

**Associated British Foods
Pension Scheme**

Annual Report and Accounts

Year ended 5 April 2025

CONTENTS	PAGE
MANAGEMENT OF THE SCHEME	2
TRUSTEE'S REPORT	4
COMPLIANCE STATEMENT	9
INVESTMENT REVIEW	10
INVESTMENT REPORT - DB SECTION REVIEW	12
INVESTMENT REPORT - DC SECTION REVIEW	14
STATEMENT OF TRUSTEE RESPONSIBILITIES	17
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME	18
FUND ACCOUNT	21
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS	22
NOTES TO THE FINANCIAL STATEMENTS	23
INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME	43
STATEMENT OF TRUSTEE RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS	44
CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS	45
REPORT ON ACTUARIAL LIABILITIES	46
APPENDIX 1: STATEMENT OF INVESTMENT PRINCIPLES	47
APPENDIX 2: ANNUAL DC GOVERNANCE CHAIR'S STATEMENT FOR THE SCHEME YEAR ENDING 5 APRIL 2025	62
APPENDIX 3: IMPLEMENTATION STATEMENT	84

ASSOCIATED BRITISH FOODS PENSION SCHEME

Scheme Number 10150279

MANAGEMENT OF THE SCHEME

Trustee Directors:

James West (<i>The Chair</i>) [#]	Giles Haig (resigned 30 April 2025)
James Rushton	Paul Longley* (retired 28 November 2024)
Trevor Smith*	Jonathan Willis* (resigned 30 April 2024)
Paul Lister	Kelly Brown (appointed 20 February 2025)
Sarah Giffen*	Clair McGairy (appointed 22 May 2025)
Will Reckitt* (appointed 22 May 2025)	

[#]Independent Director

*Member Nominated Director

**Secretary to Trustee and
Group Pensions Director:**

Colin Hately

Principal Employer:

Associated British Foods Plc
Weston Centre
10 Grosvenor Street
London W1K 4QY

Actuary:

Sam Eida
Mercer Ltd
1 Tower Place West
Tower Place
London EC3R 5BU

Administrator:

ABF Pensions Department
50/51 Russell Square
London WC1B 4JU

Auditor:

Ernst & Young LLP
R + Building
2 Blagrove Street
Reading
RG1 1AZ

Banker:

Bank of Scotland
Citymark
150 Fountainbridge
Edinburgh EH3 9PE

Investment Consultant:

Mercer Ltd
1 Tower Place West
Tower Place
London EC3R 5BU

Property Administrator:

Workman LLP
Alliance House
12 Caxton Street
London SW1H 0QS

Property Valuer:

CB Richard Ellis
St Martins Court
10 Paternoster Row
London EC4M 7HP

Solicitor:

Travers Smith
10 Snow Hill
London EC1A 2AL

ASSOCIATED BRITISH FOODS PENSION SCHEME

MANAGEMENT OF THE SCHEME (continued)

Investment Managers:

(DB Section)

Alcentra Ltd	Cannon Place, 78 Cannon St, London EC4N 6HL
Ares Management Ltd	10 New Burlington Street, 6th floor, London, W1S 3BE
Artemis Investment Management LLP (notice of termination 8 January 2025)	Cassini House, 57 St James Street, London, SW1A 1LD
Beach Point Capital Management LP	1620 26th Street, Suite 6000N, Santa Monica, CA 90404
Arcmont Asset Management Ltd	5 Hanover Square, London W1S 1HE
BlackRock Investment Management (UK) Ltd	12 Throgmorton Street, London, EC2N 2DL
Bridgepoint Advisors Ltd	5 Marble Arch, London W1H 7EJ
Calamos Investments LLC	2020 Calamos Court, Naperville, IL 60563-2787
Capital International Ltd (appointed 23 May 2025)	1 Paddington Square, London, W2 1GL
Cordet Capital Partners LLP	2 St James's Market, St. James's, London SW1Y 4SB
CQSM LLP	1 Strand, London WC2N 5HR
Goldman Sachs Asset Management Inc	25 Shoe Ln, London EC4A 4AU
Hay Financial Management LLP	One Eagle Place, London, SW1Y 6AF
H.I.G Capital International Advisors LLP (notice of termination 8 January 2025)	10 Grosvenor Street, London, England, W1K 4QB
Insight Investment Management Ltd	160 Queen Victoria Street, London, EC4V 4LA
Liontrust Asset Management Plc	2 Savoy Court, London, WC2R 0EZ
Loomis Sayles Investment Ltd (appointed 23 May 2025)	One New Change, London, EC4M 9AF
Morgan Stanley	100 Front Street, 8th Floor, West Conshohocken, PA 19428, USA
Muzinich & Co	8 Handover Street, London, W1S 1YQ
MV Credit Partners LLP	45 Old Bond St, London W1S 4QT
Neuberger Berman	Zig Zag, The, Building 70 Victoria St, London SW1E 6SQ
Ninety One Global	55 Gresham Street, London, EC2V 7EL
PGIM Ltd (appointed 23 May 2025)	Grand Buildings. 1-3 Strand, London, WC2N 5HR
Schroder Investment Management Ltd	1 London Wall Place London EC2Y 5AU
Veritas Asset Management LLP (notice of termination 8 January 2025)	1 Smarts Place, London, England, WC2B 5LW

Custodian:

Northern Trust LLP	50 Bank Street, Canary Wharf, London, E14 5NT
--------------------	---

Investment Managers:

(DC Section)

Mobius Life (an insurance company investment platform providing a range of funds which includes AVC holdings)	7th Floor, 20 Gresham Street, London EC2V 7JE
AllianceBernstein	60 London Wall, London EC2M 5SJ

Additional Voluntary Contribution Managers:

Phoenix Life (including ReAssure)	1 Wythall Green Way, Wythall, Birmingham, B47 6WG
Clerical Medical Investment Group	25 Gresham Street, London, EC2V 7HN
Prudential	AVC Service Centre Prudential Lancing BN15 8GB
Standard Life Assurance Company	Standard Life House, 30 Lotham Road, Edinburgh, EH1 2DH

All of the above AVC Managers were closed during the 4th quarter of 2024, with the assets transferring to the Mobius Life Platform (with the exception of members with AVCs previously invested with ReAssure who withdrew their benefits in advance of the closure).

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT

The Directors of the Trustee present their Annual Report of the Associated British Foods Pension Scheme (the "Scheme"), together with the Financial Statements for the year ended 5 April 2025. The Investment Reports set out on pages 12 to 16 and the Compliance Statement on page 9 form part of this Trustee's Report.

Introduction

The Scheme comprises:

- the Defined Contribution (DC) Section, which provides benefits based on the member's accumulated fund value at retirement, and
- the Defined Benefit (DB) Section, which provides benefits based on the member's final salary and length of service. In this Annual Report and in the Financial Statements the phrase "DB Section" refers to all four DB Sections (ABF Main, ABF Executive, British Sugar and British Sugar Senior) unless otherwise specified.

Members of both Sections are able to make Additional Voluntary Contributions (AVCs) to secure additional benefits. The DB Section is closed to new entrants.

Trustee Directors

Associated British Foods Pension Trustees Limited is the sole corporate Trustee of the Scheme. The appointment of new or additional Company appointed Trustee Directors and their removal from office is the responsibility of Associated British Foods Plc (ABF Plc). The Trustee Board consists of eight directors: five Company appointed including the Independent Chairperson and three member nominated Directors (MNT).

The Full Board of the Trustee met five times during the Scheme year. The Board has three subcommittees that deal with specific aspects of Trustee responsibility in greater detail, and which report to the Full Board. The number of subcommittee meetings held during the Scheme year (shown in brackets) and the Trustee Directors who were members of these subcommittees since the start of the Scheme year are:

Audit subcommittee (2):	James Rushton (chair) Giles Haig (resigned) Jonathan Willis (resigned) Will Reckitt (appointed)	Sarah Giffen Trevor Smith Clair McGairy (appointed) Kelly Brown (appointed)
Investment subcommittee (4):	James West (chair) Sarah Giffen Sir Guy Weston James Rushton	Paul Longley (retired) Giles Haig (resigned) Jonathan Willis (resigned) Clair McGairy (appointed)
Property subcommittee (2):	James West (chair) Sir Guy Weston James Rushton	Paul Lister Trevor Smith

Jonathan Willis resigned as a Trustee Director on 30 April 2024 and Paul Longley retired from the Trustee Board on 28 November 2024. Following the notice of retirement and resignation of two MNTs at the end of the year, a member nominated selection process commenced last year with an announcement being made to the relevant membership categories in November 2024. In addition, Giles Haig also resigned from the Trustee Board on 30 April 2025. Formal appointments by both the Company and the Trustee Board have been made with Kelly Brown being appointed on 20 February 2025, then Clair McGairy and Will Reckitt being appointed on 22 May 2025 in order to comply with the Company and MNT appointment requirements. An announcement regarding MNT appointments will be made to the membership by the end of Q3 2025.

Sir Guy Weston is a member of the Investment and Property subcommittees. Sir Guy Weston is not a Trustee Director but provides expertise to the subcommittees.

Administration

The Scheme is administered on behalf of the Trustee by the ABF Group Pensions Department, 50/51 Russell Square, London, WC1B 4JU. Any general enquiries about the Scheme or requests for information from members should be sent to this address, to pensions.admin@abfoods.com or called on 0207 636 8111.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

Principal and Participating Employers

The Principal Employer (the "Company") is Associated British Foods Plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY on behalf of the participating group companies. Additional participating employers are Fortnum and Mason Plc and Wittington Investments Ltd.

Membership changes

The membership of the Scheme at the beginning and end of the Scheme year and changes during the year are set out below.

Active Members	<u>DB Section</u>	<u>DC Section</u>
Active membership at 5 April 2024	919	23,941
Prior year adjustment	21	(4)
Add: New entrants during year	-	7,645
Less: Retirements	(95)	(288)
Leavers with deferred pension	(30)	(5,476)
Leavers awaiting option	(16)	(78)
Leavers with refunds of contributions	-	(1,226)
Transfers out to other Schemes	-	(64)
Deaths in service	-	(21)
No liability	-	(37)
Active membership at 5 April 2025	799	24,392
Pensioners		
Pensioners at 5 April 2024	14,300	-
Prior year adjustment	4	-
Add: New pensioners	446	-
Dependants' pensions	249	-
Less: Pensions ceasing	(720)	-
Pensioners at 5 April 2025	14,279	-
Deferred Pensioners		
Deferred Pensioners at 5 April 2024	5,794	39,530
Prior year adjustment	(16)	-
Add: New entrants during year	30	5,476
New entrants (pending status)	16	78
Reinstatements	-	141
Less: Refunds	-	(159)
Transfers out to other Schemes	(14)	(408)
Retirement	(351)	(352)
Deaths	(23)	(50)
No liability	-	(5)
Forfeiture of benefits	(25)	-
Deferred Pensioners at 5 April 2025	5,411	44,251

The opt outs are accounted for on a gross basis as recommended by the SORP.

Prior year adjustments relate to timing differences when reconciling the membership.

The no liability active members relate to auto-enrolment members who have opted out before any contributions have been deducted.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

Pension increases

In April 2024 pensions in excess of the Guaranteed Minimum Pension (GMP) accrued prior to January 2008 were increased by 5.0% for all pensioners who had been retired for one year or more. Pensions in excess of the GMP accrued after January 2008 were increased by 2.5%. Pensioners who had been retired for less than one year on the increase date received a proportion of the full increase. Post 88 GMP was increased by 3.0%. In April 2025 pensions were increased as described above with an increase rate of 3.5% on the pre January 2008 excess and 2.5% on the post 2008 element of pension. Post 88 GMP was increased by 1.7%. Deferred pensioners are protected against inflation by the application of government prescribed statutory revaluation orders measured over the period of deferment to retirement date. In accordance with the Rules of the Scheme the annual increase is applied for British Sugar Section pensioner members with effect from 1 April and for other pensioner members with effect from 6 April.

Deferred pensions have been increased in line with statutory requirements.

All increases were in accordance with the Trust Deed and Rules of the Scheme or legislative requirements. There were no discretionary increases awarded in the year.

Pension Protection Fund (PPF)

The PPF and Pensions Regulator levies paid by the Scheme for 2024/25 totalled £298,847 (2023/24: £293,985).

DC Administration and Investment platform

The administration of the Scheme is undertaken by the ABF Group Pensions Department.

Mobius Life are the DC and AVC investment platform provider.

Trust Deed and Rules

The Scheme is governed by the Trust Deed and Rules updated on 5 April 2016, and effective from 6 April 2016 with subsequent amendments. Copies of the Trust Deed and Rules may be obtained by writing to the Secretary to the Trustee, 50/51 Russell Square, London, WC1B 4JU.

There have been no changes to the Trust Deed and Rules during the year.

GMP equalisation

A High Court judgement in October 2018 ruled that pension schemes must equalise Guaranteed Minimum Pension (GMP) benefits for male and female members. A follow up High Court judgement in November 2020 extended the requirements to equalise GMP benefits to include previous members who had transferred benefits from the Scheme. The Trustee has consulted the Scheme Actuary and legal advisers to consider the implications of these judgements.

At the Trustee board meeting in March 2025 the Trustees agreed to use the conversion (D2) method to equalise GMPs. The legislation stipulates that the Trustee is required to obtain consent for this method of equalisation from the Scheme's sponsoring employer and consult with all affected members prior to conversion. ABF plc, as sponsoring employer, has replied to the written request from the Trustees formally consenting to GMP benefits within the Scheme being equalised using the conversion (D2) method. The consultation with members is underway and will be concluded before the next Trustee board meeting in September 2025.

The Scheme Actuary has undertaken preliminary benefit calculations using the conversion method. These calculations will likely result in an increase in the value of the technical provisions for the Scheme as a result of GMP equalisation. However, the cost of equalising GMP benefits will not be known until the calculations have been finalised. The amount is not expected to be material to the financial statements and the Trustee has therefore not included a liability in respect of GMP equalisation in these financial statements. They will be accounted for in the year they are determined as outlined in note 25 of the financial statements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

Actuarial valuation

The financial statements on pages 21 to 42 do not take into account obligations to pay pensions and other benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is considered by the Scheme Actuary who regularly reviews the obligations and reports to the Trustee. In addition to the regular reviews a full actuarial valuation is carried out every three years.

The most recent formal actuarial valuation carried out as at 5 April 2023 showed a funding level on an ongoing cautious basis of 138% (at 5 April 2020: 92%), with a past service surplus of £1,013m (at 5 April 2020, there was a deficit of £302m). Since the formal actuarial valuation, the funding position has improved further as at 5 April 2025.

A revised Schedule of Contributions was signed on 29 September 2023. As part of that schedule it was agreed that in the event that the Scheme is above 110% funded on the ongoing funding basis at each 5 April, then the Trustee and Employer may agree to a contribution abatement. This abatement would commence on 1 October each year for a period of 12 months and cover one or more of the following four elements of the Employer's contributions:

- Employer contributions in respect of future accrual of benefits in the Defined Benefit sections
- Employer contributions in respect of administration and other costs in the Defined Benefit and Defined Contribution sections
- Employer contributions in respect of Defined Contribution risk benefits
- Employer contributions in respect of future accrual of benefits in the Defined Contribution section

The Available Surplus (defined as one third of surplus assets above the 110% funding level) was £250m at 5 April 2023, £342m at 5 April 2024, and £327m at 5 April 2025. A contribution abatement (i.e. a contribution holiday) was therefore agreed for 2023/24, 2024/25 and 2025/26 covering all four elements of employer contributions listed above. The contribution abatement for the 6 months from 1 October 2023 to 5 April 2024 was £30m, for the year to 5 April 2025 it was £65m, and for the year to 5 April 2026 it is estimated to be £65m.

In practice this means that with effect from 1 October 2023 up to the end of the Scheme year:

- There are no DB or DC employer contributions.
- DC Employer contributions are replaced by a transfer of funds from the DB section surplus to ensure that all members have their full contribution entitlement invested in line with their agreed contribution rates prior to the abatement.
- Member benefits are not affected by the contribution abatement. All benefits continue to be calculated and settled in accordance with the Trust Deed and Rules.

If the Scheme had been discontinued at the valuation date there would have estimated to have been sufficient Scheme assets to buy out all the benefits with an insurance policy. The estimated wind-up funding level at the 5 April 2023 valuation date was 132% (at 5 April 2020: 73%). Again, this has improved significantly since the 2023 valuation date.

The Scheme's next formal actuarial valuation will be carried out as at 5 April 2026.

Report on Actuarial Liabilities

FRS102 requires a Report on Actuarial Liabilities to be provided alongside the financial statements. This has been included on page 46.

Actuarial certificate

The latest Certification of the Schedule of Contributions from the Actuary is on page 45.

Financial Statements

The financial statements for the year as set out on pages 21 to 42 have been prepared and audited in accordance with Section 41(1) and (6) of the Pensions Act 1995.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

Global Conflicts

The Trustee continues to monitor both the investment exposure and the impact on the employer covenant in respect of the ongoing global conflicts.

The Scheme had no material exposure to Ukrainian or Russian investments and the Scheme has not been impacted materially by the conflict.

Taskforce on Climate-Related Financial Disclosure (TCFD)

As the Pension Scheme has net assets of greater than £1bn, the Trustee is required to produce and publish a TCFD report for the year ended 5 April 2025. This can be found at www.abfpensions.com/media/ak5mduxm/abf-tcf-d-disclosures-2025-finalv2.pdf

Additional Voluntary Contribution (AVC) Arrangements

With effect from 1 April 2023, member AVC contributions ceased to be invested with the legacy AVC providers Clerical Medical, Standard Life, Phoenix Life and Prudential. All AVCs from 1 April 2023 are now invested in the funds available through the Mobius Life investment platform.

During the quarter to December 2024, following advice provided by the Scheme's investment advisors Mercer and a comprehensive communications exercise with the affected members, all AVCs invested with the legacy AVC providers were disinvested with the majority transferring to the DC investment arrangements on the Mobius Life investment platform. Where applicable, an additional payment was made by the Trustees to members' funds invested in the Mobius Life investment platform to compensate them for fees incurred during the transfer and the loss of any enhanced benefits provided by the legacy arrangements (including with profit guarantees, annual bonuses and guaranteed annuity rates). A handful of members had their AVCs withheld from being transferred to the DC investment platform as they wished to retire.

Virgin Media Ltd v NTL Pension Trustees

As reported last year, the High Court decided in the Virgin Media v NTL Pension Trustees judgement in June 2023 that rules of contracted-out pension schemes in respect of benefits could only be altered if certain requirements were met. In June 2024 the Court of Appeal upheld the High Court's decision. It confirmed that, based on the relevant legislation at the time, written actuarial confirmation was required for amendments to contracted-out schemes between 6 April 1997 and 5 April 2016. This applied to amendments to past or future service benefits.

In 2024, the Trustee commissioned a review of the historic scheme amendment documentation to check for appropriate evidence that the required actuarial confirmations were given in respect of the relevant deeds of amendment. The review concluded that there was evidence of the relevant actuarial confirmation having been provided in relation to all relevant deeds of amendment which changed contracted-out benefits over the relevant period.

On 5 June 2025, the UK Government announced that it would give pension schemes the ability to obtain retrospectively written actuarial confirmation that historic benefit changes met the necessary standards. While this Government proposal may prove helpful for many trustee boards, the review which the Trustee commissioned in 2024 had already concluded that there was no further action that the ABF Pension Trustee needed to take.

