YOUR 2025 DB SECTION MEMBER REPORT

Associated British Foods | Pension Scheme

Welcome to your Member Report for the Defined Benefit (DB) 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. As will any spouse's pension payable, regardless of your status in the Scheme. However, all other death benefits, including any other type of death benefit lump sum paid to beneficiaries of an active, deferred, or pensioner 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.

GMP equalisation consultation has ended

You will have a Guaranteed Minimum Pension (GMP) included in your pension if any of the following apply:

- You paid into the Scheme at any point between 6 April 1978 and 5 April 1997.
- You transferred in GMP pension benefits built up in another pension scheme.
- You are receiving a spouse/civil partner's pension inherited from someone who had a GMP.

GMPs were a historic protection introduced by the government to ensure that those who were contracted out did not receive less than those who were paying towards SERPs (State Earnings Related Pension). GMPs were set by the government and linked to State Pension age. They were calculated differently for men and women, leading to unequal pension benefits.

However, as confirmed in previous Member Reports, a court ruling in 2018 made it a legal requirement to correct this imbalance for GMPs built up from 17 May 1990. All pension schemes are now working towards 'equalising' GMP to ensure that, going forward, men and women in the same circumstances receive the same pension for the GMP period.

In July 2025, we wrote to all affected members with the Trustee's proposal for how GMP benefits in the Scheme could be equalised. The Trustee proposed using a method known as 'conversion' which involves the Scheme Actuary performing a one-off calculation to convert the GMP into a regular pension benefit in the Scheme.

Using this method, some members may receive slightly more, but all members would receive a pension worth at least as much as it had been before.

The consultation opened on 4 July 2025 and closed on 2 September 2025. During this period, affected members were invited to submit anything they would like the Trustee to consider when making their decision. We will shortly be writing to affected members to confirm the outcome and provide further information on next steps.

MAKING THE MOST OF YOUR PENSION

When you can take your pension

The Scheme's Normal Retirement Date is your 65th birthday, but you will usually be able to apply to the Trustee to take it earlier if you wish. Currently you can apply to take your pension from age 55, though this will rise to 57 in April 2028. If you take your pension before age 65, it will be reduced to take account of the early payment.

If you're still working for the Company, you can continue to pay into your pension until you reach age 75. If you're still paying in at this point, we'll write to you a few months before so you can start receiving your pension.

If you leave the Company before age 65, you must draw your pension by the time you reach age 65. We'll write to you a few months before your pension is due to start being paid. If you leave your pension later, when you do take it, your pension will be backdated to your 65th birthday and no interest will be paid. An annual pension is considered taxable income, so you may pay more tax on the backdated lump sum than you would have done had it been spread out over the years in which it was due.

Further information about your pension and how it is calculated is on our website: www.abfpensions.com.

Extra protection for your member account

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 amount of your pension
- view your contributions if you're currently paying in
- get an idea of how much you could receive at retirement age

If you're receiving a pension from us, you can log into the secure member area to:

- update your contact details
- view your payslips and P60s

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 in, contact us so we can help you get logged in again. Details on how to get in touch are on page 3.

Introducing Multi-Factor Authentication

To help keep your online account secure and make sure it's really you logging in, we'll shortly be introducing an extra layer of protection known as Multi-Factor Authentication (MFA). Once it's introduced, you'll be prompted to add your mobile phone number when you log in to your secure online account. We'll then send you a code by text message which you will need to enter on the next screen. This small step only takes a few minutes to set up – but it makes a big difference in keeping your account secure.

Annual Allowance details

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 growth 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 can be found at: www.gov.uk/tax-on-your-private-pension/annual-allowance.

Further information about the AA and other pension tax limits is available on our website.

Would you recognise a scam?

According to Action Fraud, pension savers lost a total of £17,567,249 to pension scams in 2024. Make sure you have the knowledge to recognise the signs of a scam by taking the FCA's quiz at:
www.fca.org.uk/consumers/take-our-pensions-scam-quiz.

More information on pension scams, and the checks we perform when someone requests a transfer out, can be found on our website.

GOOD TO KNOW

Sending us forms or 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.

Updating your nominations

Under certain circumstances, a death lump sum may be payable. The Trustee has sole discretion over who this is paid to, but they will try to fulfill the member's wishes where possible. You can make your wishes known to the Trustee by completing a Death Benefit Nomination Form available on our website.

Get in touch

Call	0800 090 2267 or +44 (0)20 7636 8111 from outside the UK
Email	pensions.admin@abfoods.com
Web	www.abfpensions.com
Write to	Group Pensions Associated British Foods 50-51 Russell Square London, WC1B 4JU

Don't miss out on important updates!

