

YOUR 2025 DC SECTION MEMBER REPORT

Welcome to your Member Report for the Defined Contribution (DC) Section of the Associated British Foods Pension Scheme (the Scheme). In this brief report you'll find:

- a summary of the latest pensions news you should be aware of
- an update on the Scheme's finances, including investments
- lots of other useful information to help you make the most of your pension



If you have any further questions after reading, you're welcome to contact us using the details on page 3.

PENSIONS NEWS & UPDATES

Inheritance tax rules and pensions update

Currently, death benefits paid from the Scheme are not usually considered part of your estate for inheritance tax purposes. However, after a brief consultation, the government has confirmed that, from 6 April 2027, the law will change.

The death in service lump sum, payable to beneficiaries of Scheme members currently paying in, will continue to be excluded from inheritance tax under the new rules. However, all other death benefits, including any other type of death benefit lump sum paid to beneficiaries of an active or deferred member will be in scope.

While this planned change means pensions will need to be considered as part of estate planning in the future, it's important to keep in mind that many death benefit lump sums and unused pension funds will continue to be paid from the Scheme tax-free. This is because they may either fall below the inheritance tax threshold or qualify for exemptions or allowances that reduce or eliminate inheritance tax liability. For example, anything left to a spouse or civil partner is considered exempt and not liable for inheritance tax.

For further information, read our full news story: www.abfpensions.com/inheritance-tax-Sept2025.

Changes to when you can take your pension

The earliest date you can usually choose to start taking a personal or occupational pension is set by the government. This is known as the Normal Minimum Pension Age and is currently set at age 55. However, from 6 April 2028, this will rise to age 57. It's important to consider if this change could affect your retirement plans and to seek advice from a regulated financial adviser if required.

If you are no longer able to perform your job due to your health, you may be retired early on the grounds of 'incapacity'. There is currently no minimum pension age for this type of retirement, and this will continue to be the case even after the new rules come into force.

WOULD YOU RECOGNISE A SCAM?

You may think it could never happen to you, but millions of pounds of hard-earned savings have been lost to pension scams. According to Action Fraud, pension savers lost a total of £17,567,249 to scams in 2024 alone.

Take the FCA's quiz to check if you'd know how to stop a scam before it starts:

www.fca.org.uk/consumers/take-our-pensions-scam-quiz.

For more information on scams visit: www.abfpensions.com/dc/scams.

At ABF, we want to do everything we can to do protect our members from scams. One of the most important ways we do this is by carrying out essential due diligence checks when we receive a request to transfer. We're required by law to do this, and if we have strong suspicions of a scam we also have the power to refuse it.

Find out more here: www.abfpensions.com.



MAKING THE MOST OF YOUR PENSION

Focus on contributions for members currently paying in

The great thing about saving with the Scheme is that when you pay money in, so does the Company. One in five active DC members have chosen to pay in more than the minimum level of contributions. You can change how much you pay at any time by completing a **Contribution Change Form** and sending to your HR or payroll. You can download a form from our website at: www.abfpensions.com/dc/contribution-change-forms.

If you're already paying the maximum percentage rate of contributions, you can pay more through Additional Voluntary Contributions (AVCs). Find out more at: www.abfpensions.com/dc/avcs.

Additionally, if you're a UK tax payer, you'll benefit from tax relief on contributions as long as you remain within the government's limits (see Annual Allowance for further details).

Are you managing your pension online?

Our website has a secure login area for all members of the Scheme. If you're currently paying in, or you have a deferred pension in the Scheme, you can log in to the secure member area to:

- find out the current value of your pension
- view your contributions if you're currently paying in
- get an idea of how much you could receive at retirement

If you've not yet registered to use the secure login area of the website, contact us for an activation code.

If you've previously registered but are having problems logging on, contact us so we can help you get logged in again. Details on how to get in touch are on page 3.

When can you take your pension

The Scheme's Normal Retirement Date is age 65, but you can usually take your pension earlier (currently from age 55 rising to 57 from April 2028) or you can take it later.

As you approach the ages of 65 and 75, we'll write to provide you with your retirement options, but you can request this from us at any time – our contact details can be found on page 3.