ASSOCIATED BRITISH FOODS PENSION SCHEME

COMPLIANCE STATEMENT

TAX STATUS

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

TRANSFER VALUES (DB Section)

All cash equivalent transfer values paid out of the Scheme are calculated and verified in accordance with the requirements of Section 97 of the Pension Schemes Act 1993.

The calculation of transfer values makes no allowance for discretionary increases to pensions once in payment, but takes account of the early retirement terms available for members by assuming that they retire, on average, at age 62½ (or, for those members who can retire with an unreduced pension from age 60, at age 57½).

SECURITY AND CONTROL

The security of the Scheme's investments is of the utmost importance to the Trustee, which has ensured that comprehensive controls are in place to protect the assets of the Scheme. The main features of the controls are:

- i) **Detailed Scrutiny** Representatives from all investment and property managers meet the Group Pensions Director/Secretary or Investment and Property subcommittees (as appropriate) at least once each year. In addition, the Secretary meets all managers quarterly to review the portfolio and identify any issues that need referring to the Trustee.
- ii) **External Custody** Northern Trust is the global custodian of the DB Section's securities and cash. The role of a custodian is to settle the day-to-day investment transactions made by the investment managers, collect investment income due to the Scheme and ensure the safe custody of the securities and cash. The internal controls report produced by the custodian is reviewed regularly. The records of the Scheme's securities and cash are regularly reconciled to the investment managers' statements.

The investment managers will not act on instructions from the Scheme unless those instructions are in writing and signed by two authorised signatories in accordance with the mandate approved by the Trustee Board. The Custodian will not act on instructions from the Scheme unless those instructions are executed via "Passport", the Custodian's online facility and approved by two authorised signatories.

The Title Deeds of properties owned by the DB Section are held by Mayer Brown International LLP, Katten Muchin Rosenman LLP and CMS Cameron McKenna Nabarro Olswang LLP.

Specific Rules

The Trustee has formal written agreements with the investment and property managers which include any investment restrictions placed upon them and which set out their terms of remuneration. The DB Section investment managers are not permitted to purchase shares in Associated British Foods Plc for the Scheme, nor may the Trustee or investment managers lend funds to Associated British Foods Plc or its subsidiaries. However, the Scheme may have exposure to shareholdings in those businesses through investment in pooled vehicles.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INVESTMENT REVIEW

Background

Over the past year, global financial markets experienced significant volatility driven by economic policy changes, geopolitical events, and advancements in technology. Early optimism spurred by artificial intelligence and stabilized economic conditions gave way to uncertainty amid US trade policies and fluctuating economic data.

Central banks 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.

Equities

Throughout the year, global equities experienced varied performance driven by different regional factors and economic conditions. In the second quarter, equities rose broadly despite the US Federal Reserve's shift away from imminent rate cuts, with AI enthusiasm leading the charge. US equities benefited significantly from optimism around AI, resulting in a 4.3% gain for the S&P 500. UK equities also gained ground, reaching all-time highs, while European equities remained flat due to political uncertainties and inflation concerns. Japanese and Emerging Market equities posted positive returns, with the latter outperforming due to strength in Asian markets.

In the third quarter, global equities continued their ascent, buoyed by a significant 0.50% interest rate cut from the Fed, positive US economic data, and substantial stimulus measures in China. This optimism was slightly dampened in the fourth quarter due to US election uncertainties and shifting policy expectations, but developed-market equities still managed modest gains. However, Emerging Market equities underperformed due to policy uncertainties in China and a sell-off in technology stocks in South Korea and Taiwan. In the first quarter of 2025, equities faced headwinds from US tariff policies and economic concerns, leading to declines in developed markets, while Emerging Markets remained resilient with moderate gains.

Bonds

Over the specified periods, bond markets experienced significant volatility influenced by fluctuating interest rate expectations and various geopolitical events. In the second quarter, government bond yields rose slightly as global interest rate cut expectations shifted, with the UK gilt yield increasing to 4.2%, the US Treasury yield rising to 4.4%, and the German Bund yield moving up to 2.5%. Corporate debt performed moderately in line with government bonds, with investment-grade corporates showing minimal returns and high-yield corporates providing slightly better performance.

In the third quarter, bond yields generally declined due to rate cuts across major economies, including a larger-than-usual 0.50% reduction by the US Federal Reserve. The 10-year UK gilt yield decreased to 4.0%, the US Treasury yield fell to 3.8%, and the German Bund yield dropped to 2.1%. Corporate debt outperformed government bonds during this period, with sterling-hedged global investment-grade and high-yield corporates returning 4.9% and 5.3%, respectively.

However, the fourth quarter saw bond yields rise again as a result of repricing interest rate expectations, following a series of central bank rate cuts. Despite the European Central Bank and Bank of England delivering further cuts, the UK gilt yield increased to 4.6%, the US Treasury yield rose to 4.6%, and the German Bund yield moved up to 2.3%. Corporate debt returns suffered due to these higher underlying yields, contributing to poorer performance compared to previous quarters.

In the first quarter of 2025, government bond yields exhibited mixed results amid ongoing rate cut cycles and fiscal policy changes in Europe. The UK gilt yield finished marginally higher at 4.7%, while the US Treasury yield decreased to 4.2%, and the German Bund yield increased to 2.7%. Credit spreads remained tight overall, leading to positive performances for sterling-hedged global investment-grade credit, which increased by 1.8%.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INVESTMENT REVIEW (continued)

UK Property

Transaction levels remained low as the higher cost of debt continued to impact prices.

Rental incomes, the primary driver of the Trustee's investment remained strong.

As reported last year, the Trustee has been reviewing its investment strategy which will see a reduction in the overall exposure to UK property. This reduction has commenced with a number of properties sold opportunistically over the year.

Investment disclosures for DB and DC sections

The Trustee's policy relating to rights attaching to the investments and the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments are disclosed in the Statement of Investment Principles (SIP) and Investment Implementation Policy Document (IIPD). The SIP is appended to this report. Further information about the Scheme's position on climate related matters is disclosed in the Task Force on Climate-related Financial Disclosures document which is available on the Scheme's website.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INVESTMENT REPORT - DB SECTION REVIEW

Investment management

The Trustee delegates the management of the assets to the professional external investment managers listed on page 3. The investment managers are remunerated by fees based on a percentage of the funds or property under management; and in some cases there are additional fees based on performance. Investment mandates are in place with the managers which implement the strategy agreed upon by the Trustee Directors which includes consultation with professional advisors.

At the end of the year, the Scheme had fifteen bond managers (which includes thirteen private debt managers, a segregated bond manager and a multi-asset credit manager), a liability-driven investment (LDI) manager, five managers with global equity mandates, and a currency hedging mandate. The property portfolio is managed in-house. The Investment subcommittee believes that in the current macro-economic environment, this investment structure remains appropriate for the Scheme.

The Trustee has undertaken a fundamental review of the Investment Strategy in consultation with the principal employer. The outcome was a decision to materially reduce risk in the portfolio, with reductions in allocations to equity, property and private debt, to be replaced by Government Gilts and Investment Grade Credit, which better match the Scheme's cash flow requirements. It is anticipated this transition will take 3-5 years due to the illiquid nature of the property and private debt allocations. As part of its transition, HIG, Artemis and Veritas were given notice of termination and since year end three new bond managers were appointed, namely Capital International Limited, Loomis Sayles Investments Limited and PGIM Limited. The Trustee has also increased the hedging levels on the liabilities to a target of c.90% for both interest rate and inflation sensitivities.

A strategic asset allocation policy is in place as shown in the table below together with the actual position at the Scheme year end. Asset allocations that fall outside the benchmark ranges at the end of a quarter are normally rebalanced during the following quarter.

Asset class	Actual	3-5 year target benchmark allocation as at 5 April 2025	3-5 year target benchmark allocation as at 15 May 2025
	%	%	%
Fixed interest and index-linked bond (including illiquid Credit)	66.8	74.0	75.4
Global equities mandates (which may include UK)	24.5	22.0	20.6
UK property	3.6		
Cash managed in-house	5.1	4.0	4.0
Total	100.0	100.0	100.0

Cash held by investment managers is categorised in the actual position.

The target benchmark allocation has been updated since year end. It is from the Statement of Investment Principles which was agreed at the May 2025 Investment Committee Meeting.

The portfolios are actively managed, which means that the manager is targeted to outperform specific Benchmarks by a specified amount. Bond managers may specifically hold cash as an asset in the portfolio and equity managers may also hold short term cash balances due to income and trading receipts. For assessing asset allocation such cash balances are included with the related asset class. Cash managed in-house, as shown in the table above, is cash held on bank deposit either awaiting investment or to cover short term funding requirements.

In accordance with section 35 of the Pension Act 1995, a SIP has been prepared by the Trustee which incorporates the investment strategy. A copy of the SIP is attached as an Appendix to this Report on page 47.

In accordance with the Rules of the Scheme and the agreements with each investment manager there has been no direct investment in the stocks of Associated British Foods Plc. Indirect investment in Associated British Foods Plc can arise through the Schroder QEP Global Active Value Fund: there was no such holding at 5 April 2025 (2024: nil).

Further details of the Scheme's investments are given in note 11 to the Financial Statements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT – DB SECTION REVIEW (continued)

Investment performance

The average yearly investment returns for the Scheme over one year, three and five years is shown in the table below with the relevant Scheme-specific benchmark for comparison. Performance is measured to 31 March 2025.

	Actual annual return	Benchmark annual return
Average annual overall investment return	%	%
Over the last Scheme year the investment return was:	-0.64	-2.07
Over 3 years the average return each year was:	-2.88	-0.03
Over 5 years the average return each year was:	4.35	4.22

Source: NT

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

Background to investment strategy

Scheme liabilities are sensitive to changes in both inflation and interest rates, which are not correlated with the underlying assets held in the Scheme. In 2007/08 the Trustee commenced a programme of entering into a series of swap (derivative) contracts with leading banks designed to hedge these liabilities, that is, to move the assets in line with the liabilities. The swap contracts are held with an LDI manager. In particular, the Trustee had been mindful of the historic low interest rates, and subsequent Gilt yields, that have been prevalent in recent years. As such the Trustee had for some time been positioning the fixed income assets to benefit solvency from future rises in rates. Having now seen rates rise significantly, the Trustee has been increasing its exposure to hedging instruments, as described above to secure recent solvency gains.

The Trustee has continued to monitor the underlying performance of the individual managers, being mindful of their investment styles and the wider macro environment.

Investment - AVCs

The Trustee holds members' AVC investments that are invested separately from the main investments. At the year end, members' AVCs are invested in money purchase-type arrangements in the Mobius Life investment platform. Members participating in AVC arrangements receive a statement confirming the amounts held in their account(s) made up to 5 April each year. Details of the AVC providers and the changes during the year are given in note 17 to the Financial Statements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INVESTMENT REPORT - DC SECTION REVIEW

Investment Strategy

The Trustee has chosen to entrust the investment administration of the DC Section to Mobius Life. All investments for the DC Section are held in insurance policies with Mobius Life.

The Trustee believes that the risks identified are best managed by, and best met by, a default arrangement of Target Date Funds which are linked to a target retirement age of 65 for each particular member and by offering members a range of self-select investment vehicles from which to choose. The current self-select range has been grouped into five asset classes as follows:

- Equities
- Bonds/cash
- Diversified growth
- Alternatives
- Environmental, Social and Governance (ESG)

The range of self-select funds offered in each asset class will be reviewed periodically and changed in response to market developments or member demand.

In addition to ensuring ESG issues are fundamental into all investment decisions with individual funds, there are a number of ESG specific options available to members.

Investment Management Structure

The Trustee has appointed AllianceBernstein as investment manager of the Target Date Funds.

All Target Date and self-select funds are administered on the Mobius Life investment platform.

Monitoring the investment manager and platform provider

The Trustee monitors the performance of the default and self-investment options selected by members on a regular basis. The Trustee also monitors the effectiveness of the investment platform provider. To assist the Trustee, the investment platform provider regularly supplies the Trustee with unit reconciliations and fund factsheets.

Investment Objective

Each Target Date Fund is designed and managed for an investor saving to retire in or around the years stated in the fund's name (the Target Date). AllianceBernstein's aim is to maximise, for a typical investor, their eventual retirement income whilst taking account of their decreasing capacity to afford losses as they approach and, possibly, go past the Target Date of Retirement. On retirement, the investor is assumed to use their built-up income from the options available when they retire. As such, it will progressively move from riskier, capital-growth orientated assets, such as equities and property, into lower risk, retirement income protection orientated assets, such as bonds, as it approaches and passes its Target Date. The manager seeks to ensure that the mix of assets continues to remain appropriate given the Target Date Fund's aim, and will also employ a dynamic asset allocation strategy which seeks to mitigate the effects of large market movements without detracting from long-term returns. The manager will manage the Target Date Funds such that for an individual investing over the whole term of each Target Date Fund, a real return (i.e. return above inflation) will be targeted, whilst managing risk as retirement approaches.

The Trustee regularly reviews the default strategy and the performance of the default funds against the aims and objectives set out in the Statement of Investment Principles. Following the review held on 7 March 2024, the Trustees concluded that all TDF vintages had performed well since inception net of fees. When considering the current economic environment however, the expected future performance of the current investment mix, and the risk/reward characteristics of the glidepath, the Trustee believe that the Target Default Funds will find it more difficult to meet their future objectives. The Trustee therefore conducted a detailed review of the membership profile to ensure the risk profile of the Target Date Funds remains appropriate and consider changes to the investment mix to improve the risk/reward characteristics of the glidepath. As a result, the Trustee decided to make the following changes, which were implemented during the year from 1st July 2024:

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT - DC SECTION REVIEW (continued)

1. The glidepath was amended such that the de-risking of the Target Date Funds' investment mix will be postponed and the level of risk at and beyond target date increased, to reflect pension savings typically being accessed via drawdown strategies.
2. A new investment class of private credit was introduced to improve the risk/reward characteristics of the glidepath.
3. The objective for the Target Date Funds was updated to provide a real return over the life of the glidepath, whilst managing risk as retirement approaches.

Further details of these changes are explained in the DC Chair's Statement.

Self Select Funds

In the prior year, following advice from the Scheme's investment advisors Mercer, the Trustee carried out a comprehensive review of the self-select funds that are made available to members to invest in, as an alternative to the default arrangement. The range of alternative funds at the time of review consisted of 77 funds, many of which had a very small number of members and/or very small value of contributions invested (over 99% of members have chosen to invest their pension savings in the Target Date Funds which have exceeded their original performance objective).

With consideration of the views of their investment advisor, Mercer, the Trustee decided to remove a number of funds where:

- The very small number of members and/or value of contributions invested in them does not justify the significant expense of governing and administering those funds, and/or;
- Taking into account recent performance and/or fees, compared to alternative investment options available through the Scheme, the funds are no longer delivering value for money.

Following a comprehensive communications exercise, any members with investments held in the closed funds had their funds transferred in September 2024 to either the default arrangement or if requested, alternative self-select funds.

In addition, the Trustee considered where there is a need to provide a particular type of fund that is either not currently available through the Scheme or a better alternative is available. As a result, four new funds were introduced.

Further details of these changes are explained in the DC Chair's Statement.

ASSOCIATED BRITISH FOODS PENSION SCHEME

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT - DC SECTION REVIEW (continued)

The returns of the Target Dated Funds which represent the majority of the DC assets as at 31 March 2025 were:

Mobius Life Fund Name	£	Inception Date	3 Months		12 Months		Since Inception (annualised)	
			Net	Benchmark	Net	Benchmark	Net	Benchmark
AB Retirement Fund 2011-2013 (ABF)	181,851.41	30/09/2012	-0.84%	0.91%	3.37%	3.66%	3.79%	3.84%
AB Retirement Fund 2014-2016 (ABF)	447,926.39	30/09/2012	-0.86%	0.91%	3.20%	3.66%	4.16%	3.84%
AB Retirement Fund 2017-2019 (ABF)	4,386,097.38	30/09/2012	-0.80%	0.91%	3.21%	3.78%	4.88%	4.32%
AB Retirement Fund 2020-2022 (ABF)	9,167,528.59	30/09/2012	-0.83%	0.91%	3.19%	3.85%	5.49%	4.56%
AB Retirement Fund 2023-2025 (ABF)	23,063,637.97	30/09/2012	-0.98%	0.91%	3.08%	3.91%	6.06%	4.80%
AB Retirement Fund 2026-2028 (ABF)	50,282,805.18	30/09/2012	-1.30%	0.91%	2.96%	4.04%	6.71%	5.28%
AB Retirement Fund 2029-2031 (ABF)	69,338,171.77	30/09/2012	-1.58%	1.16%	3.07%	4.93%	7.14%	5.83%
AB Retirement Fund 2032-2034 (ABF)	81,560,748.99	30/09/2012	-2.00%	1.16%	3.42%	5.06%	7.66%	6.31%
AB Retirement Fund 2035-2037 (ABF)	114,738,381.47	30/09/2012	-2.44%	1.16%	4.33%	5.19%	8.24%	6.79%
AB Retirement Fund 2038-2040 (ABF)	112,867,847.66	30/09/2012	-2.82%	1.16%	5.85%	5.19%	8.89%	6.79%
AB Retirement Fund 2041-2043 (ABF)	111,001,431.53	30/09/2012	-3.29%	1.41%	6.28%	5.96%	9.52%	6.85%
AB Retirement Fund 2044-2046 (ABF)	107,561,442.16	30/09/2012	-3.74%	1.41%	6.33%	5.96%	9.74%	6.85%
AB Retirement Fund 2047-2049 (ABF)	104,242,600.27	30/09/2012	-3.97%	1.41%	6.21%	5.96%	9.74%	6.85%
AB Retirement Fund 2050-2052 (ABF)	92,759,576.82	30/09/2012	-3.97%	1.41%	6.21%	5.96%	9.74%	6.85%
AB Retirement Fund 2053-2055 (ABF)	83,381,637.97	30/09/2012	-3.97%	1.41%	6.21%	5.96%	9.74%	6.85%
AB Retirement Fund 2056-2058 (ABF)	60,118,360.03	30/09/2012	-3.97%	1.41%	6.21%	5.96%	9.74%	6.85%
AB Retirement Fund 2059-2061 (ABF)	34,740,078.08	30/09/2012	-3.97%	1.41%	6.21%	5.96%	9.74%	6.85%
AB Retirement Fund 2062-2064 (ABF)	17,817,956.45	31/10/2012	-3.97%	1.41%	6.21%	5.96%	9.80%	6.83%
AB Retirement Fund 2065-2067 (ABF)	5,860,227.36	28/02/2013	-3.97%	1.41%	6.22%	5.96%	8.93%	6.84%
AB Retirement Fund 2068-2070 (ABF)	599,795.28	28/02/2013	-3.97%	1.41%	6.22%	5.96%	8.93%	6.84%
AB Retirement Fund 2071-2073 (ABF)	88,955.69	28/02/2013	-3.98%	1.41%	6.22%	5.96%	9.03%	6.84%
AB Retirement Fund 2074-2076 (ABF)	0.00	31/12/2024	-3.94%	1.41%			-3.94%	1.41%

Returns are as at 31 March 2025 as this is the closest available date to 5 April 2025.

