

YOUR 2023 DC SECTION MEMBER REPORT

Welcome to your 2023 Member Report for the DC Section of the Associated British Foods Pension Scheme (the Scheme). In this report you'll find brief summaries of the Scheme's investments and membership as well as updates or changes in the pension world that may impact you.



Investment update

Over the year, markets continued to be volatile due to a number of factors. The impact this may have on your pension will depend on the type of pension you have and how close you are to retirement. We have produced a news article on our website which explains how your pension benefits may be affected by market volatility. You can view this at www.abfpensions.com/news/2023/investment-update. You can also check your current fund value by logging in to your secure online account at www.abfpensions.com/dc/login.

The Trustee encourages you to think carefully and consider getting investment advice before changing your investment options in the current market (to avoid crystallising any losses). Free impartial guidance is available from the MoneyHelper service. You can find more details on their website www.moneyhelper.org.uk.

Restrictions on transferring your pension

In 2021, the Government introduced conditions which must be met if you wish to transfer your pension out of the Scheme. These were introduced to help combat the increase in pension scams which are taking place.

Should you request a transfer and one or more of the conditions cannot be met, you will not be able to transfer your pension out of the Scheme to your chosen provider. Please be aware that if you request a transfer we will ask you for certain information to be provided to help us determine if the conditions have been met and we may also need to speak to you by phone. Should we require any further information or need to speak to you by phone, this must be directly with you and not via any third party (for example an Independent Financial Adviser).

Although these requirements have now been in place for some time they have added significant processing time while we carry out all of the required checks. Once all the documentation has been received there may be a further requirement for you to be referred to MoneyHelper to receive specialist pension scams guidance before you can transfer. This requirement is also adding significant time to the transfer process. You can find more information on how to identify and avoid potential scams on our website at www.abfpensions.com/dc/scams. We are finding the transfer process can take up to six months to complete. In order to meet the statutory transfer requirements, all the required documentation must be received within six months of the original transfer request being made. If the documents are not received within this time, the process will need to be restarted.

Additionally, if you are considering transferring to an overseas arrangement, it's important you understand additional tax charges may apply. You can find more information on the tax charges at www.gov.uk/government/publications/qualifying-recognised-overseas-pension-schemes-charge-on-transfers.

Are you fully covered for death in service and ill health benefits?

You can check if you are covered by looking at your most recent benefit statement or by calling the team on 0800 090 2267. If you're not covered, this report will explain what you need to do.



Pensions Dashboard Programme

A pensions dashboard is a digital platform that allows individuals to access and manage information about all of their pensions in one place. The Government is introducing pensions dashboards to simplify pension information and allow members to trace any pensions they may have lost contact with. The deadline for schemes to connect to the pensions dashboard is 31 October 2026. We will provide further updates as this large project progresses.



Are you missing out on Pension Credit?

Pension Credit is designed to help with daily living costs for people over State Pension age and on a low income, though you do not need to be receiving a State Pension to receive Pension Credit. Currently, over 1.4 million pensioners in the UK receive Pension Credit. However, there are still many pensioners who are not claiming this extra support. To find out more about Pension Credit, you can visit the Government's website at www.gov.uk/pension-credit which includes a free online calculator to check if you are eligible. You can also call the Pension Credit claim line on 0800 99 1234 (available 8am to 6pm).

Changes to normal minimum pension age

The UK Government has confirmed that the normal minimum pension age (the earliest age at which most members can access their pensions without incurring an unauthorised payments tax charge, unless they are retiring due to ill health) will rise from 55 to 57 from 6 April 2028.

Latest Scheme retirement age

Members of the Scheme are required to take their benefits before they reach the age of 75. As you approach the ages of 65 and 75, we will send you a letter outlining your retirement options, but we can also provide this on request. For further information please contact the Member Services Team on 0800 090 2267 (+44 (0)20 7636 8111 if you're calling from outside the UK) or by emailing DCPensionAdmin@abfoods.com.

Pension Tracing Service

It is important to stay in touch with the administrators of any pensions you may have. This helps you stay informed about your pension and simplifies the process when you wish to access your benefits. The Government has set up a service which allows individuals to search for a lost pension. For more information on using this service, visit www.gov.uk/find-pension-contact-details.

State Pension Checker

In addition to your ABF pension, you may also be entitled to a State Pension. To find out how much you could get when you reach State Pension age, visit www.gov.uk/check-state-pension.



Climate change reporting

The Task Force on Climate-Related Financial Disclosures (TCFD) set up by the Government has made a number of recommendations around climate-related financial disclosure requirements. In line with these recommendations the Trustee has prepared a climate change report. The report is available to download from our website: www.abfpensions.com/dc/tdfd.



