

PFIZER GROUP PENSION SCHEME (THE 'SCHEME')

DC HIGHLIGHTS YEAR ENDED 31 MARCH 2023

Welcome to this short update on the Defined Contribution (DC) Section of the Scheme.

DID YOU KNOW?

The Scheme is overseen by a Corporate Trustee* (the "Trustee") which is separate from Pfizer Ltd (the Company) and has a sole purpose as acting as Trustee, it has a duty to act in members' best interests. Each year the Trustee prepares a 'Chair's Statement' that describes how the DC Section has been governed. You can find a copy here: <https://www.pfizerpensiondirectory.co.uk/>

HOW WE WORK – WHO'S WHO?

1. Trustee – takes key decisions and reviews work of sub-committees
3. Capita Pension Solutions Limited – administrators of the Scheme and support the Trustee in running the Scheme
4. Professional advisers – support the Trustee on legal, investment and governance matters

** Law Debenture has been Sole Professional Trustee since 1 October 2021*



Save for the time you stop working!

Your Contributions

The Scheme contribution scale is below.



| YOU PAY (% BASIC PAY) | COMPANY PAYS (% BASIC PAY) |
|--------------------------|-------------------------------|
| 0.5 | 8.5 |
| 1 | 9 |
| 2 | 10 |
| 3 | 10.5 |
| 4+ | 11 |

The contribution structure is shown above with the Company paying an amount which is dependent on how much you contribute. You can change your contribution level by logging onto Benefits Choice.



We are moving to The Aon MasterTrust.

In September 2023 we launched a new employee pension arrangement with The Aon MasterTrust. Please refer to your welcome pack and recent communications for further details.

What can I do online?



See the value of your pension pot



Find out about investments and fund switches



View your contributions



Understand your choices at retirement



Find Scheme guides and information



Update your nominations

TOP TIPS FOR MAXIMISING THE VALUE YOU GET



MAX THE SAVING

Make sure you maximise the Company contribution for your pension savings (see details above).



PLAN YOUR RETIREMENT

As you get older, think about when and how you plan to take your benefits – it affects your investment path.



INVESTMENT PATH

Keep tabs on your investments - do they give the right risk/return balance for you?



CHECK YOUR NOMINATIONS

Ensure you have a nominated beneficiary in place. If you haven't, it's worth adding one - it only takes a few minutes. You should also review this over time to keep it all up-to-date.

DRIVING VALUE FOR MEMBERS

The Trustee carries out a **detailed check** on all fund fees and costs annually, which includes benchmarking against other arrangements.

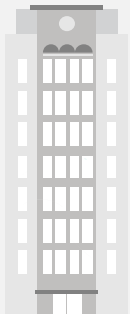
Value is about more than just cost, so we look at the **growth** members receive after costs, as well as ratings for **environmental, social and governance** factors.



11 out of the 13 investment funds offered to members have been rated **good value**, 2 rated as **reasonable value** as part of annual Value for Members assessment.

The Scheme's services were assessed by external experts as providing members with **good value**.

WHO PAYS FOR SCHEME SERVICES?



COMPANY PAYS FOR:

- Administration services
- Member communications
- Trustee governance
- Professional advice to the Trustee
- Self-help online tools and benefit modellers

MEMBERS PAY FOR:

- Investment management costs

FEE ASSESSMENT

The Trustee has assessed the extent to which the member borne charges represent good value for money.

The Scheme's fees are broadly in line with that of the median comparator

| Fund | Scheme Charge (Total Expense Ratio) (% p.a.) |
|----------------------------|--|
| Global Equity | 0.22 |
| Future World Global Equity | 0.21 |
| UK Equity | 0.11 |
| Overseas Equity | 0.11 |
| Emerging Markets Equity | 0.30 |
| Diversified Growth | 0.62 |
| Pre-Drawdown | 0.38 |
| Pre-Retirement | 0.15 |
| Shariah | 0.45 |
| Index-Linked Gilts | 0.11 |
| Fixed Interest Gilts | 0.11 |
| Corporate Bonds | 0.11 |
| Cash | 0.13 |

CHARGES & TRANSACTION COSTS

The Trustee has prepared an illustration showing the cumulative effect of costs and charges typically paid by an active member. The right hand column is member's projected pot size after charges are deducted.

| Default Strategy: Drawdown Lifestyle | | |
|--------------------------------------|-----------------------------------|--------------------------------|
| Age | Pot Size with no Charges Incurred | Pot Size with Charges Incurred |
| 16 starting age | £1,290 starting pot size | £1,290 starting pot size |
| 20 | £14,079 | £13,860 |
| 25 | £33,092 | £32,062 |
| 30 | £56,132 | £53,488 |
| 35 | £84,051 | £78,707 |
| 40 | £117,882 | £108,391 |
| 45 | £158,876 | £143,331 |
| 50 | £208,552 | £184,458 |
| 55 | £268,747 | £232,867 |
| 60 | £340,492 | £288,469 |
| 65 | £416,257 | £346,313 |

Notes
The values shown are estimates and are not guaranteed.
These illustrations are not personal to you but are indicative of a typical active member.
For details on the assumptions used please refer to the Chair's Statement.



Responsible Investment

The Scheme's investment strategy takes into account environmental, social and governance ("ESG") considerations. This happens in four main ways.

INTEGRATION & MANAGER SELECTION

- ESG criteria are considered when appointing fund managers to manage funds within the Scheme.
- ESG ratings for the fund managers are monitored by the Trustee.

INVESTMENT STRATEGY

- As at March of 2023, the Pfizer/Wyeth Equity Fund (renamed Pfizer Group Equity Fund) had an allocation of 50% to ESG funds. In addition, starting from 31 May 2022, a sustainable fund was made available to members. This reflects the Trustee view on the importance of ESG considerations

STEWARDSHIP

- Our fund managers are expected to use the voting rights attached to some investments to vote responsibly and to engage with investee companies on ESG matters. The Trustee monitors this activity, through independent reporting prepared by our DC adviser.



RISK MANAGEMENT

- The Trustee also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly require explicit consideration.