All Target Date Fund performance is net of fees at 0.18% per annum annual management charge plus additional fund expenses.

The benchmark is CPI plus the outperformance expectation set at the point of inception of the TDF funds.

As funds approach their target date their performance will more closely match the performance of annuities + cash, reflecting the fund manager's investment objectives. For this reason, the performance of annuities and cash is a more appropriate benchmark for funds within 10 years of their target date.

Signed for and on behalf of Associated British Foods Pension Trustees Limited

[Redacted Signature]

12TH SEPTEMBER 2025

[Redacted Signature]

12TH SEPTEMBER 2025
Director

ASSOCIATED BRITISH FOODS PENSION SCHEME

STATEMENT OF TRUSTEE RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME

Opinion

We have audited the financial statements of the Associated British Foods Pension Scheme for the year ended 5 April 2025 which comprise the Fund Account, the Statement of Net Assets available for benefits and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of 12 months from when the Scheme's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements, our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME (continued)

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 17, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with the Trustee.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant related to pensions legislation and the financial reporting framework. These are the Pensions Act 1995 and 2004 (and regulations made thereunder), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (Financial Reports of Pension Schemes). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.
- We understood how the Scheme is complying with these legal and regulatory frameworks by making enquiries of the Trustee. We corroborated our enquiries through our review of the Trustee's meeting minutes.
- We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Scheme has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. In our assessment, we also considered the risk of management override of controls. Our audit procedures included verifying cash balances and investment balances to independent confirmations, testing manual journals on a sample basis and also those journals where there is an increased risk of override, and an assessment of segregation of duties. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the Trustee for its awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of Trustee's minutes.
- The Scheme is required to comply with UK pensions regulations. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Scheme with these regulations as part of our audit procedures.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP

Statutory Auditor

Reading

Date: 19 SEPTEMBER 2025

ASSOCIATED BRITISH FOODS PENSION SCHEME

FUND ACCOUNT

For the year ended 5 April 2025

		DB 2025 £000s	DC 2025 £000s	Total 2025 £000s	DB 2024 £000s	DC 2024 £000s	Total 2024 £000s
	Notes						
Contributions and Benefits							
Employer contributions		-	-	-	14,825	20,377	35,202
Employee contributions		4,767	46,007	50,774	5,124	40,107	45,231
Total contributions	3	4,767	46,007	50,774	19,949	60,484	80,433
Transfers in	4	12	2,286	2,298	9	2,113	2,122
		4,779	48,293	53,072	19,958	62,597	82,555
Benefits paid and payable	5	(128,502)	(18,389)	(146,891)	(126,628)	(12,458)	(139,086)
Payments to and on account of leavers	6	(1,573)	(34,904)	(36,477)	(3,803)	(29,057)	(32,860)
Administrative expenses	7	(6,992)	-	(6,992)	(8,815)	-	(8,815)
		(137,067)	(53,293)	(190,360)	(139,246)	(41,515)	(180,761)
Net (withdrawals) / additions from dealing with members		(132,288)	(5,000)	(137,288)	(119,288)	21,082	(98,206)
Returns on investments							
Investment income	8	154,142	-	154,142	142,649	-	142,649
Taxation	9	(891)	-	(891)	(1,065)	-	(1,065)
Investment management expenses	10	(21,451)	-	(21,451)	(16,781)	-	(16,781)
Change in market value of investments	11	(180,016)	31,634	(148,382)	74,980	127,452	202,432
Net returns on investments		(48,216)	31,634	(16,582)	199,783	127,452	327,235
Net (decrease) / increase during the year		(180,504)	26,634	(153,870)	80,495	148,534	229,029
Net assets of the Scheme at the beginning of the year		3,718,421	1,032,728	4,751,149	3,658,539	863,581	4,522,120
Transfers between sections		(48,312)	48,312	-	(20,613)	20,613	-
Net assets of the Scheme at the end of the year		<u>3,489,605</u>	<u>1,107,674</u>	<u>4,597,279</u>	<u>3,718,421</u>	<u>1,032,728</u>	<u>4,751,149</u>

Transfers between sections are further detailed in note 28 on page 42.

The notes on pages 23 to 42 form part of these financial statements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

At 5 April 2025

		DB	DC	Total	DB	DC	Total
		2025	2025	2025	2024	2024	2024
	Note	£000s	£000s	£000s	£000s	£000s	£000s
Investment assets:							
Equities	11	642,943	-	642,943	759,594	-	759,594
Bonds	11	2,126,467	-	2,126,467	1,996,456	-	1,996,456
Pooled investment vehicles	12	1,329,163	1,106,149	2,435,312	1,345,947	1,032,054	2,378,001
Derivatives	15	374,693	-	374,693	460,103	-	460,103
Properties	19	125,192	-	125,192	287,689	-	287,689
AVC investments	17	11,651	-	11,651	10,793	-	10,793
Cash		277,517	-	277,517	141,733	-	141,733
Other investment balances	13	100,696	-	100,696	120,340	-	120,340
Amounts receivable under reverse repurchase agreements		132,820	-	132,820	240,946	-	240,946
		<u>5,121,142</u>	<u>1,106,149</u>	<u>6,227,291</u>	<u>5,363,601</u>	<u>1,032,054</u>	<u>6,395,655</u>
Investment liabilities:							
Derivatives	15	(279,786)	-	(279,786)	(344,397)	-	(344,397)
Other investment balances	14	(117,194)	-	(117,194)	(94,718)	-	(94,718)
Amounts due under repurchase agreements		(1,236,539)	-	(1,236,539)	(1,205,712)	-	(1,205,712)
		<u>(1,633,519)</u>	<u>-</u>	<u>(1,633,519)</u>	<u>(1,644,827)</u>	<u>-</u>	<u>(1,644,827)</u>
Total net investments	11	<u>3,487,623</u>	<u>1,106,149</u>	<u>4,593,772</u>	<u>3,718,774</u>	<u>1,032,054</u>	<u>4,750,828</u>
Current assets	21	18,346	2,085	20,431	19,383	2,508	21,891
Current liabilities	22	(16,364)	(560)	(16,924)	(19,736)	(1,834)	(21,570)
Net assets of the Scheme at the end of the year		<u><u>3,489,605</u></u>	<u><u>1,107,674</u></u>	<u><u>4,597,279</u></u>	<u><u>3,718,421</u></u>	<u><u>1,032,728</u></u>	<u><u>4,751,149</u></u>

The notes on pages 23 to 42 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and other benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on page 46 of the annual report and these financial statements should be read in conjunction with this Report.

Signed for and on behalf of the Associated British Foods Pension Trustees Limited


Director
12TH SEPTEMBER 2025


Director
12TH SEPTEMBER 2025

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Financial Reports of Pension Schemes) (SORP) (Revised 2018).

The Scheme has been established as a Trust under English Law.

The Scheme's functional and presentation currency is pounds Sterling.

2. Accounting policies

Valuation of investments

- i) Investments are included at fair value.
- ii) UK and foreign securities quoted on a recognised exchange are included in the Statement of Net Assets at their bid price or official closing prices at the Scheme year end.
- iii) Accrued interest is excluded from the market values of fixed interest and index-linked securities (which are thereby stated at "clean bid" prices).
- iv) Unquoted securities are included at fair value estimated by the Trustee based on professional advice.
- v) Pooled investment vehicles are stated at bid price for funds with bid/offer spreads. The Scheme's pooled investment vehicles are not traded on an active market. Where there are no bid/offer spreads offered by the fund manager the single price or Net Asset Value of the investment is quoted by the fund manager.
- vi) Private debt funds are stated at the latest available cashflow adjusted valuations prepared in accordance with International Private Equity and Venture Capital ('IPEV') Guidelines.
- vii) Properties are included at open market value at the Scheme year end. The properties are revalued annually at 31 March in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards and the Practice Statement contained therein by CB Richard Ellis Limited, an independent qualified firm of chartered surveyors. The Trustee considers that the valuation at 31 March is an acceptable estimate of the open market value at the Scheme year end.
- viii) Derivatives are stated at fair value. Exchange traded derivatives are stated at fair values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices. Over the counter (OTC) derivatives are stated at fair value using pricing models and relevant market data at 5 April. Forward foreign exchange contracts are valued at the difference between the contract price and the price that would be required to close the contract at 5 April. All gains and losses arising on derivative contracts are reported within "change in market value".
- ix) Where a fund manager enters into a repurchase "repo" contract i.e. they have agreed to sell a security and agreed to repurchase at an agreed price/date sometime in the future, the obligation to repurchase the security is recognised in the financial statements by recognising the security within investments and the obligation to repurchase the security within investment liabilities. Where synthetic repurchase agreements are used the cash received is recognised and the obligation to settle is recognised in investment liabilities.

With reverse repurchase agreements, securities received as collateral are not recognised in the financial statements, cash delivered to the counterparty is recognised as a receivable in the financial statements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Accounting policies (continued)

- x) Swap collateral is pledged to and received from counterparty banks. Collateral pledged is accounted for within the net assets of the Scheme, whereas collateral received does not form part of the Scheme net assets, as referred to in note 16 on page 31.
- xi) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investment income

- i) Dividends from quoted securities are accounted for when the security is declared ex-dividend.
- ii) Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds.
- iii) Receipts or payments under swap contracts which represent the difference between swapped cash flows, are included in investment income.
- iv) Rents are earned in accordance with the terms of the lease.
- v) Interest is accrued on a daily basis up to the Scheme year end or the 31 March.
- vi) Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.
- vii) In general, investment income is accounted for on an accruals basis for the Pooled Investment Vehicles. It is not distributed but reinvested within the Pooled Investment Vehicles and so reflected in the unit price and accordingly within the change in market value of the investments. The exceptions are:
 - i. the Scheme's investments in Mercury Unquoted Security Trust where distributions of income are made from time to time. Such distributions are treated as dividends and are accounted for on an accruals basis when the distribution is declared.
 - ii. the Scheme invests in a property unit trust which distributes rental income and management fee rebates from time to time, which is accounted for on an accruals basis at the point when the rebate is notified.
 - iii. the Scheme holds various private debt funds which distribute income. This is accounted for on an accruals basis when the distribution is declared.

Foreign currencies

Items denominated in foreign currencies are translated at the rate ruling at the Scheme year end. Transactions executed in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Contributions

- i) Employer normal and employer other contributions are accounted for as at the pay period to which they relate. With effect from 1 October 2023 the Trustee and employer agreed to a contribution abatement as disclosed on page 7 of the Trustee report. As a result, no employer contributions are paid to the Scheme whilst the funding level remains above 110%.
- ii) Employer augmentation contributions are accounted for in accordance with the agreement under which they are paid.
- iii) In respect of DB normal contributions, the employer made a payment each month in excess of the total contributions deducted from members' pay, and this payment was accounted for on receipt. A running record is kept of the contributions surplus and this is accounted for as prepaid contributions and disclosed in note 22.
- iv) In respect of DB member contributions including AVCs, members' actual contributions are recorded as at the date of deduction from pay. For DC member contributions including AVCs, they are accounted for as at the pay period to which they relate.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

Expenses

- i) Expenses are accounted for on an accruals basis.

2. Accounting policies (continued)

Payments to or on behalf of members

- i) Benefits, and any associated tax liabilities, are accounted for in the period in which they fall due. Where the member has a choice, benefits are accounted for at the date at which the member notifies the Trustee of his/her decision on the type or amount of benefits to be taken, or if there is no member choice, on the date of retirement or leaving.
- ii) Opt outs are accounted for when the Scheme is notified of the opt out.
- iii) Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged, which is normally when the transfer amount is received or paid.

3. Contributions receivable

Employer contributions

Employer - normal

Employer - augmentation

Employer - other

DB 2025 £000s	DC 2025 £000s	Total 2025 £000s	DB 2024 £000s	DC 2024 £000s	Total 2024 £000s
-	-	-	7,816	20,357	28,173
-	-	-	363	20	383
-	-	-	6,646	-	6,646
-	-	-	14,825	20,377	35,202

Employee contributions

Member - normal

Member - AVCs

3,759	40,165	43,924	4,033	35,897	39,930
1,008	5,842	6,850	1,091	4,210	5,301
4,767	46,007	50,774	5,124	40,107	45,231
4,767	46,007	50,774	19,949	60,484	80,433

Up to 30 September 2023, the employer paid other DB contributions to cover the Scheme's payments in respect of DC Section administrative expenses, the Pension Protection Fund levy and to fund life cover for members of the DC Section. As per page 7, a contribution abatement was put in place from 1 October 2023. This abatement is outlined in the Schedule of Contributions and is subject to certain funding triggers, which will cause the abatement to be ceased if they are no longer met.

As disclosed on page 7, with effect from 1 October 2023 there were no further employer contributions paid for the DB and DC sections. From 1 October 2023 additional transfers took place from the DB Section to the DC Section in order to replace the value of DC employer contributions which ceased as part of the contribution abatement.

4. Transfers in

Individual transfers in

12	2,286	2,298	9	2,113	2,122
-----------	--------------	--------------	----------	--------------	--------------

The transfers into the DB Section relate to members transferring their Final salary AVCs into the AVC arrangements within the Scheme.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

	DB 2025 £000s	DC 2025 £000s	Total 2025 £000s	DB 2024 £000s	DC 2024 £000s	Total 2024 £000s
5. Benefits paid and payable						
Pensions	112,142	-	112,142	107,821	-	107,821
Commutation of pensions and lump sum retirement benefits	15,507	10,199	25,706	17,419	7,621	25,040
Purchase of annuities	-	4,881	4,881	-	2,604	2,604
Lump sum death benefits	710	3,167	3,877	1,005	2,080	3,085
Taxation where lifetime or annual allowance exceeded	143	142	285	383	153	536
	128,502	18,389	146,891	126,628	12,458	139,086
6. Payments to and on account of leavers						
Refunds to members leaving service	-	25	25	-	20	20
Opt outs	-	45	45	-	92	92
Individual transfers to other schemes	764	34,569	35,333	2,802	28,467	31,269
Transfers of pension credit on divorce	809	265	1,074	1,001	478	1,479
	1,573	34,904	36,477	3,803	29,057	32,860
7. Administrative expenses						
Administration and processing	6,170	-	6,170	4,629	-	4,629
Actuarial fees	283	-	283	575	-	575
Audit fees	165	-	165	149	-	149
Legal and other professional fees	127	-	127	3,231	-	3,231
Pension Protection Fund Levies	299	-	299	294	-	294
Recovery of expenses	(52)	-	(52)	(63)	-	(63)
	6,992	-	6,992	8,815	-	8,815
All administrative expenses for the DC Section are borne by the DB Section.						
The decrease in legal and professional fees from 2024 to 2025 is in respect of the reimbursement of project costs paid to suppliers.						
Recovery of expenses relates to member charges on divorce and transfer out calculations and reimbursement of costs for administrative tasks undertaken for other group schemes as detailed in note 24 on page 40.						
8. Investment income						
Income and dividends from:						
bonds	82,106	-	82,106	74,012	-	74,012
equities	19,264	-	19,264	24,613	-	24,613
pooled investment vehicles	58,827	-	58,827	68,576	-	68,576
repurchase agreements	(48,220)	-	(48,220)	(42,398)	-	(42,398)
derivatives	19,946	-	19,946	(2,685)	-	(2,685)
Net rent from properties	12,210	-	12,210	17,090	-	17,090
Interest on cash deposits	61	-	61	65	-	65
Other income	9,948	-	9,948	3,376	-	3,376
	154,142	-	154,142	142,649	-	142,649

The increase in other income for 2025 principally relates to Cash and Cash Equivalents.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. The tax charge in the Fund Account represents irrecoverable withholding taxes arising on investment income.

10. Investment management expenses

Administration, management and custody	18,552	-	18,552	15,495	-	15,495
Performance measurement services	93	-	93	99	-	99
Other advisory fees	2,806	-	2,806	1,187	-	1,187
	21,451	-	21,451	16,781	-	16,781

Administration, management and custody fees have increased in 2025 due to higher performance related fees.

11. Reconciliation of investments

	Note	Value at 6 Apr 2024 £000s	Purchase at cost and derivative payments £000s	Sales proceeds and derivative receipts £000s	Change in market value £000s	Value at 5 Apr 2025 £000s
<u>DB Section</u>						
Bonds		1,996,456	977,392	(765,099)	(82,282)	2,126,467
Equities		759,594	370,108	(447,128)	(39,631)	642,943
Pooled investment vehicles	12	1,345,947	356,076	(365,279)	(7,581)	1,329,163
Derivative contracts	15	115,706	115,485	(96,622)	(39,662)	94,907
Property		287,689	60	(161,359)	(1,198)	125,192
AVC investments	17	10,793	5,813	(5,467)	512	11,651
		4,516,185	1,824,934	(1,840,954)	(169,842)	4,330,323
Cash		141,733			(9,800)	277,517
Other investment balances		25,622			(374)	(16,498)
Repurchase agreements		(964,766)				(1,103,719)
		3,718,774			(180,016)	3,487,623

The value of securities sold under repurchase agreements was £870.5m (2024 £526.6m).

DC Section

Pooled investment vehicles	12	1,032,054	108,801	(66,340)	31,634	1,106,149
----------------------------	----	------------------	----------------	-----------------	---------------	------------------

DC Section investments are all allocated to members.

DC Section investments are allocated to provide benefits to individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee and the Scheme administrator allocates investment units to members.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

Transaction Costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds. Direct transaction costs include costs charge to the Scheme such as fees, commission and stamp duty.

Transaction costs analysed by main asset class and type of cost are as follows:

	Fees & Taxes	Commission	2025	2024
	£000s	£000s	Total	Total
			£000s	£000s
Equities	280	275	555	540
Pooled Funds	-	-	-	1
Derivatives	51	-	51	20
	<u>331</u>	<u>275</u>	<u>606</u>	<u>561</u>
2024	<u>271</u>	<u>290</u>	<u>-</u>	<u>561</u>

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

	2025	2024
	£000s	£000s
12. Details of pooled investment assets held at year end		
DB Section		
Equity Funds	167,008	191,270
Overseas Hedge Fund	41	42
Private debt	856,407	942,708
Multi Asset Credit	<u>305,707</u>	<u>211,927</u>
	<u>1,329,163</u>	<u>1,345,947</u>
DC Section		
The underlying assets within the Target dated funds were:		
Equity funds	931,215	911,359
Bond funds	<u>163,273</u>	<u>99,083</u>
	<u>1,094,488</u>	<u>1,010,442</u>
The self-select funds available to members are invested in similar asset classes.		
The value of these funds are as follows		
Tier 2 – 4 Self select funds	<u>11,661</u>	<u>21,612</u>
	<u>1,106,149</u>	<u>1,032,054</u>
13. Details of other investment balances - assets		
DB Section		
Pending trades	85,786	87,401
Cash collateral	8,750	14,439
Outstanding dividends and recoverable withholding tax	<u>6,160</u>	<u>18,500</u>
	<u>100,696</u>	<u>120,340</u>
14. Details of other investment balances - liabilities		
DB Section		
Pending trades	116,625	94,718
Cash collateral	<u>569</u>	<u>-</u>
	<u>117,194</u>	<u>94,718</u>
Total other investment balances.	<u>(16,498)</u>	<u>25,622</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Derivatives

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as follows:

Options – the Trustee’s aim is to match as far as possible the Liability Driven Investment (LDI) portfolio and the Scheme’s long term liabilities, in particular in relation to their sensitivities to market prices. The Trustee has entered into OTC options that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme.