National Fraud Initiative

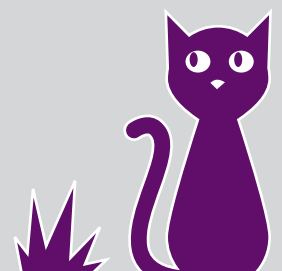
The National Fraud Initiative (NFI) is a data-matching exercise conducted by the Government to help in the detection and prevention of fraud. Pension schemes, including the ABF Scheme, are required to submit data to the NFI on a regular basis. This data includes pension and payroll records. The data 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.

Data protection

In May 2018, new data protection legislation (the General Data Protection Regulation) came into force introducing significant changes to how the Trustee processes personal data fairly and securely. Information about how the Trustee processes your personal data, and your rights in respect of your personal data (including the right to object in certain circumstances), is provided in the privacy notice available online at www.abfpensions.com/dataprotection. Please contact us to request a printed copy.

Accessing your pension account online

You can find lots of useful information on the Scheme, your retirement benefits and options on our website, including a secure area which you can use to view your personal information and documents. If you need any help accessing your secure online account then please call us on 0800 090 2267 (+44 (0)20 7636 8111 if you're calling from outside the UK) or email DCPensionAdmin@abfoods.com.



IMPORTANT INFORMATION



We would like to remind you of some important information and where to find additional guidance should you need it.

Chairman's Statement and the Statement of Investment Principles

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.

MoneyHelper

You can get free and impartial guidance on money, savings and pensions from the MoneyHelper service: www.moneyhelper.org.uk.

Pension Wise

If you are over the age of 50, guidance is also available from Pension Wise, a Government service which offers free and impartial guidance about your retirement options. This guidance may be accessed online at www.pensionwise.gov.uk, or by telephone on 0800 138 3944 (from outside the UK: +44 20 3733 3495).

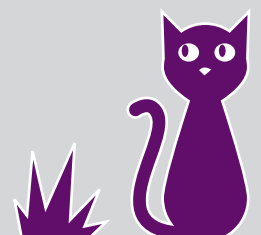
Pension scams

Unfortunately, pension scams are on the increase. The Financial Conduct Authority and The Pensions Regulator have produced a leaflet on pension scams which we encourage you to read. You can download this from their website at <https://www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf>. MoneyHelper have also produced further guidance on pensions scams (including an 'identifying a pension scam' tool) which you can view on their website at www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam.

Making sure we can keep in touch with you

The Scheme provides all communications to members electronically, with documents such as joiner packs and annual benefit statements available via your secure online account with an email then sent to let you know that a new document is available. We want to ensure we can continue to communicate with you by email so you receive notifications promptly. However, when a member leaves we often don't hold a personal email address for them, which means we can no longer communicate with them by email.

Once you are logged in to your online account, you can provide up to two email addresses, so we strongly recommend you provide both a work and personal email address if you have both. You can change your registered email address at any time by logging in to your secure online account. You will need to verify your email address during the process, so you'll need to make sure you have access to your email account when you do this. You can also call to update us if your email address has changed. If you are an active member who has their work email address recorded as their registered email address, you can change this at any time through your online account. For example, you may wish to change it to your personal email so you receive emails from us regardless of whether or not you are at work.



How to ensure you are covered for the death in service and ill health retirement benefits (applies to active contributing members only)

If you joined the DC Section after October 2012, you need to provide information about pre-existing medical conditions before you are covered for death in service and ill health benefits.

You can check your most recent benefit statement or call the team on **0800 090 2267** to see if you are covered.

If you are not covered, you just need to check if you have ever been diagnosed with any of the following conditions:

- Multiple Sclerosis
- Motor Neurone Disease
- Any disorder of the kidneys
- Stress, Anxiety or Psychiatric illness
- Diabetes
- Any disorder of the heart, including murmur, stroke, chest pain, palpitations
- Any blood circulatory problem including haemorrhage or clots
- Any form of cancer, including leukaemia, tumour or growth, including moles that a healthcare practitioner has advised may be cancerous
- HIV

If you do not have any of the medical conditions listed, please send an email to our dedicated mailbox lifecoverconfirmation@abfoods.com confirming the following:

- Your surname
- Your member number (as detailed on all correspondence, including your benefit statement)
- The statement – “I do not have any of the medical conditions listed”

Upon receipt of your email, your record will be updated and you will receive a letter confirming your coverage for death in service and ill health retirement benefits. It is important to note that a false declaration could lead to non-payment of benefits at a later date.

If you have one or more of the medical conditions listed please call our Group Pensions team on 0800 090 2267 (Monday to Friday, from 9am to 5pm) who will be able to take your details over the phone.

All calls to this number are recorded and the information taken will be used solely to assess the provision of benefits for death in service and ill health retirement.

Once the details have been assessed, you will receive a letter confirming cover and any temporary exclusions.

Contacting us

Due to the ongoing industrial action and other operational issues affecting some postal services, we suggest if you need a quicker response that you contact us by email or by phone if possible. You can call the team on **0800 090 2267** (or **+44 (0)20 7636 8111** if you're calling from outside the UK). It's free to call from UK landlines and mobiles and the team are available Monday to Friday, from 9am to 5pm. Alternatively, you can email DCPensionAdmin@abfoods.com.

