

The Scotts Company (UK) Pension Scheme

Summary Funding Statement – 2026

Provided on behalf of the Trustee of The Scotts Company (UK) Pension Scheme

As a member of the Scheme you have built up valuable benefits for the future or, if you are already retired, you appreciate how important your pension is. Knowing how the Scheme is doing financially, and whether your benefits are secure, is very important. The aim of this Summary Funding Statement is to provide members with a summary of their Scheme's funding position each year.

This Statement is for information purposes only. It does not require you to take action nor does it represent a change to your benefits under the Scheme.

To keep you in the picture, each year we send you a statement like this. It includes a 'snapshot' of the Scheme's financial health, as well as answering some of the questions you may have, to help you understand more about our Scheme's funding position.

This year's Statement provides the results of the full funding valuation of the Scheme as at 1 July 2024, the updated estimate of the Scheme's funding position as at 1 July 2025 and an update on the Scheme's plan to secure its liabilities with the Insurer, Aviva Life & Pensions UK Limited ("Aviva"). The estimated position as at 1 July 2023, which was provided in your last Statement, has also been included for comparison purposes.

Although we must provide certain information in this Statement, we have tried to put it into context for our Scheme. We hope that you find this Statement informative and that it reassures you that the Scheme is well run. Your comments are welcome.

The Scheme's financial health

The Defined Benefit ("DB") Section of the Scheme closed to future accrual with effect from 1 July 2010, and Active Members on 30 June 2010 were given the option to join the Defined Contribution ('DC') Section. Pension built up in the DB Section before 1 July 2010 retained a link to Final Pensionable Pay on retirement or earlier leaving service, but in all other respects members' DB Section benefits were determined as if they had left the Scheme on 30 June 2010.

Following the sale of The Scotts Miracle-Gro Company's ("SMG") international business to a private equity buyer, SMG, SMG Gardening (UK) Limited (the "Company" – formerly The Scotts Company (UK) Limited) and the Trustee entered into a Funding Agreement dated 12 September 2017. Following the sale, the link to Final Pensionable Pay referred to above ceased with effect from 31 August 2017.

In 2022, the Trustee identified an opportunity that would allow the Scheme to secure its DB liabilities with an insurer earlier than planned. In December 2022, the Trustee made an investment decision to secure an insurance "buy-in" policy with Aviva. The buy-in policy is an asset of the Scheme and provides an income to the Scheme which matches the DB pension payments the Trustee makes to pensioner members on a monthly basis. The policy also covers any other payments due from the Scheme to members.

The policy covers the benefits of both DB pensioners – members who have retired and are in receipt of their benefits under the Scheme – and DB deferred pensioners – members who have accrued benefits which are payable on retirement but have not yet come into payment. The policy will also cover all benefits payable on death for both DB pensioners and deferred pensioners.

Full actuarial valuations of the DB Section of the Scheme are normally carried out every three years. The last full funding valuation of the DB Section of the Scheme was calculated as at 1 July 2024, and it disclosed a funding surplus, i.e. the Scheme's funding position is over 100% funded. As such, following the 1 July 2024 valuation, the Trustee and Company agreed that no future contributions would be payable.

For completeness, the results of the latest full actuarial valuation of the Scheme as at 1 July 2024 and the estimated position as at 1 July 2025 are summarised below. The estimated position as at 1 July 2023,

which was included in your last Statement, is also included for comparison purposes. All amounts include Defined Contribution Section assets / liabilities and Additional Voluntary Contribution funds.

	1 July 2025 £m	1 July 2024 £m	1 July 2023 £m
Assets	66.398	75.234	77.318
Liabilities	59.375	68.088	69.166
Funding surplus / (shortfall)	7.023	7.146	8.152
Funding level	112%	110%	112%

The Scheme's assets and liabilities have both reduced as at 1 July 2025 compared to the triennial valuation as at 1 July 2024.

The main reasons for this are:

- 1. Transfer of DC members to the Aviva Master Trust:** The value of the DC Section (asset and matching liability value) has reduced because 182 DC members moved to the Aviva Master Trust arrangement.
- 2. Change in the value of the DB buy-in:** The value of the Scheme's DB buy-in policy (asset and matching liability) has reduced due to changes in market conditions and the use of a different valuation approach for the 2025 annual report compared to the 2024 triennial valuation.