Swaps – the Trustee’s aim is to match as far as possible the Liability Driven Investment (LDI) portfolio and the Scheme’s long term liabilities, in particular in relation to their sensitivities to interest rate movements. The Trustee had entered into OTC interest rate swaps that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme.

Forward FX – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in GBP, a currency hedging programme, using forward FX contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

	Net asset / (liability) £000s	Derivative asset £000s	Derivative liability £000s
2025			
Options	4,947	4,947	-
Swaps	79,032	349,951	(270,919)
Forward FX	10,928	19,795	(8,867)
As at 5 April 2025	<u>94,907</u>	<u>374,693</u>	<u>(279,786)</u>

	Net asset / (liability) £000s	Derivative asset £000s	Derivative liability £000s
2024			
Options	2,316	2,316	-
Swaps	118,709	456,819	(338,110)
Forward FX	(5,319)	968	(6,287)
As at 5 April 2023	<u>115,706</u>	<u>460,103</u>	<u>(344,397)</u>

	Notional Principal £000s	Aggregate Asset £000s	Aggregate Liability £000s
Options			
Options Equity - Overseas	-	4,947	-
As at 5 April 2025	-	<u>4,947</u>	<u>-</u>
As at 5 April 2024	2	<u>2,316</u>	<u>-</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Derivatives (continued)

Swaps Type of contract	Expires	Notional principal £000s	Aggregate Asset £000s	Aggregate Liability £000s
Interest Rate Swaps	2025-2074	2,093,132	243,747	(222,177)
Inflation Swaps	2025-2071	1,422,032	98,390	(41,216)
Other Swaps	2034-2034	28,686	7,814	(7,526)
As at 5 April 2025			<u>349,951</u>	<u>(270,919)</u>
As at 5 April 2024			<u>456,819</u>	<u>(338,110)</u>

Forward FX

Number of contracts	Currency Bought	Currency Sold	Aggregate asset £000s	Aggregate liability £000s
12	EUR 6,678	USD (7,065)	213	-
9	GBP 411,406	EUR (489,868)	-	(6,095)
1	GBP 6,762	JPY (1,265,863)	-	(4)
10	GBP 17,053	OTHER (23,270)	231	(249)
13	GBP 802,373	USD (1,013,973)	19,075	(382)
1	JPY 73,119	GBP (382)	9	-
8	OTHER 11,489	GBP (3,101)	28	(51)
17	USD 42,117	EUR (39,080)	89	(805)
10	USD 71,577	GBP (56,453)	150	(1,281)
As at 5 April 2025	<u>1,442,574</u>	<u>(2,899,055)</u>	<u>19,795</u>	<u>(8,867)</u>
As at 5 April 2024			<u>968</u>	<u>(6,287)</u>

Forward FX and Interest Rate Swaps derivatives are being used to generate additional return by exploiting short term pricing differences, by obtaining exposure to specific markets without having to purchase specific investments or to eliminate short term risk. Inflation Swap and Interest Rate Swap derivatives are being used to provide the Scheme with longer term protection against changes in inflation and interest rates that are not correlated with the underlying assets held in the Scheme.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Collateral	2025	2024
	£000s	£000s
Cash Collateral		
Collateral provided to counterparties but remaining within the net assets of the Scheme:		
Cash	10,132	14,901
UK Gilts	20,841	59,315
	<u>30,973</u>	<u>74,216</u>
Collateral received from counterparties which does not form part of the net assets of the Scheme:		
Cash	40,172	80,462
UK Gilts	72,959	103,192
	<u>113,131</u>	<u>183,654</u>
	2025	2024
	£000s	£000s
Repurchase Agreement Collateral		
Collateral provided to counterparties but remaining within the net assets of the Scheme:		
Cash	-	1,242
UK Gilts	51,478	4,330
	<u>51,478</u>	<u>5,572</u>
Collateral received from counterparties which does not form part of the net assets of the Scheme:		
Cash	694	-
UK Gilts	1,068	9,780
	<u>1,762</u>	<u>9,780</u>
	2025	2024
	£000s	£000s
17. DB section AVC investments		
Mobius Life	11,651	6,214
Phoenix Life (including ReAssure)	-	5
Clerical Medical Investment Group	-	1,291
Prudential	-	84
Standard Life Assurance Company	-	3,199
	<u>11,651</u>	<u>10,793</u>

The Trustee holds DB members' AVC investments which are invested in money purchase type arrangements with the above companies and which are separate from the main fund.

AVC investments for DC members are invested with the main DC investments of which £27.4m relate to AVCs (2024: £24.2m).

As disclosed on page 8, all investments with the legacy AVC Providers were disinvested in the quarter to December 2024. The majority of which were reinvested in the Mobius Life Platform, with the balance being retained due to members retiring.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Fair value determination

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been included at fair value using the above hierarchy categories as follows:

	Level 1	Level 2	Level 3	Total
	£000s	£000s	£000s	£000s
As at 5 April 2025				
DB Section				
Bonds	5,457	2,102,164	18,846	2,126,467
Equities	624,084	2,942	15,917	642,943
Pooled investment vehicles	-	156,702	1,172,461	1,329,163
Property	-	-	125,192	125,192
Derivatives	4,947	89,960	-	94,907
AVC investments	-	-	11,651	11,651
Cash	276,720	-	797	277,517
Repurchase agreements	-	(1,103,719)	-	(1,103,719)
Other investment balances	15,365	(31,870)	7	(16,498)
	<u>926,573</u>	<u>1,216,179</u>	<u>1,344,871</u>	<u>3,487,623</u>
DC Section				
Pooled investment vehicles	-	1,106,149	-	1,106,149
Total	<u>926,573</u>	<u>2,322,328</u>	<u>1,344,871</u>	<u>4,593,772</u>
	Level 1	Level 2	Level 3	Total
	£000s	£000s	£000s	£000s
As at 5 April 2024				
DB Section				
Bonds	-	1,994,936	1,520	1,996,456
Equities	730,335	15,388	13,871	759,594
Pooled investment vehicles	2,128	189,185	1,154,634	1,345,947
Property	-	-	287,689	287,689
Derivatives	2,315	113,391	-	115,706
AVC investments	-	-	10,793	10,793
Cash	120,078	19,126	2,529	141,733
Repurchase agreements	-	(964,766)	-	(964,766)
Other investment balances	20,636	4,975	11	25,622
	<u>875,492</u>	<u>1,372,235</u>	<u>1,471,047</u>	<u>3,718,774</u>
DC Section				
Pooled investment vehicles	-	1,032,054	-	1,032,054
Total	<u>875,492</u>	<u>2,404,289</u>	<u>1,471,047</u>	<u>4,750,828</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Property

At the year end the Scheme holds direct property with a value of £125.2m (2024: £287.7m).

The reduction in the value of properties reflects the Trustee's investment strategy as disclosed on page 11. During the year, the Trustee has sold fourteen properties totalling £161.4m. This has reduced the Property Portfolio allocation from 7.76% to 3.61% at the year end.

Since the year end, the Trustee has sold 4 properties with a value of £59.0m.

20. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after consulting with professional advisers. The Scheme has exposure to these risks because of the investments it makes in its investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio. Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks (continued)

Defined Benefit Section (DB Section)

(i) Investment strategy

The investment objective of the DB Section is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the DB Section payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy for the DB Section taking into account considerations such as strength of the employer covenant, the long term liabilities of the DB Section and the funding agreement with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP) attached to the report.

The current strategy as agreed by the Trustee in May 2025 is to hold:

- 75.40% in investments that move in line with the long term liabilities of the DB Section. This is referred to as LDI and comprises UK and overseas government and corporate bonds, repurchase agreements and interest rate swaps, the purpose of which is to hedge against the impact interest rate movement on long term liabilities.
- 20.60% in return seeking investments comprising UK and overseas equities, equities futures, investment property, hedge funds and private debt.
- 4.00% in cash held in UK and overseas currencies.

To protect the overseas investments a currency hedge strategy has been established thereby minimising foreign exchange risk.

(ii) Credit risk

The DB Section is subject to credit risk because the Trustee elects to invest in bonds, OTC derivatives, has cash balances and enters into repurchase agreements. The DB Section also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The DB Section is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles excluding Equity and Hedge Funds.

	Investment grade	Non-investment grade	Unrated	Total
2025	£000s	£000s	£000s	£000s
Bonds	1,786,460	248,016	91,991	2,126,467
OTC Derivatives	-	-	94,907	94,907
Cash	-	-	277,517	277,517
Repurchase agreements	-	-	(1,103,719)	(1,103,719)
Pooled Funds ¹	-	-	1,329,163	1,329,163
	1,786,460	248,016	689,859	2,724,335

	Investment grade	Non-investment grade	Unrated	Total
2024	£000s	£000s	£000s	£000s
Bonds	1,653,475	264,339	78,642	1,996,456
OTC Derivatives	-	-	115,706	115,706
Cash	-	-	141,733	141,733
Repurchase agreements	-	-	(964,766)	(964,766)
Pooled Funds ¹	-	-	1,345,947	1,345,947
	1,653,475	264,339	717,262	2,635,076

¹Due to their Structure, Pooled Funds are classed as unrated, however the investments held within them will be a combination of investment grade and non-investment grade.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks (continued)

Defined Benefit Section (DB Section) (continued)

(ii) Credit risk (continued)

Credit risk arising on bonds held directly is mitigated by predominantly investing in government bonds where credit risk is minimal, or corporate bonds which are rated at least investment grade. Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated. This is the position as at the year end.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter. OTC derivatives contracts are not guaranteed by any regulated exchange and therefore the DB Section is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts but all counterparties are required to be at least investment grade. This is the position at the year end.

Cash is held within financial institutions which are at least investment grade credit rated. This is the position as at the year end.

Credit risk on repurchase agreements is mitigated through collateral arrangements. The amounts due from counterparties in relation to reverse repurchase transactions and the amounts received from counterparties are outlined in note 16.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carried out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitored any changes to the regulatory and operating environment of the pooled managers.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks (continued)

Defined Benefit Section (DB Section) (continued)

(ii) Credit risk (continued)

A summary of pooled investment vehicles by type of arrangement is as follows:

	2025	2024
	£000s	£000s
Open Ended Investment Company	-	2,128
Limited Partnership	856,448	942,750
Irish Qualifying Investor Alternative Fund	305,707	211,927
Authorised Unit Trust	156,702	189,142
Limited Liability Company	10,306	-
	<u>1,329,163</u>	<u>1,345,947</u>

(iii) Currency risk

The Scheme was subject to direct currency risk because some of the DB Section's investments are held in overseas markets.

The Scheme is also exposed to indirect currency risk via the underlying holdings in its pooled investment vehicles shown in note 12.

The Trustee has set a benchmark limit to overseas currency exposure which is achieved through a currency hedging policy. This was the net currency exposure at the year end.

	2025	2024
	£000s	£000s
US Dollar	448,542	414,775
Japanese Yen	3,895	5,348
Euro	117,394	108,678
Canadian Dollar	1,046	2,439
Australian Dollar	714	1,173
Swiss Franc	8,175	7,403
Other	56,873	77,789
	<u>636,639</u>	<u>617,605</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks (continued)

(iii) Currency risk (continued)

The other currencies are split as follows:

	2025	2024
	£000s	£000s
UAE Dirham	660	1,217
Brazilian Real	1,339	3,154
Danish Krone	11,253	23,559
Hong Kong Dollar	22,259	24,889
Korean Won	1,534	1,934
Indonesia Rupiah	-	1,334
Norwegian Krone	7,334	-
Swedish Krona	5,147	12,704
Thailand Baht	430	684
New Taiwan Dollar	6,917	8,314
	<u>56,873</u>	<u>77,789</u>

(iv) Interest rate risk

The DB Section is subject to interest rate risk because some of the DB Section's investments are held in bonds, interest rate swaps, either as segregated investments or through pooled vehicles and cash. The Trustee has set a benchmark for total investment in bonds and interest rate swaps of 16.5% of the total investment portfolio, as part of their LDI investment strategy. Under this strategy, if interest rates fall, the value of the LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the year end the LDI portfolio represented 14.69% of the total investment portfolio (2024: 17.29%).

	2025	2024
	£000s	£000s
Direct		
Bonds	2,126,467	1,996,456
Swaps	79,032	118,709
	<u>2,205,499</u>	<u>2,115,165</u>

The Scheme is also exposed to indirect interest rate risk via the underlying holdings in its pooled investment vehicles excluding Equity and Hedge Funds shown in note 12.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks (continued)

(v) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes directly held equities, equities held in pooled vehicles, equity options and investment properties. The Scheme has set a target asset allocation of 41.5% of investments being held in return seeking investments. This was the position at the year end.

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

	2025	2024
	£000s	£000s
Direct		
Equities	642,943	759,594
Equity Options	4,947	2,316
Property	125,192	287,689
	<u>773,082</u>	<u>1,049,599</u>
Indirect		
Equity Pooled Funds	<u>167,008</u>	<u>191,270</u>

Defined Contribution Section (DC Section)

(i) Investment strategy

The Trustee's objective is to make available to members of the Scheme an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and the employer, will provide a retirement amount with which the member can purchase a pension annuity (or other type of pension product). The SIP outlines the investment objectives and strategy for the DC Section assets of the Scheme.

As disclosed in detail in the Investment Report on page 14, the Trustee offers the members Target Date Funds and tier 2-4 Self Select Funds.

The investment funds offered to members are white label funds provided by AllianceBernstein as follows:

- Equity
- Bonds
- Cash
- Diversified Growth

Due to the value of the self-select funds in comparison to the value of the Target Date Funds, the risk disclosures primarily concentrate on the risks associated with the Target Date Funds.

The Trustee has an investment management agreement in place with AllianceBernstein that sets out guidelines for the underlying investments held by the funds. The day to day management of the underlying investments is the responsibility of Mobius Life, including the direct management of credit and market risks.

The Trustee monitors the underlying risks by quarterly investment reviews with AllianceBernstein.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Investment risks

(ii) Credit risk

The DC Section is subject to direct credit risk in relation to AllianceBernstein through its holding in unit linked insurance funds provided by AllianceBernstein.

AllianceBernstein is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders. The Trustee monitors the creditworthiness of AllianceBernstein by reviewing published credit ratings. AllianceBernstein invests all the Scheme's funds in its own investment linked funds and it does not use other investment funds or reinsurance arrangements. In the event of default by AllianceBernstein the Scheme is protected by the Financial Services Compensation Scheme.

The DC Section is also subject to indirect credit and market risk arising from the underlying investments held in the white label funds. Member level risk exposures will be dependent on the funds invested in by members.

At the Scheme year end the bond funds per note 12 were exposed to underlying credit risk.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2025	2024
	£000s	£000s
Unit Linked Insurance Policy	<u>1,106,149</u>	<u>1,032,054</u>

(iii) Market risk

The Scheme's DC Section is subject to indirect currency, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by AllianceBernstein.

The Equity Fund element of the Target Date Funds per note 12 is exposed to currency risk and other price risks.

The Bond Fund element of the Target Date Funds per note 12 is exposed to currency risk and interest rate risk.

DB	DC	Total	DB	DC	Total
2025	2025	2025	2024	2024	2024
£000s	£000s	£000s	£000s	£000s	£000s

21. Current assets

Prepayments	7,750	-	7,750	7,705	-	7,705
Recoverable VAT	172	-	172	142	-	142
Rent due from tenants	2,236	-	2,236	2,932	-	2,932
Other debtors	49	-	49	105	-	105
Cash at bank	8,139	2,085	10,224	8,499	2,508	11,007
	<u>18,346</u>	<u>2,085</u>	<u>20,431</u>	<u>19,383</u>	<u>2,508</u>	<u>21,891</u>

Prepayments for 2025 and 2024 comprise of pension payroll, administrative costs and computer licence fees paid in advance.

DC cash at bank is allocated to members and the Trustee as follows:

	2025	2024
	£000s	£000s
Members	2,067	2,431
Trustee	18	77
	<u>2,085</u>	<u>2,508</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

	DB 2025 £000s	DC 2025 £000s	Total 2025 £000s	DB 2024 £000s	DC 2024 £000s	Total 2024 £000s
22. <u>Current liabilities</u>						
Rent prepaid by tenants	1,502	-	1,502	3,613	-	3,613
Accrued expenses	8,400	-	8,400	8,673	-	8,673
Tax payable	1,391	250	1,641	2,341	278	2,619
Benefits payable	1,157	270	1,427	452	497	949
Contributions prepaid	3,914	40	3,954	4,657	1,059	5,716
	<u>16,364</u>	<u>560</u>	<u>16,924</u>	<u>19,736</u>	<u>1,834</u>	<u>21,570</u>

23. Employer related investments

There is an indirect employer-related investment inherent in the DC Section's participation in Amundi (Index MSCI World Climate Transition CTB Fund, Global Multi-Factor Equity Fund and Index MSCI World SRI Fund) and Aegon (Investment Grade Bond and Pension Corporate Bond Fund) because ABF shares are included in the FTSE All-Share Index. The level of employer related investment is immaterial as at 5 April 2025 and 5 April 2024.

There was no indirect investment in Associated British Foods Plc within the DB Section as at 5 April 2025 or 5 April 2024.
There was no direct investment in Associated British Foods Plc within the DB or DC Section as at 5 April 2025 or 5 April 2024.

24. Related party transactions

The Scheme receives employee and employer contributions in respect of Trustee Directors who are Scheme members. The Scheme also pays benefits to former Trustee Directors who have retired. Such transactions are received/paid in accordance with the Schedule of Contributions and Trust Deed and Rules.

Remuneration of £77,855 (2024: £69,016) was paid for the services of the Chairman, and £2,191 (2024: £1,108) was paid in respect of Trustee expenses.

The sponsoring employer, ABF Plc, pays the salaries and the employers' pension costs in respect of the employees of the ABF Group Pensions Department. Other costs relating primarily to computer network support, are recharged to the Scheme one year in arrears and are included in the administration and processing costs shown in note 7. Recoverable VAT on the Scheme's administration expenses is refunded to the Scheme by ABF Plc also one year in arrears.

The Scheme is reimbursed for administrative tasks it undertakes for a charity connected with the ABF Group. The recoverable amount shown in note 7 includes:

	2025 £000s	2024 £000s
Weston Provident Fund (charity)	42	42
Member charges for divorce calculations	10	21
	<u>52</u>	<u>63</u>

25. GMP Equalisation

As explained on page 6 of the Trustee's report, a High Court judgement in October 2018 ruled that pension schemes must equalise Guaranteed Minimum Pension (GMP) benefits for male and female members. A follow up High Court judgement in November 2020 extended the requirements to equalise GMP benefits to include previous members who had transferred benefits from the Scheme. The Trustee has consulted the Scheme Actuary and legal advisers to consider the implications of these judgements.

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

At the Trustee board meeting in March 2025 the Trustees agreed to use the conversion (D2) method to equalise GMPs. The legislation stipulates that the Trustee is required to obtain consent for this method of equalisation from the Scheme's sponsoring employer and consult with all affected members prior to conversion. ABF plc, as sponsoring employer, has replied to the written request from the Trustees formally consenting to GMP benefits within the Scheme being equalised using the conversion (D2) method. The consultation with members is underway and will be concluded before the next Trustee board meeting in September 2025.

