self-employment, or working abroad — can reduce your pension.

Underestimating Longevity and Costs: People often underestimate how long they will live and how much they will spend in retirement. With life expectancy increasing, your savings may need to last 20–30 years or more. Healthcare costs, inflation, and lifestyle choices can significantly impact your financial needs.

Real-Life Examples and Statistics

Example 1: Sarah, age 35, contributes £250 per month into her pension. By age 65, assuming 5% annual growth, she could have around £225,000. If she waits until 45 to start, her pot could be less than £120,000.

Example 2: John assumed his business sale would fund his retirement. Market downturns reduced its value by 40%, leaving him with a significant shortfall. Diversifying through regular pension contributions could have mitigated this risk.

Statistic: The average UK pension pot at retirement is around £61,000 — far below what most people need for a comfortable retirement. The Office for National Statistics data suggests life expectancy for someone currently 65 is 83 for men and 86 for women, meaning your savings may need to last decades.

Final Thoughts

Retirement planning is not a one-time task — it's an ongoing process. Stay informed, review your pension regularly, and seek guidance when needed. The Trustee remains committed to supporting members in achieving a secure and comfortable retirement.

Pension briefs

Change in the Minimum Pension Age

From 6 April 2028, the normal minimum pension age (NMPA) will increase from 55 to 57. This means that, unless you have a protected lower age, you will not be able to access your pension benefits until age 57. This change applies to most UK pension schemes and is set by legislation. If you are planning your retirement, please take this into account when reviewing your options.

Changes to DC Accounts – New Inheritance Tax Rules from 2027

From 2027, new Inheritance Tax (IHT) rules will apply to Defined Contribution (DC) pension accounts. Currently, most DC pensions can be passed on free of IHT if the member dies before age 75. Under the new rules, some DC pots may be included in the estate for IHT purposes, depending on how benefits are accessed. Members should consider reviewing their estate planning and beneficiary nominations.

Reminder: Stay Alert to Pension Scams

Pension scams remain a serious risk. Scammers often promise high returns, early access to your pension, or pressure you to act quickly. Common warning signs include unsolicited contact, offers of free pension reviews, and investments that sound too good to be true. If you are considering a transfer or investment, check the FCA's ScamSmart website and seek guidance from MoneyHelper. Visit: www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam

Budget Update: Changes to Pension Salary Sacrifice

The Autumn Budget 2025 introduced a significant change to pension salary sacrifice arrangements; this will affect active Wood Pension members. From April 2029, the National Insurance (NI) exemption on salary-sacrificed pension contributions will be capped at £2,000 per year.

- Currently, salary sacrifice allows employees to exchange part of their salary for additional employer pension contributions, saving both income tax and NI. Under the new rules:
- The first £2,000 of salary sacrificed into a pension each year will remain NI-exempt.
- Any amount above this will attract employee and employer NI contributions, reducing the tax advantage for higher earners and those making large contributions.
- Income tax relief on pension contributions remains unchanged.

The government says this measure aims to make the system fairer, as salary sacrifice benefits have disproportionately favoured higher earners. Employees contributing more than £2,000 via salary sacrifice should plan ahead.

Keep Your Pension Details Up to Date!

Your pension is important—make sure we can keep in touch and provide timely updates about your benefits.

Please log in to the Wood Pension Portal at www.woodplc.com/ukpensions and check that your details are correct, including:

- Address information
- Nominated beneficiaries and dependants

We recently worked with XPS to request confirmation of data from some of our DB members. We sincerely appreciate the cooperation of all members who responded—your support is vital in helping us maintain accurate records and deliver the best possible service.

If you did not respond or did not receive the communication, please do not worry. You can log in or register on the Wood Pension Portal and review your information at your convenience.

Keeping your details current ensures we can deliver your benefits smoothly and contact you when needed. If you need your registration details for the portal, just email us at pensions@woodplc.com

Where can I get more information?

Documents which provide further information are listed below. These are available on the Wood Pension website: www.woodplc.com/pages/ukpensions/wood-pensions-news

Additional documents available on request

The Statement of Funding Principles

This explains how the Trustee plans to manage the Plan with the aim of being able to continue to provide the pensions that members have built up.

The Statement of Investment Principles

This explains how the Trustee invests the money paid into the Plan.

The Schedule of Contributions

This shows how much money is being paid into the Plan by the Company and includes a certificate from the actuary showing that it is sufficient to meet the requirements set out by law.

The Annual Report and Accounts

This shows the Plan's income and expenditure in the year ended 31 March 2025.

The Formal Actuarial Valuation Report as at 31 March 2023

This contains the details of the actuary's check of the Plan's situation as at latest formal actuarial valuation date.

The Actuarial Report as at 31 March 2025

This contains the details of the actuary's check of the Plan's situation as at latest actuarial valuation update.

Our Pension and Investment Booklets for DC members are also available on the website.

Trustee board and advisers

Company-appointed Trustees

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Carolan Dobson

Varun Wadhwa

Lisa Whelpdale

Garry Lloyd

Independent Trustee Chair

Independent Trustee Director

President Tax and Treasury, Wood

President Total Rewards, Wood

Pensioner (former Director of Pensions for Wood)

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Benefit Committee

Phil Gladman

Matthew Reading

Amanda Reid

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Contact us:

Wood Pensions, Booths Park 1, Chelford Road,
Knutsford, Cheshire WA16 8QZ Tel: +44 (0)1565 683295

Email: pensions@woodplc.com

woodplc.compendiahosting.co.uk

woodplc.com/ukpensions