If you're thinking about taking your pension soon, we recommend logging in to the secure member area of our website where you can get an up-to-date value of your pension. You can find further information about what you can do with your pension here: www.abfpensions.com/dc/your-retirement-options.

Annual Allowance

The Annual Allowance (AA) is the limit set by the government on how much you can benefit from tax relief on pension savings over the course of a tax year. If your ABF pension savings exceeded the standard AA in 2024/2025, we would have sent you a pension savings statement before 6 October 2025. However, the AA applies to all your pension savings, including those held outside of the Scheme. It's up to you to check if you need to pay the AA tax charge and declare it on your self-assessment tax return by 31 January 2026.

Government guidance on the AA tax charge can be found on the government's website at: www.gov.uk/tax-on-your-private-pension/annual-allowance.

Information about the AA and the other limits that apply to pensions can be found on our website: www.abfpensions.com/dc/tax-limits.

Make sure your investments work for you

When you first join the Scheme, your pension account is invested in a Target Date Fund linked to your 65th birthday. If you want to take your pension earlier or later than age 65, you may wish to consider moving to a different Target Date Fund, although you don't have to. In addition, we offer a wide range of self-select funds for you to choose from so you can personalise your investments to suit your retirement plans and your values.

To review your options and to download an **Investment Instruction Form** visit: www.abfpensions.com/investments.

Keep in mind, investments can go down as well as up, and each option will have different associated charges. Make sure you read the full factsheet first and seek regulated financial advice if necessary.



GOOD TO KNOW

Don't miss out on important updates!

Your annual benefit statement is available to access through your secure online account. We'll let you know when it's ready to view by email. From time to time, we'll also email you to provide you with important updates about your pension and the Scheme. As you approach age 65 and 75 we'll write to you to make sure you're aware of your options.

It's essential we have your correct contact details to make sure you get the information you need about your pension at the right time.

- **If you're currently paying in**, your HR or payroll will let us know if anything changes. However, we recommend you provide us with your personal email through your secure online account. That way, you won't lose access to your account if you leave your job.
- **If you're no longer paying in**, make sure you let us know if your address or email address changes. The easiest way to do this is through your secure online account.

If you have any issues logging in, or you no longer have access to the email address you originally registered your account with, please call us and we'll be able to assist.

Send us your documents securely

You can use our secure file transfer website to send us your completed forms or documents.

If you'd like to use this service, please contact us and we can provide you with further details.

Get in touch

Call 0800 090 2267 or
+44 (0)20 7636 8111
from outside the UK

Email DCPension.Admin@abfoods.com

Web www.abfpensions.com

Write to Group Pensions
Associated British Foods
50-51 Russell Square
London, WC1B 4JU

FURTHER HELP & SUPPORT

MoneyHelper: www.moneyhelper.org.uk

Free and impartial guidance on money, savings and pensions. You can also use the 'find a retirement adviser' tool available through the website to search for a FCA-regulated adviser specialising in retirement planning.

If you use an adviser that isn't regulated, you won't be compensated if things go wrong.

Pension Wise: www.moneyhelper.org.uk/pension-wise

If you are over the age of 50 and have a Defined Contribution pension, Pension Wise offers free and impartial guidance about your retirement options.

Pension Credit: www.gov.uk/pension-credit or 0800 99 1234

Pension Credit is designed to help with daily living costs for people over State Pension age and on a low income, though you don't need to be receiving a State Pension to receive Pension Credit.

Pension Tracing Service: www.gov.uk/find-pension-contact-details

Search for a lost pension using this online service.

State Pension Checker: www.gov.uk/check-state-pension

Find out how much State Pension you could get when you reach State Pension age.