The Scheme Actuary has undertaken preliminary benefit calculations using the conversion method. These calculations will likely result in an increase in the value of the technical provisions for the Scheme as a result of GMP equalisation. However, the cost of equalising GMP benefits will not be known until the calculations have been finalised. The amount is not expected to be material to the financial statements and the Trustee has therefore not included a liability in respect of GMP equalisation in these financial statements. They will be accounted for in the year they are determined.

26. Concentration of investments

The investments (other than UK Government Securities) which were more than 5% of the total value of the net assets of the Scheme at year end were:

	2025	2024
CQS GLOBAL FUNDS I CREDIT MULTI ASSET GBP C3	5.02%	4.46%

27. Contractual commitments

The Trustee has undrawn commitments relating to funds held at the end of the year as follows:

	2025	2024
	£000s	£000s
Alcentra	23,202	14,763
ARES III	5,812	5,870
ARES IV	10,399	17,138
ARES V	10,627	13,302
BEACHPOINT IV	35,611	8,978
BEACHPOINT V	33,374	40,338
ARCMONT DLF	10,838	10,968
ARCMONT DLF III	16,842	11,637
ARCMONT SLF	13,569	14,559
ARCMONT DLF IV	21,972	31,961
CORDET	23,657	23,892
CORDET II	13,294	13,426
Bridgepoint	30,719	19,119
HAYFIN II	63,028	49,347
HAYFIN III	32,113	33,993
HIG	3,075	2,614
MEZZVEST III	2,511	2,536
MEZZVEST IV	2,903	2,932
MEZZVEST V	15,108	15,628
Muzinch	2,858	2,886
Muzinch II	6,897	10,013
Morgan Stanley	10,941	10,864
NEUBERGER III	9,822	10,691
NEUBERGER IV	8,077	13,398
NEUBERGER V	40,244	46,379
Ninety One Global	18,832	27,564
	<u>466,325</u>	<u>454,796</u>

ASSOCIATED BRITISH FOODS PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Transfers between sections

Prior to 1 October 2023, transfers between sections occurred as a result of the net movement of DC Section deaths insured by the DB Section, incapacity enhancements and surplus of Trustee funds from member refund of contributions.

From 1 October 2023 additional transfers took place from the DB Section to the DC Section in order to replace the value of DC employer contributions which ceased as part of the contribution abatement as disclosed on page 7 of the Trustee report.

ASSOCIATED BRITISH FOODS PENSION SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE ASSOCIATED BRITISH FOODS PENSION SCHEME

We have examined the summary of contributions to the Associated British Foods Pension Scheme for the Scheme year ended 5 April 2025 which is set out on page 44.

In our opinion contributions for the Scheme year ended 5 April 2025 as reported in the summary of contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the Scheme Actuary 29 September 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions on page 44 have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the schedule of contributions.

Respective responsibilities of the Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions.

It is our responsibility to provide a Statement about Contributions paid under the schedule of contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the Scheme's Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our work, for this statement, or the opinions we have formed.


Ernst & Young LLP
Statutory Auditor

Reading

Date: 19 SEPTEMBER 2025

ASSOCIATED BRITISH FOODS PENSION SCHEME

STATEMENT OF TRUSTEE RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records of contributions received in respect of any active member of the Scheme and for procuring that contributions are made to the Scheme in accordance with the schedule.

Trustee Summary of Contributions payable under the Schedule in respect of the Scheme year ended 5 April 2025

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the Scheme Actuary 29 September 2023 applicable for the Scheme year ended 5 April 2025. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

Contributions payable under the Schedule in respect of the Scheme year	£000s
---	--------------

Employer:

Member:

normal contributions

43,924

(as reported on by the Scheme Auditor)

Reconciliation of Contributions Payable

Reconciliation of contributions payable under the Schedule of Contributions reported in the financial statements in respect of the Scheme year:

Contributions payable under the Schedule (as above)	43,924
--	---------------

Contributions payable in addition to those due under the Schedule
(and not reported on by the Scheme Auditor):

Member additional voluntary contributions

6,850

Total contributions reported in the financial statements

50,774

Signed for and on behalf of Associated British Foods Pension Trustees Limited

Director

12TH SEPTEMBER 2025

Director

12TH SEPTEMBER 2025

ASSOCIATED BRITISH FOODS PENSION SCHEME

CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS



CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS

Name of the Scheme: Associated British Foods Pension Scheme

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

1. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 21 September 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature

Name

James Bourne

Date of signing

29 September 2023

Qualification

Fellow of the Institute and Faculty of Actuaries

Name of employer

Mercer Limited

Address

1st Floor, Q4 The Square,
Randalls Way,
Leatherhead,
Surrey, KT22 7TW



Mercer Limited is authorised and regulated by the Financial Conduct Authority.
Registered in England No. 264216 Registered Office: 1 Tower Place West,
Tower Place, London EC3N 5BJ

A business of Marsh McLennan

ASSOCIATED BRITISH FOODS PENSION SCHEME

REPORT ON ACTUARIAL LIABILITIES

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 5 April 2023. Updates to the valuation were performed on 5 April 2024 and 5 April 2025. The results of these updates are shown below:

	Actuarial Valuation as at 5 April 2023	Actuarial update as at 5 April 2024	Actuarial update as at 5 April 2025
The value of the Technical Provisions	£2,635 million	£2,419 million	£2,269 million
The value of the assets	£3,648 million	£3,688 million	£3,476 million
Funding level	138%	152%	153%

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Investment return (discount rate)

The discount rate used is a term structure derived from the yields on UK Government conventional gilt stocks appropriate to the date of each future cashflow (extrapolated for cashflows beyond the longest available yields) plus 0.5% p.a. outperformance to reflect the prudent allowance the Trustee has agreed for additional investment returns.

Future Retail Prices Index (RPI) inflation

The assumption for the rate of increase in the Retail Prices Index (RPI) will be a term structure derived from the difference between the yield on conventional and index-linked UK Government bonds at the date of each future cashflow (extrapolated for cashflows beyond the longest available bonds).

Future Consumer Price Index (CPI) inflation

The assumption for the rate of increase in the Consumer Price Index (CPI) will be derived from the RPI inflation assumption with an appropriate adjustment to recognise the difference between expectations of future RPI increases and future CPI increases. The adjustment will be reviewed at each valuation; at the 5 April 2023 valuation the adjustment was a deduction of 0.7% per annum until 2030, and no deduction thereafter.

Salary

The assumption for real salary increases (salary increases in excess of CPI inflation) will be determined after consulting the Employer. At the 5 April 2023 valuation the Trustee used an assumption of 0.5% per annum. No additional allowance has been made for promotional increases.

Pension increases

Pension increases linked to inflation are set in line with the relevant inflation assumption, adjusted to reflect any caps or collars on the annual pension increase.

Mortality

For the 5 April 2023 valuation the mortality tables are S3 Year of Birth tables for males and S3_middle Year of Birth tables for females with weightings of 98% for males and 92% for females. Future improvements are based on the CMI 2022 projection model with a smoothing parameter of 7.0, core initial improvements parameter, 0% weighting on 2020 and 2021 data, 25% weighting on 2022 data and long term improvement rate of 2.0% per annum.

APPENDIX 1: STATEMENT OF INVESTMENT PRINCIPLES**1. Introduction**

The purpose of this Statement of Investment Principles ("SIP") is to record the investment arrangements (and the rationale behind those arrangements) adopted by the Trustee of the Associated British Foods Pension Scheme ("the Scheme") in accordance with the requirements of Section 35 of the Pensions Act 1995, as amended by the Pensions Act 2004 and Occupational Pension Scheme (Investment) Regulations 2005.

This SIP has been prepared after obtaining written professional advice from Mercer Limited ("Mercer"), the "Investment Consultant", which is regulated by the Financial Conduct Authority ("FCA"). Where matters described in this Statement may affect the Scheme's funding policy, input has also been obtained from the Scheme Actuary. The Trustee will obtain similar advice whenever it reviews this Statement.

The Trustee's investment powers are set out within the Scheme's governing documentation and relevant legislation. The Trustee notes that, according to the law, it has ultimate power and responsibility for the Scheme's investment arrangements.

The Trustee will seek to maintain a good working relationship with the Associated British Foods plc (the "Company") and will discuss any proposed changes to this Statement with the Company. However, the Trustee's fiduciary obligations to Scheme members will take precedence over the Company's wishes, should these ever conflict.

The Trustee believes that the investment policies and their implementation are in keeping with best practice, including the principles underlying the (Myners) Code of Best Practice for pension fund investment published in 2001 and the Updated Principles and best practice guidance published in 2008.

The Scheme's investment arrangements, based on the principles set out in this Statement, are detailed in the Investment Implementation Policy Document ("IIPD"). Both are available to members on request.

The Scheme is governed by its Trust Deed and Rules which sets out all of the benefits in detail and specifies the Trustee's investment powers. The investment powers do not conflict with this Statement.

2. Scheme Structure

The Scheme has two sections – the Defined Benefit Section ("DB Section") and the Defined Contribution Section ("DC Section").

3. Scheme Governance

A brief overview of the various parties involved in the Scheme's governance structure is set out below.

The Trustee

The Scheme's assets are held in trust by the Trustee. The Trustee is responsible for the investment of the Scheme's assets (although members of the DC Section choose the funds in which to invest from a range of funds made available by the Trustee).

The Trustee has appointed the Investment Consultant to provide relevant advice to the Trustee. The Trustee also takes advice as appropriate from the Scheme Actuary and other professional advisers.

The Trustee has established an Investment Sub-Committee (the "ISC") to focus on investment matters. The role of the ISC is to assume decision making responsibility in the area of specialist investment matters, typically including manager selection and structure decisions.

The Investment Consultant

Mercer has been appointed as the Investment Consultant to the Trustee for both Sections. The details of the Consultant's appointment, in terms of both obligations and remuneration, are contained in a signed agreement between the Trustee and the Consultant. Mercer provides the Trustee with sufficient information to ensure that they are fully informed as to the decisions they take and to monitor those that they delegate.

The DB Investment Managers

The Trustee has chosen to entrust the day-to-day management of the DB Section's investments to a number of specialist managers (the "Investment Managers"), as specified in the IIPD.

Details of the DB Section's strategic framework, within which the Investment Managers operate and a listing of the Scheme's current portfolios managed by the Investment Managers (including a description of the mandates and benchmarks) is set out in the IIPD.

The Trustee has appointed an independent performance measurement company, the Northern Trust Company ("NT"), independent of the Investment Managers to calculate return and risk measures for each Investment Manager's portfolio and for the assets in aggregate. NT provides quarterly reports to the Trustee and more detailed reports on an annual basis. The Investment Consultant also provides quarterly reports.

The ISC meets all investment managers regularly to review the managers actions and performance, and delegates responsibility to the Scheme Secretary to meet with them at least twice each year.

The Custodian

The Scheme's custodian is NT. The custodian is responsible for the safekeeping of the Scheme's assets held in segregated portfolios and for performing the associated administrative duties such as trade settlement, dividend collection, corporate actions, tax reclamation and proxy voting. The Scheme's assets that are held in pooled funds or collective vehicles will be the under the safekeeping of the pooled fund's own custodian.

The Scheme Actuary

Mr Sam Eida of Mercer has been appointed as the Scheme Actuary. The Scheme Actuary performs a valuation of the Scheme at least every three years, in accordance with regulatory requirements (the "Actuarial Valuation"). The main purpose of the Actuarial Valuation is to assess the extent to which the assets cover the accrued liabilities and agree an appropriate funding strategy for the Scheme.

The Bundled DC Provider

The Scheme's DC default investment arrangements are Target Date Funds managed by Alliance Bernstein by way of an insurance contract using an investment platform with Mobius Life, the "Bundled DC Provider". All other investments for the DC Section are also held on the same investment platform. The terms are contained in the documentation provided by the Bundled DC Provider to the Trustee. Either the investment managers or the specific funds in which the DC Section invests are regulated by the FCA.

4. Defined Benefit Section

4.1 Investment Objective

The Trustee believes its prime objective is to invest the Scheme assets in such a manner that it is likely that the Scheme liabilities can be met.

The estimated liabilities are a series of projected cash flows calculated on assumptions contained in the valuation basis. In theory, the matching asset would be a portfolio of UK Government bonds that provided these projected cash flows in all future economic scenarios. Given the discrete number of UK Government bonds available, such a combination is unlikely to exist in practice. It is nonetheless a valid reference point against which to assess investment strategies that can be implemented in practice.

In agreeing to adopt this investment objective, the Trustee has taken into account the Company's view that some risk should be taken in an attempt to reduce the cost of providing the benefits that which would be expected from adopting a fully matched investment strategy.

4.2 Investment Policy

Strategic Management

There is a broad target benchmark split between asset classes for the DB Section. The strategic framework including benchmarks is outlined in the IIPD. With effect from 1st October 2023, the Trustee is in the process of transitioning the DB Section's investment strategy, and associated benchmark split between asset classes, to a low dependency strategy.

The low dependency strategy notionally splits the DB Section asset allocation between a "liability portfolio" – currently consisting of global credit, multi-asset credit, UK property, senior private debt, LDI and cash – and an "unallocated portfolio" – consisting of equity, opportunistic private credit and a cash buffer. The primary objective of the liability portfolio is to reduce liability interest rate and inflation risk while broadly aligning the expected liability cash-flows with the expected asset cash-flows. The portfolio has a secondary objective of generating a modest level of return in order to support the Actuarial Valuation assumptions. The objective of the unallocated portfolio is to generate additional risk-adjusted returns for the Scheme, which can potentially be used to help meet other pension needs.

The target allocation to the liability portfolio shall be determined such that the assets within it are sufficient to fully-fund the DB Section liabilities of the Scheme on the prevailing valuation basis. Any excess assets will make-up the unallocated portfolio. This target allocation, and the transition to it, is reviewed at least annually.

To transition to the low dependency portfolio, the allocation to the liability portfolio will increase, funded primarily by a reduction in the equity allocation. To facilitate this transition, the Trustee can will disinvest from the equity portfolio, using the proceeds to meet the cash-flow requirements of the DB Section and partially fund the transition. In tandem, the target allocation to global credit and LDI within the liability portfolio will be increased, while the allocation of UK property is decreased. The Trustee aims to minimise trading and associated cost during the transition, which is expected to be completed over a three to five year period, allowing for market movements.

The Trustee has agreed with the Company a framework for utilising any surplus within the DB Section. If certain funding criteria are met at the Scheme's Annual Funding Assessment on 5 April each year, the Company may be granted a contribution abatement. Any agreed contribution abatement will start from the 1st October following the Annual Funding Assessment and will last for a period of 12 months.

Interest rate and inflation risk exposures are managed via Insight, the Liability Driven Investments ("LDI") manager. The management of these exposures is implemented using a combination of a swap and derivative overlay and the interest rate and inflation characteristics of existing physical bond holdings within the portfolio.

The Trustee selected the strategic benchmark to reflect that the Scheme liabilities would change in value in a similar manner to changes in the level of the UK government bond markets. The Trustee expects that there will be a small return premium above government bonds from non-government bonds and a larger return premium from equity markets. The Trustee expects there will be periods when equities, property and credit underperform government bonds and is prepared (as is the Company) to accept this risk.

Implementation of the strategy is via a range of active investment managers whose roles are set out in the IIPD, as well as Insight (the LDI manager), directly held property and BlackRock (the passive currency manager). The Trustee uses NT as the overall custodian of the Scheme assets.

When considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitability qualified investment adviser. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

Day-to-day Management

The Trustee implements its investment strategy by delegating the day-to-day management of the DB Section's assets to the Investment Managers. Details of the Investment Managers as well as the mandates are set out in the IIPD.

The Trustee employs more than one manager to limit the risk to the Scheme as a whole of one manager underperforming for a period.

The Trustee's policy on apportioning assets between the managers is to invest the assets such that the resulting asset allocation reflects the Scheme-specific benchmark.

Currency Hedging

BlackRock has been appointed as a passive currency manager for the Scheme. This is done by hedging 30% of the overseas equity, plus hedging 100% of the overseas public and private debt exposure in the six major currencies – US Dollar, Canadian Dollar, Swiss Franc, Euro, Japanese Yen and Australian Dollar. The hedging arrangements, particularly the level of hedging and asset classes included, were developed in consultation with the Scheme's Investment Consultant and are reviewed regularly.

Rebalancing

Under normal circumstances at the end of each calendar quarter, the actual bond/equity allocation will be reviewed. If the portfolio allocation is outside the agreed range for bonds then, under normal circumstances, the portfolio allocation will be moved back towards the neutral position. In order to reduce dealing costs, the allocation may not be rebalanced to the neutral allocation, but to 2% away from this position. Under normal circumstances, property and cash will not form a part of the rebalancing process. Any decision to not rebalance if the allocations fall outside of the stated ranges will not be deemed as a breach of this SIP.

The Trustee has determined a target allocation for the low dependency strategy, which is reviewed at least annually. The Trustee expects the Scheme's asset allocation to evolve towards the target low dependency asset allocation over a 3 to 5 year transition period, allowing for market movements.

4.3 Investment Risk

Before deciding to take investment risk relative to the liabilities, the Trustee received advice from the Investment Consultant and Scheme Actuary and held discussions with the Company. In particular, the Trustee considered carefully the following possible consequences:

- The assets might not achieve the excess return relative to the liabilities anticipated. This would result in deterioration in the DB Section's actuarial position and consequently higher contributions from the Employers than are currently expected.
- The relative value of the assets and liabilities will be more volatile than if investment risk had not been taken. This will increase the likelihood of there being a shortfall of assets relative to the liabilities in the event of

discontinuance of the DB Section. This consequence is particularly serious if it coincides with the Employers being unable to make good the shortfall.

- This volatility in the relative value of assets and liabilities may also increase the volatility of the Employer's contribution rate set at successive actuarial valuations, depending on the approach to funding adopted.

The Trustee's willingness to take investment risk, and the degree of investment risk, is dependent on the continuing financial strength of the Company and their willingness to contribute appropriately to the DB Section. The financial strength of the Company and their perceived commitment to the DB Section is monitored and the Trustee will consider reducing investment risk relative to the liabilities should either of these deteriorate.

The degree of investment risk the Trustee is willing to take also depends on the financial health of the DB Section and its liability profile. The Trustee monitors these with a view to altering the investment objectives, risk tolerance and/or return target should there be a significant change in either. The Trustee notes that the decision to run the Scheme on in the short to medium term and adopt a low dependency strategy has been driven by the strong funding position of the DB Section.

A review of the Scheme's investment strategy was last completed in 2023. The most recent review followed strong improvements in funding level and focused on a transition to a lower-risk, low dependency strategy, which the Trustee expects to transition to over three to five years, allowing for market movements.

The Trustee believes that the arrangements adopted, and those they plan to transition to, represent a satisfactory trade-off between target return (net of all costs) and investment risk after taking into account the resources available to implement and monitor the arrangements.

In addition to targeting an appropriate overall level of investment risk, the Trustee seeks to spread risks across a range of different sources. The Trustee aims to take on those risks for which the Trustee expects to be rewarded over time, in the form of excess returns. The Trustee believes that diversification limits the impact of any single risk.

