



## Veolia ES Municipal Division of the Veolia UK Pension Plan (the Plan)

### Summary Funding Statement – March 2026

**Please let us know if you're unable to read this letter. We can provide this in alternative formats including braille and coloured paper.**

#### Why have you issued this Statement?

Veolia UK Pension Trustees Limited (the Trustee) must, by law, provide you with an annual statement of how the Division is funded and remind you of the results of the last formal actuarial (funding) valuation and any plans in place to improve the funding position. This is known as the Summary Funding Statement (the Statement).

The Statement relates solely to the Veolia ES Municipal Division of the Plan ("the Division").

#### Do I need to do anything because of this Statement?

No. You do not need to take any action as a result of this Statement, but I do recommend that you take time to read it and raise questions with the appropriate contact if there is anything you do not understand – see the "Where can I get more information?" section at the end of this Statement. You may wish to keep a copy of this Statement together with any other papers that you have received in connection with the Plan.

If you are considering leaving the Division for any reason you should first consider obtaining independent financial advice. Please note that the Trustee is not able to give you any financial advice.

#### How is my pension funded?

The Division aims to provide members and their dependants with defined pensions and lump sums when members retire or die. Those benefits are provided by the assets of the Division allowing for investment income as well as contributions paid into the Division.

The assets of the Division are invested for the benefit of all members in a communal fund which is completely separate from the Company (Veolia ES (UK) Limited). It would be very unusual for any of the assets to be paid from the Division to the Company. As required by law, we confirm that no such payment was made since we last issued a funding statement.

**Investments:** The Trustee currently employs Schroders to manage the Division's assets and Schroders invest in a wide range of asset classes aiming for a target level of return within the risk profile set by the Trustee. There is no separate earmarking of funds for individuals (other than for Additional Voluntary Contributions which are earmarked for the benefit of the member who paid them).

A copy of the Statement of Investment Principles and Implementation Statement regarding the Division can be found at:

[https://pensions.veolia.co.uk/app/uploads/sites/6/2025/12/VUKPP-DB-SIP\\_Nov-2025.pdf](https://pensions.veolia.co.uk/app/uploads/sites/6/2025/12/VUKPP-DB-SIP_Nov-2025.pdf)

<https://pensions.veolia.co.uk/app/uploads/sites/6/2025/07/VUKPP-2024-Implementation-Statement.pdf>

**Funding assessment:** The Trustee obtains formal actuarial valuations every three years from the Scheme Actuary which provide an estimate of the monies needed today to meet the payment of benefits as they fall due, allowing for future investment returns. Actuarial update reports are prepared in the two intervening years between triennial valuations.

The actuarial valuations include two main tests, both of which are summarised in the remainder of this statement:

- i Does the Division have enough money assuming that it carries on in the long term, as intended? This is known as the long-term position.
- ii Does the Division have enough money if the Division were to wind up? This is known as the solvency position.

#### **Veolia UK Pension Trustees Limited**

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#### *Registered Office:*

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Registered in England & Wales: 2957327

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**Company contributions:** Based on the actuarial valuations, the Trustee comes to an agreement with the Company on how much it should pay to keep the Division's funding on track against this target.

## Summary of the Long-Term Funding Position

The last full actuarial valuation was carried out as at 31 December 2022 and updated actuarial reports have been prepared as at 31 December 2023 and 31 December 2024. In summary:

£m as at 31 December	2022	2023	2024
Liabilities	84.9	86.2	76.7
Assets	91.0	92.5	84.2
Funding level	107%	107%	110%
Surplus / (Deficit)	6.1	6.3	7.5

**31 December 2022 valuation:** The 107% funding level at the 31 December 2022 triennial valuation was an improvement on the 101% position as at the previous 31 December 2019 triennial valuation. In the main, the improvement reflected the positive impact of rising yields which pushed down the value of liabilities as well as Company contributions.

**Year to 31 December 2023:** The funding level remained positive with a surplus as at 31 December 2023, at similar levels to the surplus as at 31 December 2022. Actual inflation over the year was higher than expected which increased the liabilities faster than expected (albeit this was offset in broad terms by the hedging policy within the investment strategy).

**Year to 31 December 2024:** The funding level remained positive with a surplus as at 31 December 2024. The funding position improved over the year due to the interaction with the investment strategy and the impact of changing yields on the value of the liabilities as well as inflation experience.

**Funding the Division:** As noted in the summary results above, the Division did not have a funding shortfall on the long-term funding basis as at the last valuation (31 December 2022). Accordingly, no Recovery Plan was required.

The contributions are being reviewed again as part of the 31 December 2025 triennial valuation. The Company also meets all Division expenses and levies and pays further contributions in respect of benefit accrual for active members. The Scheme Actuary, Trustee and Company are currently considering the 31 December 2025 valuation, and we will provide details on that valuation within the next summary funding statement.

A guarantee of support has also been provided within the wider Veolia group to assist the Company in meeting the pension obligations. The Trustee appreciates the continued support of the Company and the guarantee arrangement.

With the continued support of the Company, the funding level does not affect the pensions being paid even if at times the funding level may be below 100%.

As required by law, the Trustee confirms that the Division is not subject to any modifications or directions imposed by The Pensions Regulator.

## Summary of the Solvency Position

The extent to which a Division can pay for pension rights which have built up if the Division were to wind-up is known as its solvency position. The valuation includes a test of the Division's solvency position. **This does not mean that the Company is thinking of winding-up the Division.**

The solvency position is a much harsher test than the long-term funding plan because it takes into account the prudent terms imposed by insurance companies. Many schemes have shortfalls based on insurance company terms.

At 31 December 2022 the actuary had estimated that there would have been enough money to secure about 92% of the members' benefits earned up to that date with an insurance company, representing a shortfall of around £7.4 million based on insurance company terms. The solvency position is being reviewed again as part of the triennial actuarial valuation as at 31 December 2025.

## What happens if the Division winds up?

If the Division were to wind-up, the Trustee would try to recover as much of this amount from the Company as possible. If the Company was unable to provide these funds and there is insufficient money in the Division, the Pension Protection Fund may be able to take over the Division and pay compensation to members.

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The Pension Protection Fund does not provide full protection, so members would still see a reduction in benefits even if the Pension Protection Fund provides compensation.

A summary of the compensation available from the Pension Protection Fund is available on their website at [www.ppf.co.uk](http://www.ppf.co.uk)

## Where can I get further information?

Whether you are an active, deferred member or a pensioner member, if you have any queries, you may contact the Division Administrator, Isio, on:

**Telephone:** 0800 122 3590 (+44 203 372 2101 if calling from outside the UK)

**Email:** [veolia@isio.com](mailto:veolia@isio.com)

Please remember to quote your name or National Insurance Number and the name of the Division in full when contacting Isio to help them deal with your call more quickly. Please also inform Isio if you change address to help us to keep in touch with you.

The following additional formal Division documents are available on request. Please note that a small fee for copying may apply.

- *the Statement of Funding Principles*
- *the Schedule of Contributions*
- *the Annual Report and Accounts*
- *the Scheme Actuary's Valuation Report*
- *the Scheme Actuary's Funding Update Reports*

Thank you for taking time to read this Statement.

**Phil Chattle, Trustee Chair on behalf of the Veolia UK Pension Plan**

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