FINANCE & INVESTMENTS

Membership

On 5 April 2025, there were:

24,392

Active members

44,251

Deferred members



Income and expenditure

This table shows the breakdown of income and expenditure for the year to 5 April 2025:

Members' contributions	£40,165,000
Members' Additional Voluntary Contributions (AVCs)	£5,842,000
Employers' contributions*	£65,000,000
Members' individual transfers in	£2,286,000
Net returns on investments	£31,634,000
Total income	£144,927,000
Retirement and death benefits	£18,247,000
Refunds to leavers	£25,000
Payroll refunds for Eligible Jobholder Opt Outs	£45,000
Members' individual transfers out	£34,569,000
Taxation where Lifetime or Annual Allowances exceeded	£142,000
Transfers of pension on divorce	£265,000
Total expenditure	£53,293,000

* The cost of employers' contributions (including risk benefits and administration expenses) was met by the surplus of Scheme's assets held in the Defined Benefit Section

Target Date Funds

The Trustees have selected Target Date Funds (TDFs) provided by the investment manager AllianceBernstein as the default investment arrangement for the Scheme. TDFs invest in a range of different investment types – all with different levels of risk appropriate to your age. The mix changes automatically as you head towards retirement. By default you are invested in a TDF targeting retirement at age 65, but you can change this target age if you wish. A factsheet is available for each TDF on our website: www.abfpensions.com/dc/investments.

Fund performance from **30 September 2012** (the Funds' inception date) to **31 March 2025** (the month end nearest to 5 April 2025) is shown below. In common with all long-term investments, TDF investments do rise and fall in value in the short term. It's important to review your investments on a regular basis to ensure your decision is still right for you.

Members getting close to retirement		Members in the mid-life phase		Younger members	
Target Date Fund	Annualised return %	Target Date Fund	Annualised return %	Target Date Fund	Annualised return %
2011–2013	3.79	2032–2034	7.66	2053–2055	9.74
2014–2016	4.16	2035–2037	8.24	2056–2058	9.74
2017–2019	4.88	2038–2040	8.89	2059–2061	9.74
2020–2022	5.49	2041–2043	9.52	2062–2064	9.80
2023–2025	6.06	2044–2046	9.74	2065–2067	8.93
2026–2028	6.71	2047–2049	9.74	2068–2070	8.93
2029–2031	7.14	2050–2052	9.74	2071–2073	9.03

Investment update

Following stock market volatility at the end of the previous financial year, we published an article in April explaining how this could affect the value of your ABF pension as shown on your annual benefit statement available through your online account.

Read the full article here: www.abfpensions.com/news/2025/investment-update-april-2025.



LOOKING AFTER YOUR SCHEME

Important Scheme documents

The DC Chairman's Statement and the Statement of Investment Principles (SIP) set out the Trustee's policies in relation to the default investment fund offered by the Scheme, their objectives in providing the full range of funds available and the charges that apply. You can read or download the SIP on our website at www.abfpensions.com/dc/sip and the DC Chairman's Statement at www.abfpensions.com/dc/chairsstatement.

Our climate change reporting

The Task Force on Climate-Related Financial Disclosures (TCFD) made a number of recommendations around climate-related financial disclosure requirements. In line with these recommendations, the Trustee has prepared a climate change report which you can download from our website: www.abfpensions.com/tcfd.

How we protect against fraud

The National Fraud Initiative (NFI) is a data-matching exercise conducted by the Government to help in the detection and prevention of fraud. Pension schemes, including the ABF Scheme, are required to submit data to the NFI on a regular basis. This data includes pension and payroll records. The data is compared against other records to identify errors or potential fraud that require further investigation. As the Trustee processes personal data, the Scheme is registered with the Information Commissioner's Office (ICO), who ensure organisations meet the legal requirements when processing information.

Scheme governance & management details

Trustee	Associated British Foods Pension Trustees Limited
Company Appointed Trustee Directors	James West (Independent Chairman), Kelly Brown (appointed 20 February 2025), Giles Haig (resigned 30 April 2025), Paul Lister, Clair McGairy (appointed 22 May 2025), James Rushton
Member Nominated Trustee Directors	Sarah Giffen, Paul Longley (retired 28 November 2024), Will Reckitt (appointed 22 May 2025), Trevor Smith, Jonathan Willis (resigned 30 April 2024)
Secretary to Trustee and Group Pensions Director	Colin Hately
Investment Platform Provider	Mobius Life
Target Date Fund Investment Provider	AllianceBernstein
Actuary	Sam Eida, Mercer Ltd
Administrator	ABF Group Pensions Department
Auditor	Ernst and Young LLP
Banker	Bank of Scotland
Investment and Benefit Consultants	Mercer Ltd
Solicitor	Travers Smith