To implement the hedging strategy, the Trustee appointed a specialist LDI manager, who is responsible for managing interest rate and inflation hedging strategies for the Scheme.

Investment risk is measured by reference to the likely annual variation in return between the matching portfolio of investments and the investment arrangements adopted.

The Trustee has also considered various combinations of assets and investment management approaches that might minimise the required degree of risk for a level of return expectation consistent with the assumptions in successive actuarial valuations.

The risks identified below is not exhaustive, but covers the key risks considered by the Trustee to be financially material to the DB Section.

Interest Rate and Inflation Risk

The DB Section's funding position is sensitive to changes in interest rates and inflation expectations. The Trustee mitigates this risk by setting a strategic benchmark for the LDI manager that broadly aligns with the interest rate and inflation sensitivities of the DB Section's liabilities. The Trustee has put in place a policy whereby the LDI manager hedge a large proportion of this sensitivity.

Currency Risk

A risk where the Trustee does not expect excess returns over time is currency risk. As part of the most recent strategy review, the Trustee agreed to hedge 30% of its non-Sterling equity and 100% of its public and private debt currency exposure on a passive basis to the six major foreign currencies. This is implemented by the investment managers and BlackRock.

Credit Risk

The DB Section is subject to credit risk as the Trustee elects to invest in bonds, OTC derivatives, has cash balances and enters into repurchase agreements. The DB Section also invests in pooled investment vehicles and is therefore in-directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. With respect to the Scheme's bond assets, this risk is managed via the strategic asset allocation and by investing actively in diversified portfolios of bonds managed by specialist credit managers. Credit risk arising from the Scheme's derivative counterparties is significantly reduced, but not altogether eliminated, by the process of daily collateralisation. The Trustee diversifies their counterparty exposures in order to avoid undue reliance on any one investment bank.

Liquidity Risk

The Trustee recognises that there is liquidity risk in holding assets that are not readily marketable and realisable. Given the long-term investment horizon of the Scheme, the Trustee believes that a degree of liquidity risk is acceptable because it expects to be rewarded for assuming it. The amount invested in illiquid investments, such as property and private debt, will take into account the Scheme's cashflow requirements (for example the payment of member benefits and possible collateral requirements arising from the Scheme's derivative positions). The strategy is designed to be sufficiently liquid to meet these potential cashflow requirements under stressed scenarios.

Counterparty Risk

The Trustee is also exposed to a risk associated with a counterparty to a financial contract not meeting its obligations. The derivative portfolio managed by Insight primarily restricts the collateral to UK investment grade government bonds and cash, except for two legacy derivatives whereby the collateral is restricted to North American and Western European investment grade government bonds and cash. The Trustee will consider winding up the positions under these legacy agreements should an appropriate price be available.

Operational Risk

The Trustee mitigates operational risk, being the loss resulting from inadequate or failed internal processes, people, systems or external events, by monitoring and evaluating investment managers at regular intervals, reviewing the results of the control assurance reports from investment managers as part of the annual audit and segregation of funds for each asset class.

The Trustee has also considered various combinations of assets and investment management approaches that might minimise the required degree of risk for a level of return expectation consistent with the assumptions in successive actuarial valuations. The Trustee considers the risks highlighted above to be financially material and these risks are considered over the anticipated lifetime of the DB Section.

Manager Risk

There is a risk that the day-to-day management of the assets will not achieve the rate of investment return expected by the Trustee. The Trustee recognises that the use of active investment managers involves such a risk. However, for specific asset classes it believes that this risk is outweighed by the potential gains from successful active management. The Trustee appoints a range of active investment managers to mitigate this risk.

4.4 Responsible Investment and Corporate Governance

The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment performance and risk, and that good stewardship can create and preserve value of companies and markets. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustee has given its investment managers discretion when evaluating ESG factors (including climate change considerations) and in exercising rights and stewardship obligations attached to the Scheme's investments. This is in accordance with the investment managers own corporate governance policies and current best practice, including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee has not set any restrictions on the

appointed investment managers in relation to products or activities but may consider this in future. The Trustee has set carbon intensity reduction targets for the DB Section's aggregate equity portfolio and fixed income - public investment grade credit portfolio. The Trustee monitors managers against these carbon intensity targets.

The Trustee considers how ESG, climate change and stewardship are integrated within investment processes in appointing new managers and monitoring existing investment managers. The Trustee may also consider the degree of alignment of managers' engagement priorities with their own priorities in any new appointments and ongoing monitoring. Monitoring is undertaken on a quarterly basis at Investment Sub-Committee meetings.

The Trustee does not currently explicitly consult members when taking account of the selection, retention and realisation of investments, but may consider ways to incorporate member views in future.

The Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies and should take account of current best practice. The Trustee expects its FCA registered managers to comply with the UK Stewardship Code. The Trustee encourages its non-FCA authorized managers to adhere to the Stewardship Code on a best efforts basis. The Trustee may, from time to time, ask the Scheme's Investment Managers to explain their corporate governance policy and practices, and review their voting activities. These reviews may include consideration of the Investment Manager's engagement priorities and the degree of alignment with the Trustee's own engagement priorities and definition of significant votes. Additionally, the Trustee asks the Investment Managers to provide annual reports indicating the overall level of voting activity and detailing any instances where they have not voted in line with their stated policy.

4.5 Liquidity

With the DB Section being mature, the transition to a low dependency portfolio and the potential for continuing contribution abatements, the Trustee understands liquidity planning is becoming an increasingly important consideration, especially where the annual cash flow requirements can represent a significant proportion of the Section's assets.

The Trustee currently carries out monthly disinvestments from the DB Section's equity portfolio. The proceeds of these disinvestments are used to meet the Scheme's cash flow needs as well as part-funding the transition to the low dependency strategy.

Once the low dependency strategy is in place the Trustee aims to meet the Scheme monthly cash outflows, to the extent possible, using income generated from the Scheme's assets.

5 Defined Contribution Section

5.1 Investment Objectives

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives.

The Trustee believes that most members do not have the detailed knowledge or desire to manage their pension investments. The Trustee regards it as its duty to make available (as the default investment option) a fund which:

- is suitable for most members;
- is dynamically managed; and
- has a risk and reward profile that reflects the period until its participating members reach retirement age.

The Trustee also regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs if they wish to do so. The Trustee has the objective of grouping these investments into 'tiers' based on the amount of member involvement required in investment management.

The investment objective of each Target Date fund (default fund) is designed and managed for an investor saving to retire in or around the years stated in its name (the “target date”). The investment manager’s aim is to maximise, for a typical such investor, their eventual retirement income while taking account of their decreasing capacity to afford losses as they approach and, possibly, go past the target date of retirement. On retirement, the investor is assumed to use their built-up pension savings to provide pension income from the options available when they retire. The Target Date funds will progressively move from riskier, capital growth-oriented assets such as equities and property, into lower-risk retirement income protection oriented assets, such as bonds, as it approaches and passes its target date. The investment manager seeks to ensure that the mix of assets remains appropriate given the Target Date Fund’s aim and will also employ a dynamic asset allocation strategy which seeks to mitigate the effects of large market movements without detracting from long-term returns. The manager will manage the Target Date Funds in such a way that, for an individual investing over the whole term of each Target Date Fund, a return of beating inflation over the life of the funds is being targeted.

A review of the default strategy and the performance of the default funds was undertaken during the 2024 Scheme year against the aims and objectives as set out in this SIP. The review included the following key areas:

- Value of Assets in the TDFs
- Introduction of private debt assets into the TDFs
- Consideration of whether all TDF Vintages had outperformed or underperformed their objective

Overall, the review concluded that the default strategy and its returns remain consistent with the Trustee’s objectives as set out in the SIP and that TDFs remain an appropriate default investment vehicle for the Scheme.

5.2 Investment Risk

The Trustee has considered risk from a number of perspectives in relation to the DC section, including the default option. The list below is not exhaustive, but covers the main risks considered by the Trustee to be financially material.

Risk	How it is Managed	How it is measured
Market Risk The risk that low investment returns over members’ working lives or unfavourable market movements in the years just prior to retirement will secure an inadequate pension.	The Trustee provides members with a range of funds, across various asset classes, including actively and passively managed options. Members are able to set their own investment strategy in line with their aims and risk tolerances.	The performance of the available funds is monitored on a quarterly basis.
Interest Rate Risk The risk that unfavourable interest rate movements, particularly in the years just prior to retirement may lead to a reduction in the pension that the member’s retirement account can secure.	The Trustee provides members with a range of funds, across various asset classes, which will have varying sensitivities to interest rate risk.	The performance of investment funds and market fundamentals, including interest rates, are monitored on a quarterly basis. This helps the Trustee understand the effect that changes in interest rates are having on the funds.
Inflation Risk The risk that investments do not keep pace with inflation.	The Trustee provides members with a range of funds, across various asset classes, which have varying exposure to inflation risk. These include inflation index linked funds, as well as equities which are generally viewed to have inflation hedging properties.	Quarterly performance reports consider the long-term performance of the funds to help the Trustee assess whether the returns have kept pace with inflation.
Manager Risk The risk that the chosen underlying investment managers underperform the benchmark against which the managers are assessed.	In particular, the Trustee has considered the risk that active managers may underperform, whereas passive managers are likely to achieve a return close to any chosen benchmark. The Trustee believes active management skills exist and can be identified but not with complete	The Trustee considers the ratings of investment strategies from their DC Investment Consultant during the selection process. It is the Trustee’s policy to monitor performance and rating of funds on an ongoing basis relative to the fund’s benchmark and stated targets/objective.

certainty. As such the Trustee makes available to members both actively managed and passively managed funds.

Mismatch Risk

The risk that the financial assets a member is invested in as they approach retirement are not suited to the way they will access their retirement benefit.

The Trustee has made available to members a range of funds including shares, cash and bond funds that can be selected by members as they approach retirement. The default option follows a lifestyle strategy which progressively switches to assets the Trustee expects will be less volatile to reduce mismatch risk for members targeting income drawdown.

It is the Trustee's policy to monitor performance and rating of funds on an ongoing basis and identify how the characteristics of certain funds are suitable for different retirement options.

Liquidity Risk

The risk that assets may not be readily marketable when required.

The pooled funds in which the Trustee allows members to invest provide the required level of liquidity. Units in the pooled funds in which the Scheme invests are believed to be readily redeemable.

When considering new investment options or reviewing existing options, the Trustee considers the pricing and dealing terms of the underlying funds.

Concentration Risk

The risk that a portfolio has an over-allocation to a single asset class, sector, country or counterparty, thereby having a high exposure to non-systemic risk factors.

The Trustee has made a range of funds available to members, so that they can choose to invest in a well-diversified portfolio. The range of funds enables diversification by asset class (e.g. equity, bonds, cash), by region and includes both passively and actively managed funds, which can help achieve diversification.

It is the Trustee's policy to monitor performance and rating of funds on an ongoing basis. The Trustee also periodically reviews the default investment option and self-select range, and as part of this considers the correlations or similarities between the available funds.

Sponsor Risk

The risk that the sponsoring company of the Scheme will cease financial sponsorship.

The Trustee has considered the risk that the Company may be unwilling or unable to continue to contribute to the Scheme in the future.

The Trustee has concluded that this risk is acceptable and that no further action is necessary to mitigate this risk at the current time. The Trustee will review this position in the event of any material changes in the circumstances of the sponsor.

Exchange Rate Risk

The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.

With a diverse spread of assets geographically, the Trustee accept that there is a degree of risk for members as a result of varying sensitivities of fluctuating exchange rates.

Monitoring the performance of investment funds on a quarterly basis, including quarterly market reviews considering the movements in foreign currencies relative to pound sterling.

Environmental, Social and Governance Risk

ESG factors can have a significant effect on the performance of the investments held by the Scheme, e.g., extreme weather events, poor governance.

The Trustee's policy on ESG risks is set out in Section 5.7 of this Statement.

As set out in Section 5.7, monitoring is undertaken on a regular basis and is documented annually.

The items set out in this section of the SIP are those that the Trustee considers to be financially material considerations in relation to the Defined Contribution Section and the default investment arrangement. The Trustee believes that the appropriate time horizon within which to assess these considerations should be viewed at the member level. This will be dependent on the member's age and when they expect to retire. Members are reminded to review the suitability of their investment choices via their annual benefit statements and other Scheme communication.

5.3 Investment Strategy

The Trustee believes that the risks identified in chapter 5.2 are best managed by, and the objectives in chapter 5.1 are best met by, a default range of Target Date Funds which are linked to a target retirement age of 65 for each particular member and by offering members a range of investment vehicles from which to choose. The current range has been grouped into four 'tiers' (1 to 4) with increasing levels of member involvement required. The range offered in each tier will be reviewed periodically and changed in response to member demand.

The composition of each tier is summarised as follows:

- Target Date Funds
- Diversified growth / multi asset investment funds
- Single Asset Funds (Equity Funds, Bond Funds and Diversifiers/ Alternatives)
- Any other fund from the 'Corporate Investment Services' range on the Bundled DC Provider's platform

Members are free to choose any of the funds available within the four tiers. They can invest in one or more tiers and they can elect for their accrued funds to be invested differently from the future contributions.

The investment strategy of the Defined Contribution Section and the default funds will be reviewed at least every three years and without delay after any significant change in investment policy or to the demographic profile of relevant members.

5.4 Investment Management Structure

The Trustee has appointed AllianceBernstein as investment manager of the Target Date Funds (tier 1). All funds (in all four tiers) are administered on the Mobius Life platform. There are a variety of funds available across different asset classes and with a range of investment managers. Details of the funds available and their objectives can be accessed at www.abfpensions.com/dc.

5.5 Monitoring the investment manager and platform provider

The Trustee monitors the performance of the tier 1, tier 2, and tier 3 investment options – and tier 4 investment options which the Trustee has made available – on a regular basis. The Trustee also monitors the effectiveness of the platform provider. To assist the Trustee, the platform provider regularly supplies the Trustee with unit reconciliations and fund factsheets.

5.6 Investment restrictions

As the assets of the Defined Contribution section are invested in pooled fund vehicles the investment restrictions applying to these funds are determined by the investment manager. The Trustee is satisfied that the investment manager's policy on investing in individual securities held in each vehicle provides adequate diversification of investments.

5.7 Responsible Investment and Corporate Governance

The Trustee believes that environmental, social and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

That said, the Trustee has elected to invest in pooled funds and cannot therefore directly influence the ESG policies, as well as the ethical policies and practices of the companies in which the pooled funds invest.

However, the Trustee expects the underlying managers to evaluate ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and the UK Stewardship Code.

The DC investment managers acknowledge that ESG issues are recognised as having an impact on the investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole.

The governance approach used by AllianceBernstein where they directly hold individual investments is to incorporate this through “integration”, whereby a bottom-up integration of ESG factors into the research and investment process is key to identifying investment risks as well as opportunities.

The method for implementing this is via a two-pronged approach to active ownership:

1. By engaging directly with equity and bond issuers as part of the research process, and
2. By utilising the in-house proxy voting policy which incorporates ESG factors.

The TDFs primarily utilise a selection of underlying third-party investment managers’ funds, selected by Alliance Bernstein, to gain access to a broad range of investments. As these underlying funds are predominantly passive/systematic approaches, the incorporation of active ESG consideration when making any single investment is limited. Furthermore, as these underlying funds are not managed by Alliance Bernstein, the ability to incorporate their own ESG policies is somewhat limited.

To address this, Alliance Bernstein are increasingly making use of custom fund arrangements that provide the flexibility to impose their own ESG policies. However, in cases where this is not possible, Alliance Bernstein review shortlisted managers’ UNPRI signatory status, ESG and ownership/stewardship policies, and proxy voting history to ensure that any appointed manager is as closely aligned to their policies as possible.

Alliance Bernstein regularly monitors appointed managers as part of their ongoing due diligence process.

The Trustee accepts the investment managers’ policy on the voting rights attached to investments, which can be found online: www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Proxy-Voting-and-Governance-Policy.pdf

The Trustee may review the DC Investment managers engagement priorities from time to time and notes the alignment of the manager’s current priorities - of climate change, modern slavery and executive compensation – with the priorities set by the Trustee, as outlined in the following section. The DC Investment manager produces an annual report on their engagement within these priority areas which is available online <https://www.alliancebernstein.com/corporate/en/corporate-responsibility/responsible-investing.html?tab=reporting-center>

The Trustee considers how ESG, climate change and stewardship are integrated within investment processes in appointing new managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis by the Investment Sub-Committee and documented annually.

These policies apply across the range of investment options made available to members including the default investment arrangement and the self-select investment fund range.

Member views have not explicitly been taken into account in the selection, retention and realisation of investments, although feedback received from members is welcomed and considered by the Trustee. However, specialist funds are available within the fund range to cater for members who wish to invest their assets accordingly e.g. the Storebrand Global ESG Plus Lux Fund, the HSBC Islamic Global Equity Index and the Legal & General FTSE4 Good Developed Equity index.

In line with the requirement to conform to the Task Force on Climate-Related Financial Disclosures (TCFD) and the statutory requirements prescribed by the Department of Work and Pensions, the Trustee produces an annual TCFD report.

5.8 Liquidity and Realisation of DC Investments Policy

The TDFs have exposure to illiquid assets, including private equity, global property, and sustainability-oriented infrastructure (in a sleeve called “Sustainable Opportunities”). These exposures are accessed through listed vehicles (e.g., investment trusts) to support greater liquidity, though there is potential for some reduced liquidity when compared to listed securities issued by large issuers (e.g., corporates, governments). The TDFs also have exposure to private debt, which takes the form of unlisted investment into illiquid assets. The Trustees believe that, subject to suitable investments being available, some allocation to illiquid assets can, overall, provide potential for improved risk-adjusted returns for members invested in the default arrangements. The whole asset allocation of the TDF is holistically managed, which is critical for the effective management of cashflows and liquidity. It is the responsibility of the appointed investment manager, AllianceBernstein, to monitor liquidity daily.

They must ensure there is sufficient liquidity available to meet calls from the private debt fund managers within each private debt allocation, and this is managed via a sub-fund. The sub-fund comprises a liquid equity fund (for younger members) and a short duration credit fund (for older members), through which all cashflows in and out of private debt are directed. In addition to being a liquidity reserve and destination for cashflows, the sub-fund’s exposure to public capital markets minimises the cash drag. The sub-fund will be prudently managed to ensure a high level of private credit exposure, while ensuring a sufficient buffer should it be required. Given that cashflows are managed at the TDF strategy level, the need for significant outflows is unlikely. Income distributions will be paid to the listed market sub-fund and may be retained in this buffer allocation or reinvested into private debt.

In the unlikely event that liquidity is unavailable in the sub-fund of listed funds, it is agreed that this can be funded from other allocations held within the TDFs.

The Trustees intend to keep investment in illiquid assets, and whether to increase the investment in illiquid assets, under consideration into the future periodically and no later than the next review of the default strategy.

6. Engagement Priorities and Significant Votes

6.1 Engagement Priorities

The Trustee’s engagement priorities are based on their belief that ESG issues, across each of the three factors, may have a material impact on investment performance. As such the Trustee has determined what they consider the most salient topic within each of the three ESG factors, as listed below.