If you need to send us completed forms or documents, we have a secure file transfer website which can be used on request instead of posting them to us. Please contact us by email or phone for further details. You can write to us at: **Associated British Foods Pension Scheme, 50/51 Russell Square, London, WC1B 4JU.**



THE FINANCIALS

Membership

On 5 April 2023, there were:

22,210	35,162
Active members	Deferred members



Income and expenditure

This table shows the breakdown of income and expenditure for the year to 5 April 2023:

Members' contributions	£31,148,000
Members' Additional Voluntary Contributions (AVCs)	£2,684,000
Employers' contributions	£35,527,000
Members' individual transfers in	£1,093,000
Net returns on investments	£65,348,000
Total income	£135,800,000
Retirement and death benefits	£12,867,000
Refunds to leavers	£14,000
Payroll refunds for Eligible Jobholder Opt Outs	£103,000
Members' individual transfers out	£12,041,000
Taxation where Lifetime or Annual Allowances exceeded	£124,000
Transfers of pension on divorce	£23,000
Total expenditure	£25,172,000

Focus on contributions

The great thing about saving with the ABF Scheme is that when you pay money in, so does the Company – meaning you get even more out of what you put in.

One in five active DC members have chosen to pay more than the minimum level of contributions. This means both they and the Company are contributing more into their pension accounts each year!

The added benefit of paying more is you receive tax relief on any contribution you make* – so paying more doesn't really cost as much as you think. For example, for someone paying 20% tax, a £50 contribution would only cost them £40.

*Contributions that exceed your personal Annual Allowance will not attract any tax relief.

If you are already paying the maximum percentage rate of contributions, you can pay more through Additional Voluntary Contributions (AVCs). They're truly flexible, and you can stop, start or vary your payments whenever you like. You do however need to be aware the Employer does not match any AVCs and there are limits on tax efficient savings – information regarding the Annual Allowance can be found on the website at www.abfpensions.com/dc/taxation.

You can download the form to change your contributions on the website: www.abfpensions.com/dc.



Investing

The Target Date Funds

The Trustees have selected Target Date Funds (provided by the Investment Manager AllianceBernstein) as the default investment arrangement for the Scheme. The Target Date Funds continue to meet their objective of providing excellent performance with a risk managed approach. Over 99% of members have chosen to remain in the Target Date Funds.

The performance of the funds during the period from 30 September 2012 (the Funds' inception date) to 31 March 2023 (the month end nearest to 5 April 2023) is summarised below. Target Date Fund investments do rise and fall in value in the short term, which is particularly common for long term investments like the Target Date Funds.

The performance for each Target Date Fund reflects the blend of investments that are appropriate given the length of time a member has before their retirement (by default targetting their retirement at age 65, unless they have selected a different age at which to retire). Younger members are invested in higher risk investments which have the potential to earn higher returns but are likely to have higher volatility. Members closer to retirement are invested in a blend of investments that should deliver a steadier return with less volatility to the value of the fund.

Members getting close to retirement		Members in the mid-life phase		Younger members	
Target Date Fund	Return %	Target Date Fund	Return %	Target Date Fund	Return %
2011 - 2013	3.41	2032 - 2034	7.71	2053 - 2055	9.21
2014 - 2016	3.88	2035 - 2037	8.20	2056 - 2058	9.21
2017 - 2019	4.73	2038 - 2040	8.67	2059 - 2061	9.21
2020 - 2022	5.45	2041 - 2043	9.13	2062 - 2064	9.28
2023 - 2025	6.10	2044 - 2046	9.22	2065 - 2067	8.22
2026 - 2028	6.80	2047 - 2049	9.21	2068 - 2070	8.22
2029 - 2031	8.23	2050 - 2052	9.21	2071 - 2073	8.34

You can find fund factsheets, which include information on the performance of all the funds, on our website: www.abfpensions.com/dc/investments.

It is important to review your chosen investments on a regular basis to ensure your investment decision is still right for you.

LOOKING AFTER YOUR SCHEME

Trustee	Associated British Foods Pension Trustees Limited
Company Appointed Trustee Directors	James West (Independent Chairman), John Bason (resigned 28 April 2023), Giles Haig, Paul Lister, Philippa Nibbs, James Rushton (appointed 18 May 2023)
Member Nominated Trustee Directors	Sarah Giffen, Paul Longley, Trevor Smith, Jonathan Willis
Secretary to Trustee and Group Pensions Director	Colin Hately
Investment Platform Provider	Mobius Life
Target Date Fund Investment Provider	AllianceBernstein
Actuary	James Bourne, Mercer Ltd
Administrator	ABF Group Pensions Department
Auditor	Ernst and Young LLP
Banker	Bank of Scotland
Investment and Benefit Consultants	Mercer Ltd