To make sure you can receive information about your pension at the right time, please make sure you keep us up to date with your contact details when they change.

- **If you're currently paying in,** your HR or payroll will let us know if anything changes, but 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 changes. You can do this through your secure online account. Alternatively you can phone us, or write to us. If you decide to write in, make sure you include your full name and member number. You can find this on any correspondence we have previously sent to you. You will also need to include a hand written signature. For security reasons, we won't be able to update your address if anything is missing.

If you have any issues logging in to your online account, 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.

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

799	5,411	14,279
Active members	Deferred members	Pensioners & dependants

Income & expenditure

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

Members' normal contributions and Additional Voluntary Contributions	£4,767,000
Transfers in	£12,000
Total income	**£4,779,000**
Retirement and death benefits	£128,359,000
Administration expenses	£6,992,000
Net returns on investment and management expenses	£48,216,000
Transfers out	£1,573,000
Taxation on investments and where Lifetime or Annual Allowance exceeded	£143,000
Total expenditure	**£185,283,000**

Fund category	Percentage of holdings at April 2025	Target allocation of overall holdings
Cash	5.1%	1–3%
Property	3.6%	8–10%
Global Equities (may include UK)	24.5%	25–30%
Fixed interest and index linked bonds (including illiquid credit)	66.8%	50–70%

General market update

Global financial markets experienced significant volatility over the year driven by economic policy changes, geopolitical events and advancements in technology. Early optimism spurred by artificial intelligence and stabilised economic conditions gave way to uncertainty amid US trade tariffs and fluctuating economic data.

Central banks also played a pivotal role, with interest rate cuts by the US Federal Reserve and European Central Bank influencing bond markets and government bond yields. Currency movements affected returns for UK investors, adding to the complexity of the investment landscape.

The Trustee has carefully monitored all investment strategies closely throughout the year and met regularly with asset managers throughout the year. All strategies have performed in line with expectations across the Scheme year.

For further information, view our news item www.abfpensions.com/news/2025/investment-update-april-2025 and the 2025 Summary Funding Statement www.abfpensions.com/db/summaryfundingstatement.

Average overall investment return

- Over the year to 31 March 2025, the return was **-0.64%** vs a benchmark of **-2.07%**.
- Over three years, the average annual return for each year was **-2.88%** vs a benchmark of **-0.03%**.
- Over five years, the average annual return for each year was **4.35%** vs a benchmark of **4.22%**.

Over the year the managers in aggregate have outperformed their respective market index benchmarks and the Scheme has long been positioned to benefit from rising interest rates. As such, while the assets fell by under 1% over the year in question, the liabilities also declined over the same period.

How members have invested their AVCs

AVCs are payments a member can make to help boost their retirement income. They are invested in the way each member chooses from the investment options on offer. The Trustee holds members' AVC investments separately from the main fund. Members participating in AVC arrangements receive a statement confirming the amount held in their account(s) at April each year. On 5 April 2025, a total of over £11.6 million was invested on the Mobius Life platform.

LOOKING AFTER YOUR SCHEME

Important Scheme documents

The **Statement of Investment Principles (SIP)** records the investment arrangements (and the rationale behind those arrangements) adopted by the Trustee: www.abfpensions.com/db/sip.

The **Implementation Statement** sets out how, and the extent to which, the SIP produced by the Trustee has been followed during the year: www.abfpensions.com/db/implementationstatement.

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/db/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 Managers at year end	Alcentra Ltd Arcmont Asset Management Ltd Ares Management Ltd Artemis Investment Management LLP (removed 8 January 2025) Beach Point Capital Management LP BlackRock Investment Management UK Ltd Bridgepoint Advisors Ltd Calamos Investments LLC Capital International Ltd (appointed 23 May 2025) Cordet Capital Partners LLP CQSM LLP Goldman Sachs Asset Management Inc	Hay Financial Management LLP H.I.G. Capital International Advisors LLP (removed 8 January 2025) Insight Investment Management Ltd Liontrust Asset Management Plc Loomis Sayles Investment Ltd (appointed 23 May 2025) Morgan Stanley Muzinich & Co MV Credit Partners LLP NeuBerger Berman Ninety One Global PGIM (appointed 23 May 2025) Schroder Investment Management Ltd Veritas Asset Management LLP (removed 8 January 2025)
Actuary	Sam Eida, Mercer Ltd	
Administrator	ABF Group Pensions Department	
Auditor	Ernst and Young LLP	
Banker	Bank of Scotland	
Custodian	Northern Trust LLP	
Investment and Benefit Consultants	Mercer Ltd	
Property Manager	Workman LLP	
Property Valuer	CB Richard Ellis	
Solicitor	Travers Smith	