Engagement Priority	Rationale
Environment: Climate Change	Climate-related financial impacts are driven by the associated transition to a low-carbon economy and the physical damages of different climate outcomes. The Trustee believes climate change issues present risks and opportunities that increasingly may require explicit consideration.
Social: Human rights including modern Slavery	Workforce and supply chain safety and human rights practices should avoid contributing to modern slavery, exploitation and other human rights abuses – these can contribute to economic instability, the threat of social tension and subsequent political instability which, in turn, may have a negative impact on investment performance. The Trustee notes alignment of this priority with the Company’s Supplier Code of Conduct and the commitments made therein.

Engagement Priority	Rationale
Governance: Executive remuneration	Executives have significant influence over the financial success of the companies which they manage. Therefore, executive remuneration policies can have a meaningful impact on the return of investors in companies. These policies should attract and retain talent whilst ensuring alignment of incentives with company and shareholder objectives.

6.2 Significant Votes

The Trustee considers a vote to be significant if the holding makes up more than 2% of the relevant fund's value and:

- It relates to any of the Trustee's engagement priorities, as set out above; or
- It has a direct financial impact on the company.

Any vote on exposures, irrespective of the purpose of the vote, that make up more than 5% of the relevant fund are considered significant.

To aid reporting, the Trustee reports on the most significant votes, defined as votes in relation to the largest three fund holdings that meet the above significant criteria, on an annual basis within the Implementation Statement. This statement is available to members online or upon request.

7. Additional Voluntary Contributions (AVCs)

7.1 Defined Benefit Arrangements

New AVC payers

For DB members that applied to start paying AVCs from 1 October 2012, the Trustee has made available the investment fund range referred to in chapter 5.3 and applies to all new AVC Investments.

8. Other assets

The only other Scheme assets relate to un-invested cash, maintained for the day-to-day management of the Scheme. This is managed by Associated British Foods Pensions Department, liaising with the Company's Treasury Management division to ensure a market rate of interest is obtained.

The monthly cash out flows are currently more than the monthly cash inflows from contributions and therefore a specific investment strategy is followed to generate cash through non-reinvestment of dividends, bond maturities etc.

9. Realisation of Investments

In general, the Investment Managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments, subject to not exceeding the Trustee's powers as set out in the Trust Deed and Rules. The Investment Managers are responsible for generating any cash required for benefits and other expenditure on the instructions of the Trustee.

10. Aligning Manager Appointments with Investment Strategy

The managers are appointed by the Trustee based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and desired risk characteristics. The Trustee looks to Mercer, where appropriate, for their forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the Mercer's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in and makes available to DC members. Mercer's manager research ratings assist with due diligence (and questioning the investment managers during presentations to the Trustee) and are used in decisions around selection, retention and realisation of manager appointments. The Trustee will consider how ESG and stewardship are integrated into the investment

process as well as ensuring fees are competitive within the asset class. If the investment objectives for a particular manager's fund change, the Trustee will review the fund appointment to ensure that it remains appropriate and consistent with the wider Trustee's investment objectives. The Trustee accepts that it has no ability to specify the risk profile and return targets of the manager. Such issues are taken into consideration when selecting and monitoring the managers to align with the overall investment strategy requirements.

11. Incentivising Managers to consider Long-Term Financial and Non-Financial Performance

The Trustee has considered how each manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's beliefs around responsible investment. This includes the managers' policy on voting and engagement (where relevant). The Trustee will use this assessment in decisions around selection, retention and realisation of manager appointments where applicable.

The Trustee meets with the investment managers periodically and can challenge decisions made including voting history and engagement activity to ensure the best performance over the medium to long term.

The managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee is dissatisfied, then they will consider replacing the manager.

12. Evaluating Investment Manager Performance and Remuneration

The Trustee receives investment performance reports from Mercer and AllianceBernstein on a quarterly basis, which present performance information over 1 quarter, 6 month, 1 year, 3 year and 5 year periods. As well as considering each manager's style over the course of an economic cycle, the Trustee reviews absolute performance and in many cases relative performance against a suitable index used as a benchmark. The Trustee's focus is primarily on long-term performance but, as noted above, may review a manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager or portfolio management team;
- There is a change in the underlying objectives of the investment manager;
- There is a significant change to Mercer's rating of the manager.

The investment managers are generally remunerated by way of a fee calculated as a percentage of assets under management. If managers are not meeting performance objectives, or investment objectives for mandates have changed, the Trustee may ask managers to review the Annual Management Charge or decide to switch managers.

As part of the annual value for members assessment, the Trustee reviews the DC investment managers' fees.

13. Manager Turnover

The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis. For all funds apart from the Private Debt contracts, there is no set duration for the manager appointments. The Trustee will therefore retain an investment manager unless:

- For the DB Section, there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;
- For the DC section, the mandate is no longer considered to be optimal nor have a place in the default investment strategy or self-select fund range;
- The manager appointed has been reviewed and the Trustee has decided to terminate the mandate.

14. Portfolio Turnover Costs

The Trustee asks investment managers to include portfolio turnover and turnover costs in their presentations and report to the Trustee. The Trustee also receives MiFID II reporting from their investment managers. All reporting is analysed to ensure consistency between reporting periods and any inconsistencies are investigated with the investment manager. The Trustee will continue to monitor industry improvements concerning the reporting of portfolio turnover costs. For the DC Section, the Trustee considers portfolio turnover costs as part of the annual value for money assessment.

15. Compliance with this Statement

The Trustee will monitor compliance with this Statement periodically. The investment managers are provided with copies of this Statement periodically. The Trustee will review this Statement in response to any material changes to any aspects of the Scheme, its liabilities, finances and the attitude to risk of the Trustee and the Company which they judge to have a bearing on the stated investment policy. This review will occur no less frequently than triennially to coincide with the Actuarial Valuation. Any such review will again be based on written expert advice and will be in consultation with the Company.

APPENDIX 2: ANNUAL DC GOVERNANCE CHAIR'S STATEMENT FOR THE SCHEME YEAR ENDING 5 APRIL 2025

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS")

As the Chair of the Associated British Foods Pension Trustees Limited, I, together with my fellow Trustee Directors, must continually review and assess the Associated British Foods Pension Scheme's ("the Scheme") systems, processes, and controls across a number of areas to ensure they are consistent with those set out by legislation and The Pensions Regulator (TPR). Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Scheme is required to produce a yearly statement (which is signed by the Chair of the Trustee) to describe how these governance requirements have been met in relation to:

- The investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select).
- The requirements for processing financial transactions.
- The charges and transaction costs borne by members, including:
 - Reporting net investment returns.
 - An illustration of the cumulative effect of these costs and charges.
 - Assessment of value for members.
 - Target date fund asset allocations.
- Trustee knowledge and understanding; and
- Scheme operations statement.

This Statement provides an insight to the steps taken during the Scheme year ending 5 April 2025 to ensure our compliance with these requirements for the DC Section.

1. DEFAULT INVESTMENT ARRANGEMENT-TARGET DATE FUNDS (TDFs)

All members are contractually or automatically enrolled into the Scheme and their contributions are invested by default within the Target Date Fund applicable to their Normal Retirement Age (although members can later choose an alternative target retirement age, if they wish). However, members are given the option to select an alternative investment via the Scheme welcome letter they receive from the Scheme. The Trustee has set out the following aims and objectives for the Target Date Funds:

- It is likely to be appropriate for most members;
- The Glidepath is dynamically managed to manage risk and to seek significant long-term real growth whilst members are further from their target retirement date;
- It has a risk and reward profile that addresses the various risks that members face as identified by the Trustee in the SIP, in particular that these reflect the period remaining until members reach retirement age and their ability to recover any market losses. As members move towards their retirement "**target date**," the **fund** gradually reduces risk by changing the investments within the **fund** to ensure it has an asset allocation at the target retirement date that is appropriate and consistent with how most members are expected to take their retirement savings; and
- It includes the Trustee's consideration of the environmental, social and governance (ESG) factors including climate change and stewardship risks.

The Trustee regularly reminds members to review their investment options to ensure they remain appropriate via annual communications and the website. www.abfpensions.com/dc/investments

- 1.1 A copy of the latest Statement of Investment Principles (SIP) prepared in accordance with Regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 is attached as Appendix 1 to the Financial Statements.
- 1.2 The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangements. A review of the default strategy and the performance of the default funds was undertaken four times during the Scheme year against the aims and objectives as set out in the SIP. The review included the following key areas:
 - Value of Assets in the TDFs

- Commentary submitted by Alliance Bernstein including performance relative to targets and asset allocation decisions
- Fees and Charges
- Consideration of whether all TDF Vintages had outperformed or underperformed their objective and if they remain 'on track' to deliver the objective over the long term
- CyRil membership analysis (demographic analysis undertaken to 'stress test' risk parameters)
- Reviewing risk budgets in line with changes to central risk/return forecasts
- A review of the underlying asset allocation and the use of private assets.

The last formal review on 7 March 2024 concluded that all TDF vintages had performed well since inception net of fees. However, the Trustee noted that while currently many members cash in their pension accounts on retirement, this is likely to change as the Scheme matures and average pot size increases. The Trustee agreed that the glidepath should better reflect this. They therefore decided to postpone de-risking by TDFs, to increase the level of risk in TDFs at and beyond target date to reflect that pension savings will increasingly be accessed through drawdown. They decided to introduce investment in private credit to improve the glidepath's balance of risk and reward. They agreed that the TDFs' objective should be to provide a real return over the life of the glidepath, while managing risk as retirement approaches.

These changes were gradually introduced to the Target Date Funds during the current Scheme year from 1st July 2024. With these changes now implemented, the Trustee concluded that:

- Alliance Bernstein remains appropriate as a Company for the provision of investment services having demonstrated their continued commitment to the market, their ongoing and dynamic research and implementation processes, and their long-term demonstrable track record.
- The TDFs remain appropriate to deliver a default strategy which meets the Trustee's objectives (as set out in the SIP).
- Each TDF's investment approach as members near retirement remains appropriate given the glidepath construction and the management thereof.
- The investment performance for each TDF, relative to the aims and objectives of the default as set out in the SIP, was acceptable. The Trustee reviews both short term and long-term performance regularly and all strategies were ahead of the journey plan defined under the glidepath.
- The total expense ratio for each TDF was significantly lower than the charge cap (0.75%) and continues in the opinion of the Trustee to provide value for money to members.

Overall, the review concluded that the default strategy and its risk and return characteristics remain consistent with the Trustee's objectives as set out in the SIP and that TDFs remain an appropriate default investment strategy for the Scheme.

In addition to the review of the default strategy, the Trustee also considered in February 2024 the range of alternative self-select funds which were available to members for whom the default strategy did not meet their needs. The range of alternative funds at the time of review consisted of 76 funds. Having considered the views of their investment advisor, Mercer, the Trustee decided to consolidate the self-select range where:

- The very small number of members and/or value of contributions invested in them did not justify the significant expense of governing and administering those funds and a suitable alternative was available, and/or;
- Taking into account recent performance and/or fees, compared to alternative investment options available through the Scheme, the funds were no longer delivering value for money.

In addition, the Trustee considered where there was a need to provide a particular type of fund that was either not currently available through the Scheme or a better alternative was available. As a result, four new funds were introduced in July 2024 as follows:

- LGIM Future World Global Equity Fund (a passive global equity ESG fund, providing members access to a sustainable fund with lower fees than the ESG funds currently available through the Scheme).
- BlackRock Aquila Connect Corporate Bond All Stocks Fund (a passive all stocks corporate bond fund to replace the all stocks fund being removed).

- Insight Broad Opportunities Fund (a diversified growth fund, to replace the Invesco Global Targeted Returns Fund which was recently closed by the fund manager).
- Nordea Diversified Return Fund (a diversified growth fund, to replace the BNY Real Return Fund).

The Trustee concluded that the combination of the funds which have been retained, together with the new funds introduced will maintain a broad choice across asset classes and investment styles going forward. The changes to the self-select range were explained to all members in a communication sent out in advance, and members were also invited to an online presentation, during which the changes were explained and members had the opportunity to ask questions. Members invested in funds closing were defaulted into the Target Date Fund aligned with their 65th birthday (unless they have selected a different target retirement age). Members could also choose from the range of self-select funds. The transfer took place in Q3 2024.

The Trustee reviews investment performance every quarter and formally reviews both the performance and the strategy at least every three years or earlier where necessary. The next formal review is intended to take place by the end of the Scheme year 5 April 2027.

2. CORE FINANCIAL TRANSACTIONS

2.1 Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations requires the Trustee to ensure that core financial transactions have been processed promptly and accurately during the Scheme year. Core financial transactions include investment of contributions, transfers of assets relating to members into and out of the Scheme, transfers of assets relating to members between different investments within the Scheme and payments from the Scheme to, or in respect of, members. The Trustee has received assurances from the Scheme's administrator, ABF Group Pensions Department, and as such is confident that the requirements of Regulation 24 have been met during the year for the following reasons:

- The Trustee treats all transactions which relate to the handling of contributions and assets as core financial transactions. All receipts have been matched to the corresponding payments to ensure that all transactions are monitored on a daily basis and actioned in a timely manner. This control complements existing member level unit reconciliations and provides an increased level of monitoring at transaction level.
- Contributions for each pay period from all pay-sites were tracked to record the date the monies were received and the date the schedule providing a breakdown of the contributions per member was received. This was checked against a pre-agreed Contribution Calendar. Processes are in place to resolve any issues directly with the senior management teams of the employer within one working day and to rectify any systems failures etc to ensure the issue is not repeated.
- All contributions received by the Scheme were invested within two working days of receipt of the correct funds, file and supporting documents detailing the breakdown of individual member contributions, whichever was the latter.
- Transfers of members' assets into and out of the Scheme were processed in accordance with the Pensions Act requirements and complied with the Transfer Regulations (which came into effect from November 2021).
- Members' assets being switched between different funds within the Scheme were actioned in a timely manner and in accordance with the member's instructions.
- Payments from the Scheme to, or in respect of, members were completed in a timely manner and in accordance with statutory requirements.
- The Scheme Administrator utilises internal Service Level Agreements to drive and monitor all aspects of the day-to-day administration. These include the accuracy and timeliness of all core financial transactions. These include:
 - All payments are actioned within 5 working days once monies have completed disinvestment from Mobius Life.
 - Contributions including individual transfers into the Scheme are invested within 2 working days of receipt of monies and confirmation of who the payments relate to.
 - Once instructions for switches between funds are confirmed these are mostly actioned within 5 working days.

- A workflow monitoring tool is in place which is used to monitor Compliance against the Service Levels in respect of all cash movements within the DC Section.
- All receipts into the Trustee bank account are reconciled against contribution files and member data.
- At least two individuals are involved with checking investment transactions.

The Group Pensions Director reviews all logs and monthly reconciliation reports and provides an update of any findings to both the Trustee Board and Audit Sub-Committee. The Trustee also receives quarterly Admin Reports detailing the administrator's performance and compliance. The Scheme administrator adopts an Internal Controls Framework (based on AAF01/20) and has provided confirmation that all receipts for the financial year were matched to the corresponding payments. In addition, confirmation has been received that all transactions were monitored on a daily basis and actioned in a timely manner and well within statutory deadlines. These checks were complementary to both the daily bank reconciliations and monthly member level unit reconciliations.

I am happy to report that during the Scheme year there were no regulatory breaches reported, no issues were found that gave rise to concern by the Trustee and there are no outstanding issues at the date of this statement.

3. CHARGES AND TRANSACTION COSTS

3.1 The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the Total Expense Ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds. The Employer meets all administration and risk costs for the DC Section of the Scheme. The Trustee is also required to separately disclose transaction costs figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within the investment funds.

3.2 Target Date Fund charges and transaction costs

The levels of charges and transaction costs applicable to the 21 default Target Date Funds at the end of the Scheme year are shown in the table below. The Target Date Funds have been designed to help manage investment risk which means that as members move towards their retirement "target date", the fund gradually reduces risk by changing the investments within the fund. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement date and which fund they are invested in. The Trustee is required to separately disclose the transaction costs for each Fund (see penultimate column below). The costs and charges shown in the table below have been produced in line with statutory guidance.

Fund Name	Alliance Bernstein Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AB Retirement Fund 2011-2013	0.191	0.040	0.0230	0.2540	(0.02)	3.37
AB Retirement Fund 2014-2016	0.191	0.040	0.0230	0.2540	(0.02)	3.20
AB Retirement Fund 2017-2019	0.191	0.040	0.0220	0.2540	(0.03)	3.21
AB Retirement Fund 2020-2022	0.191	0.040	0.0230	0.2540	(0.03)	3.19
AB Retirement Fund 2023-2025	0.191	0.040	0.0240	0.2560	(0.04)	3.08
AB Retirement Fund 2026-2028	0.191	0.040	0.0260	0.2570	(0.04)	2.96
AB Retirement Fund 2029-2031	0.191	0.040	0.0270	0.2580	(0.05)	3.07
AB Retirement Fund 2032-2034	0.191	0.040	0.0290	0.2600	(0.07)	3.42
AB Retirement Fund 2035-2037	0.191	0.040	0.0300	0.2610	(0.08)	4.33
AB Retirement Fund 2038-2040	0.191	0.040	0.0300	0.2610	(0.08)	5.85
AB Retirement Fund 2041-2043	0.191	0.040	0.0290	0.2600	(0.10)	6.28
AB Retirement Fund 2044-2046	0.191	0.040	0.0280	0.2590	(0.13)	6.33
AB Retirement Fund 2047-2049	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2050-2052	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2053-2055	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2056-2058	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2059-2061	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2062-2064	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2065-2067	0.191	0.040	0.0270	0.2580	(0.13)	6.22
AB Retirement Fund 2068-2070	0.191	0.040	0.0270	0.2580	(0.13)	6.22
AB Retirement Fund 2071-2073	0.191	0.040	0.0270	0.2580	(0.13)	6.22

There are no performance-based fees charged by Alliance Bernstein or Mobius Life on The Target Date Funds. This data has been provided by Alliance Bernstein and Mobius Life as at 31 March 2025 and shows return net of fees for the previous 12 months.