(For the 2025 actuarial report, the annual buy-in value provided by Aviva was used, which is also the valuation adopted for the Scheme's accounts. For the 2024 triennial valuation, the Trustee and Employer agreed a separate valuation of the buy-in policy based on agreed assumptions, as required by legislation.)

As the buy-in policy is an asset of the Scheme that matches the liabilities of the Scheme (i.e. the DB pension payments due to members) and covers the majority of the Scheme's assets and liabilities, the Scheme's funding level has remained broadly stable since the transaction in December 2022, despite ongoing uncertainties in global markets.

Have there been any payments made between the Scheme and the Company?

As indicated above, given the surplus disclosed for the 1 July 2024 valuation, the Trustee and Company agreed that no contributions will be payable.

It is a requirement that we inform you whether any payment has been made from the assets of the Scheme to the Company since the last Statement was issued. There have been no payments made from the Scheme's assets to the Company in the previous 24 months (covering the period from 1 July 2023 when the previous Statement was issued to 1 July 2025).

It is also a requirement to state whether the Pensions Regulator has used its powers in relation to the Scheme to modify the future benefits, provide direction regarding the calculation of the Scheme's liabilities or imposed a Schedule of Contributions. We can confirm the Scheme has not been modified and no directions or schedule of contributions have been imposed on the Scheme by the Pensions Regulator.

What protection is there for members' benefits?

The Trustee is required to provide you with an indication of what the funding position would be if the Scheme had terminated and was wound up as at the date of the last valuation.

Whilst the Scheme has been able to secure a full scheme buy-in with an insurer, it has not wound up yet - fully securing all liabilities with an insurer. The Trustee is still legally responsible for paying your pension. Trafalgar House Pensions Administration Limited team ("THPA") will still administer the payments. The Trustee, supported by its advisors, is continuing work to validate all the information held for members and so we may write to you to confirm certain details, as the Scheme looks to move to wind-up in the next

couple of years. Any communication will come from THPA in their capacity as Scheme administrators. You should continue to contact THPA with any questions and notify them of any changes to your circumstances.

Given the Scheme's buy-in policy, the Solvency position of the Scheme is the same as the funding position described earlier in this Statement. If the Scheme had started winding up as at 1 July 2024 and looked to secure members' benefits with an insurance company as at this date, it is estimated that the value of the Scheme's assets would have been approximately 112% of the amount needed to secure the benefits earned to that date. On that basis, a Solvency surplus of £7.146 million was disclosed.

We have to provide this information as at the date of the full actuarial valuation by law.

If the Scheme were to wind up, the Company as sponsoring employer would be legally required (if needed) to pay a contribution into the Scheme to cover the cost of securing members' benefits with an insurance company. In addition to that legal requirement, the Trustees have also obtained an unconditional guarantee from SMG that any debt owed by the Company to the Scheme, including any debt arising on the Scheme being wound up, will be met.

In the very unlikely event that a contribution was required (e.g. the Scheme surplus was not sufficient to cover the costs or the Scheme's buy-in policy were to fail to provide benefits in full, if Aviva became insolvent) and the Company nor SMG are able to pay this amount (e.g. if they became insolvent), then the Pension Protection Fund (PPF) may then take over the Scheme and pay most of the benefits due from it. Further information is available on the PPF's website at www.pensionprotectionfund.org.uk or write to: Pension Protection Fund, Knollys House, 17 Addiscombe Road, Croydon, Surrey CR0 6SR.

What to do if you have any questions or would like further information?

Copies of the full report & accounts, together with the latest valuation report and other detailed documents such as the Trustee's Statements of Funding and Investment Principles, are available from the Scheme Administrators, who should be your first point of contact for any questions or for further information on the funding position of the Scheme. Please write to:

Trafalgar House Pensions Administration Limited
PO Box 119
Blyth
NE2 9EN

If you have any questions about your pension please contact THPA. Please also contact the administrator if you have changed address and not yet informed the Trustees. This will allow us to keep you informed about The Scotts Company (UK) Pension Scheme and your benefits.

Important: for specific advice about your individual pension savings, or if you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

Trustee of The Scotts Company (UK) Pension Scheme
April 2026