3.3 Target Date Funds net investment returns

The net returns are shown as an annual geometric average. The annual net return, which compounded over time, delivered the returns shown below which have been calculated in line with the statutory guidance:

Fund Name	Inception Date	Age of Member in 2025 (Years)	Annualised Returns 1 Year p.a. (2025) Net (%)	Annualised Returns 3 Years p.a. (2022-2025) Net (%)	Annualised Returns 5 Years p.a. (2020-2025) Net (%)	Annualised Returns 10 Years p.a. (2015-2025) Net (%)
AB Retirement Fund 2011-2013	30/09/2012	78	3.4	2.7	3.4	3.1
AB Retirement Fund 2014-2016	30/09/2012	75	3.2	2.4	3.4	3.2
AB Retirement Fund 2017-2019	30/09/2012	72	3.2	2.3	3.6	3.5
AB Retirement Fund 2020-2022	30/09/2012	69	3.2	2.2	3.9	4.0
AB Retirement Fund 2023-2025	30/09/2012	66	3.1	2.0	4.7	4.5
AB Retirement Fund 2026-2028	30/09/2012	63	3.0	2.0	5.9	5.1
AB Retirement Fund 2029-2031	30/09/2012	60	3.1	1.7	6.4	5.5
AB Retirement Fund 2032-2034	30/09/2012	57	3.4	2.2	7.5	6.0
AB Retirement Fund 2035-2037	30/09/2012	54	4.3	3.1	8.8	6.5

Fund Name	Inception Date	Age of Member in 2025 (Years)	Annualised Returns 1 Year p.a. (2025) Net (%)	Annualised Returns 3 Years p.a. (2022-2025) Net (%)	Annualised Returns 5 Years p.a. (2020-2025) Net (%)	Annualised Returns 10 Years p.a. (2015-2025) Net (%)
AB Retirement Fund 2038-2040	30/09/2012	51	5.9	4.5	10.6	7.3
AB Retirement Fund 2041-2043	30/09/2012	48	6.3	5.7	12.7	8.0
AB Retirement Fund 2044-2046	30/09/2012	45	6.3	6.4	13.3	8.3
AB Retirement Fund 2047-2049	30/09/2012	42	6.2	6.4	13.3	8.3
AB Retirement Fund 2050-2052	30/09/2012	39	6.2	6.4	13.3	8.3
AB Retirement Fund 2053-2055	30/09/2012	36	6.2	6.4	13.3	8.3
AB Retirement Fund 2056-2058	30/09/2012	33	6.2	6.4	13.3	8.3
AB Retirement Fund 2059-2061	30/09/2012	30	6.2	6.4	13.3	8.3
AB Retirement Fund 2062-2064	31/10/2012	27	6.2	6.4	13.3	8.3
AB Retirement Fund 2065-2067	28/02/2013	24	6.2	6.4	13.3	8.3
AB Retirement Fund 2068-2070	28/02/2013	21	6.2	6.5	13.3	8.3
AB Retirement Fund 2071-2073	28/02/2013	18	6.2	6.8	13.5	8.4

3.4 Target Date Funds Asset Allocation

Asset Class	Average 25 y/o (%)	Average 45 y/o (%)	Average 55 y/o (%)	Average 65 y/o (%)
Cash	0.00	0.00	0.00	0.00
Bonds	0.00	1.73	19.13	52.28
Government Bonds	0.00	0.00	10.77	36.82
Corporate Bonds	0.00	1.73	8.36	5.93
Short Duration Bonds	0.00	0.00	0.00	9.53
Listed Equities	75.97	74.41	58.18	33.86
Small Cap Equities	4.25	3.94	2.51	0.39
Developed Market Equities	64.42	63.72	51.46	32.82
Emerging Market Equities	7.30	6.75	4.21	0.65
Private Equity	5.74	5.56	4.17	0.64
Property	3.73	3.73	3.11	1.00
Infrastructure	3.03	3.03	2.53	1.19
Private Debt	10.02	9.65	10.35	10.38
Other	1.51	1.89	2.53	0.65
Total	100.00	100.00	100.00	100.00

The following describes the types of investments covered by the above asset classes:

- Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.
- Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
- Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
- Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including: Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk, Growth Equity – Relatively mature companies that are going through a

transformational event with potential for growth, Buyout funds – Invested in more mature businesses, often taking a controlling interest, Leveraged buyout funds take out loans to raise the funds required to invest.

- Infrastructure: physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons
- Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.
- Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.
- Other – Any assets that do not fall within the above categories.

3.5 Self-select options charges and transaction costs

The Trustee also offers DC members access to the full range of self-select funds on the Mobius Life Platform (which together with the Target Date Funds are also available to DB members who wish to make Additional Voluntary Contributions (AVCs)). Over the year, members had access to 75 funds. During the year to 5 April 2025, this range was consolidated as covered in section 1.2. The self-select assets account for less than 1% of members and assets in the DC Section. The TER for providing these funds range from 0.07% to 1.04 per annum (the TER can be negative where Mobius are able to purchase units at the bid price when they have bought the assets at a lower price than its true investment value. Similarly, a negative cost would be seen if Mobius sold units at the offer price). Detailed information relating to these funds can be found on the Scheme website at www.abfpensions.com/dc/investments. The level of charges and transaction costs applicable to the self-select funds currently utilised by DC and DBAVC members at the end of the Scheme year are shown in the table below:

Mobius Life have provided transaction costs and return net of fees for the 12 months to 31 March 2025.

The Trustee is required to separately disclose the transaction costs for each Fund.

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AB Dynamic Diversified Beta	0.19	0.04	0.02	0.25	(0.05)	5.2
AB Emerging Market Multi-Asset*	0.80	0.04	0.15	0.99	0.33	22.1
AB Global Plus Fixed Income	0.50	0.04	0.08	0.62	0.11	3.2
abrdn Diversified Growth and Income Pension*	0.50	0.04	0.45	0.99	0.33	30.0
abrdn Emerging Markets Equity*	0.89	0.04	0.12	1.04	0.31	1.7
abrdn Sterling Corporate Bond Fund	0.50	0.04	0.09	0.63	0.02	2.8
Aegon Investment Grade Bond*	0.61	0.04	0.04	0.69	0.41	2.3
Aegon UK Corporate Bond*	0.21	0.04	0.01	0.25	(0.43)	2.0
Aquila Connect >15 Year Corporate Bond*	0.05	0.04	0.01	0.10	(0.32)	(5.3)
Aquila Connect >15 Year UK Gilt*	0.05	0.04	0.00	0.09	0.01	0.8
Aquila Connect >5 Year UK Index Linked Gilt*	0.05	0.04	0.00	0.09	(0.11)	(9.7)
Aquila Connect Pacific RIM Equity Index*	0.05	0.04	0.01	0.10	(0.14)	0.8
Aquila Connect US Equity*	0.05	0.04	0.00	0.09	(0.03)	19.5
Aquila Life 50:50 Currency	0.10	0.04	0.01	0.14	(0.41)	6.6
Aquila Life Up to 5 Years Gilt*	0.05	0.04	0.00	0.09	0.06	11.3
Aquila Life World Equity Index*	0.05	0.04	0.01	0.10	0.04	4.9
Artemis SmartGARP Global Equity	0.75	0.04	0.13	0.92	0.12	6.2

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AXA Framlington American Growth	0.61	0.04	0.06	0.71	0.07	1.6
AXA Framlington Health*	0.61	0.04	0.06	0.71	0.15	3.9
AXA Framlington UK Select Opportunities	0.61	0.04	0.07	0.72	0.09	1.7
Baillie Gifford Diversified Growth*	0.42	0.04	0.15	0.61	0.52	5.3
Baillie Gifford IF Long Term Global Growth Investment Fund (ABF)*	0.51	0.04	0.03	0.58	0.11	6.7
Baillie Gifford OGF Emerging Markets Leading Companies Fund (ABF)*	0.60	0.04	0.07	0.71	0.32	5.6
Baillie Gifford OGF Euro Fund*	0.55	0.04	0.05	0.64	0.17	(0.8)
Baillie Gifford UKB Global Alpha Growth Fund (ABF)	0.45	0.04	0.03	0.52	0.16	11.1
Baillie Gifford UKB Managed*	0.30	0.04	0.02	0.36	0.17	1.1
BlackRock Gold & General	0.71	0.04	0.16	0.91	0.69	48.3
BlackRock Institutional Sterling Liquidity	0.10	0.04	0.00	0.14	0.01	5.1
BlackRock Life Balanced Growth*	0.45	0.04	0.00	0.49	0.24	4.6
BlackRock UK Smaller Companies*	0.61	0.04	0.16	0.81	0.72	3.5
BlackRock UK Special Situations*	0.61	0.04	0.16	0.81	0.64	7.4
BNYM Global Equity*	0.31	0.04	0.07	0.42	0.16	0.3
BNYM Real Return*	0.65	0.04	0.10	0.79	0.04	0.9
EF Tellsons Endeavour Fund*	0.40	0.04	0.24	0.68	0.00	0.0
HSBC Islamic Global Equity	0.18	0.04	0.09	0.31	0.01	3.6
Invesco High Income*	0.76	0.04	0.00	0.80	0.25	8.2
Invesco Income*	0.76	0.04	0.00	0.80	0.13	6.0
iShares 100 UK Equity Index*	0.06	0.04	0.00	0.10	0.00	5.2
iShares Emerging Markets Index	0.06	0.04	0.07	0.17	0.08	8.1
Janus Henderson Global Select*	0.71	0.04	0.23	0.98	0.10	(1.1)
JPM Natural Resources	0.69	0.04	0.08	0.81	0.54	0.1
Jupiter China*	0.75	0.04	0.00	0.79	0.24	0.9
Jupiter Global Convertibles*	0.76	0.04	0.24	1.04	0.21	(2.0)
Jupiter India Fund*	0.75	0.04	0.00	0.79	0.10	2.4
LGIM All Stocks Gilt Index	0.04	0.04	0.00	0.08	0.05	(1.3)
LGIM All Stocks Index Linked Gilt	0.04	0.04	0.00	0.08	0.04	(7.7)

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
LGIM Asia Pacific (ex Japan)	0.08	0.04	0.00	0.12	0.02	(3.5)
LGIM Cash*	0.05	0.04	0.00	0.09	0.07	2.2
LGIM Diversified Fund*	0.30	0.04	0.02	0.36	0.04	2.3
LGIM FTSE4Good Developed Equity Index (ABF)	0.30	0.04	0.00	0.34	0.00	3.3
LGIM FTSE4Good UK Equity Index (ABF)	0.20	0.04	0.00	0.24	0.00	13.7
LGIM Europe (ex UK) Equity Index	0.08	0.04	0.00	0.12	0.16	2.3
LGIM Global Equity Fixed Weights 60/40*	0.08	0.04	0.00	0.12	0.06	4.4
LGIM Global Real Estate Equity Index	0.18	0.04	0.00	0.22	0.02	2.7
LGIM Japan Equity Index	0.08	0.04	0.00	0.12	0.01	(0.8)
LGIM North American Equity Index	0.08	0.04	0.00	0.12	0.01	5.3
LGIM Over 5 Year Index Linked Gilt*	0.04	0.04	0.00	0.08	0.05	(0.9)
LGIM Property Fund	0.60	0.04	0.03	0.67	1.85	0.1
LGIM UK Equity Index	0.03	0.04	0.00	0.07	0.05	11.2
LGIM World Emerging Market Equity Index*	0.30	0.04	0.00	0.34	0.16	(2.1)
LGIM World ex UK Equity Index	0.08	0.04	0.00	0.12	0.04	4.1
Liontrust European Dynamic	0.75	0.04	0.10	0.89	0.23	(0.9)
M&G Corporate Bond*	0.35	0.04	0.04	0.43	0.08	2.7
MFS Global Equity Institutional	0.55	0.04	0.07	0.66	0.07	(0.3)
Ninety One Emerging Markets Local Currency Debt	0.69	0.04	0.20	0.93	0.22	2.6
Schroder Institutional UK Smaller Companies	0.50	0.04	0.01	0.55	0.16	7.2
Schroder Life Intermediated Div Growth	0.55	0.04	0.05	0.64	0.31	3.8
Schroders Global Emerging Markets	0.37	0.04	0.23	0.64	0.32	4.2
Stewart Investors Asia Pacific Leaders	0.76	0.04	0.04	0.84	0.07	(0.7)
Stewart Investors Global Emerging Markets Leaders*	0.65	0.04	0.07	0.76	0.14	(0.4)
Storebrand Global ESG Plus	0.17	0.04	0.06	0.27	0.04	2.1
CT Global Select*	0.42	0.04	0.03	0.49	0.20	11.3
CT UK PAIF*	0.66	0.04	0.06	0.76	(0.10)	2.1
Vanguard FTSE Developed World ex UK	0.08	0.04	0.00	0.12	0.02	4.3
Vanguard US Equity Index CCF*	0.08	0.04	0.00	0.12	0.09	8.4

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
BlackRock Aquila Connect Corporate Bond All Stocks	0.04	0.04	0.00	0.08	(0.04)	0.5
LGIM Future World Global	0.10	0.04	0.00	0.14	(0.03)	2.5
Insight Broad Opportunities [#]	0.04	0.04	0.00	0.08	(0.04)	(3.3)
Nordea Diversified Return [#]	0.10	0.04	0.00	0.14	(0.03)	0.6

3.6 Self-select net investment return

Fund Name	Inception Date	1 Year p.a. (%) Net	3 Years p.a. (%) Net	5 Years p.a. (%) Net	10 Years p.a. (%) Net
AB Dynamic Diversified Beta	30/09/2012	5.2	4.2	9.6	6.7
AB Emerging Market Multi-Asset (ABF)*	14/03/2019	22.1	32.9	68.1	51.4
AB Global Plus Fixed Income (ABF)	14/03/2019	3.2	0.9	1.6	2.2
abrdn Diversified Growth and Income Pension*	14/03/2019	30.0	16.4	18.4	20.5
abrdn Emerging Markets Equity (ABF)* (CTNB)	14/03/2019	1.7	(3.3)	27.8	9.7
abrdn Sterling Corporate Bond Fund (ABF)	14/03/2019	2.8	(1.9)	1.5	5.4
Aegon Investment Grade Bond (ABF)*	14/03/2019	2.3	(0.3)	6.1	8.5
Aegon UK Corporate Bond (ABF)*	14/03/2019	2.0	(2.5)	(0.6)	4.1
Aquila Connect >15 Year Corporate Bond (ABF)*	14/03/2019	(5.3)	(22.2)	(23.6)	(18.5)
Aquila Connect >15 Year UK Gilt (ABF)*	14/03/2019	0.8	(33.0)	(45.5)	(32.3)
Aquila Connect >5 Year UK Index Linked Gilt (ABF)*	14/03/2019	(9.7)	(40.3)	(39.5)	(34.2)
Aquila Connect Pacific RIM Equity Index (ABF)*	14/03/2019	0.8	0.9	25.1	32.9
Aquila Connect US Equity (ABF)*	14/03/2019	19.5	16.2	147.1	150.5
Aquila Life 50:50 Currency Hedged Global Equity (ABF)*	14/03/2019	6.6	23.5	88.5	60.9
Aquila Life Up to 5 Years Gilt (ABF)*	14/03/2019	11.3	12.3	9.5	11.5
Aquila Life World Equity Index (ABF)	14/03/2019	4.9	25.7	102.0	96.9
Artemis SmartGARP Global Equity (ABF)	14/03/2019	6.2	(5.0)	44.2	(1.4)
AXA Framlington American Growth (ABF)	14/03/2019	1.6	21.0	115.8	125.3
AXA Framlington Health (ABF)*	14/03/2019	3.9	20.4	74.7	75.7
AXA Framlington UK Select Opportunities (ABF)	14/03/2019	1.7	(4.7)	37.3	10.5
Baillie Gifford Diversified Growth (ABF)*	14/03/2019	5.3	(0.4)	20.7	1.0
Baillie Gifford IF Long Term Global Growth Investment Fund (ABF)*	01/10/2021	6.7	12.9	-	-
Baillie Gifford OGF Emerging Markets Leading*	01/10/2021	5.6	6.9	-	-
Baillie Gifford OGF European Fund (ABF)*	14/03/2019	(0.8)	(3.2)	32.9	43.1

Baillie Gifford UKB Global Alpha Growth Fund*	01/10/2021	11.1	22.8	-	-
Baillie Gifford UKB Managed Fund (ABF)*	14/03/2019	1.1	2.1	37.1	39.0
BlackRock Gold & General (ABF)	14/03/2019	48.3	30.7	89.5	121.3
BlackRock Institutional Sterling Liquidity (ABF)	14/03/2019	5.1	12.8	12.9	13.7
BlackRock Life Balanced Growth (ABF)*	14/03/2019	4.6	10.9	44.2	37.5
BlackRock UK Smaller Companies (ABF)*	14/03/2019	3.5	(13.5)	38.4	29.0
BlackRock UK Special Situations (ABF)*	14/03/2019	7.4	5.1	51.5	32.6
BNY Global Equity (ABF)*	14/03/2019	0.3	23.0	85.5	86.2
BNY Real Return (ABF)*	14/03/2019	0.9	4.1	26.0	22.9
EF Tellsons Endeavour Fund (ABF)*	14/03/2019	0.0	0.4	23.9	26.2
HSBC Islamic Global Equity Index (ABF)	14/03/2019	3.6	28.9	112.3	134.4
Invesco High Income (ABF)*	14/03/2019	8.2	23.6	70.0	12.6
Invesco Income (ABF)*	14/03/2019	6.0	19.6	60.2	6.1
iShares 100 UK Equity Index (UK)*	08/06/2020	5.2	19.0	54.3	-
iShares Emerging Markets Index (ABF)	14/03/2019	8.1	6.7	43.8	25.1
Janus Henderson Global Equity (ABF)*	14/03/2019	(1.1)	14.3	68.8	71.8
JPM Natural Resources (ABF)	14/03/2019	0.1	1.6	128.1	64.3
Jupiter China (ABF)*	14/03/2019	0.9	(20.9)	(25.8)	(38.2)
Jupiter Global Convertibles (ABF)*	14/03/2019	(2.0)	(4.5)	13.5	7.0
Jupiter India Fund (ABF)*	14/03/2019	2.4	66.5	197.1	109.6
LGIM All Stocks Gilt Index (ABF)	14/03/2019	(1.3)	(17.3)	(27.0)	(17.2)
LGIM All Stocks Index Linked Gilt (ABF)	14/03/2019	(7.7)	(34.8)	(33.7)	(28.0)
LGIM Asia Pacific (ex Japan) Dev Equity (ABF)	14/03/2019	(3.5)	(3.7)	48.7	25.1
LGIM Cash (ABF)*	14/03/2019	2.2	9.6	9.6	10.3
LGIM Diversified Fund (ABF)*	14/03/2019	2.3	4.8	33.6	28.9
LGIM Ethical Global Equity Index (ABF)	14/03/2019	3.3	25.3	102.0	99.9
LGIM Ethical UK Equity Index (ABF)	14/03/2019	13.7	23.8	78.0	47.0
LGIM Europe (ex UK) Equity Index (ABF)	14/03/2019	2.3	22.9	79.6	67.1
LGIM Global Equity Fixed Weights 60/40 Index (ABF)*	14/03/2019	4.4	19.6	77.8	55.6
LGIM Global Real Estate Equity Index (ABF)	14/03/2019	2.7	(10.0)	33.8	11.5
LGIM Japan Equity Index (ABF)	14/03/2019	(0.8)	23.3	48.9	52.9
LGIM North American Equity Index (ABF)	14/03/2019	5.3	27.6	117.7	120.5
LGIM Over 5 Year Index Linked Gilt (ABF)*	14/03/2019	(0.9)	(24.8)	(34.1)	(27.8)
LGIM Property Fund (ABF)	14/03/2019	0.1	(9.0)	13.1	7.9
LGIM UK Equity Index (ABF)	14/03/2019	11.2	23.6	80.8	47.7
LGIM World Emerging Market Equity Index (ABF)*	14/03/2019	(2.1)	(2.4)	34.9	17.5
LGIM World ex UK Equity Index (ABF)	14/03/2019	4.1	24.7	101.9	97.4
Liontrust European Dynamic (ABF)	14/03/2019	(0.9)	27.3	127.8	111.6
M&G Corporate Bond (ABF)*	14/03/2019	2.7	0.5	6.6	5.6
MFS Meridian Global Equity Institutional (ABF)	14/03/2019	(0.3)	8.9	64.9	59.1

Ninety One Emerging Markets Local Currency Debt (ABF)	14/03/2019	2.6	13.8	16.4	13.6
Schroder Institutional UK Smaller Companies (ABF)	14/03/2019	7.2	(9.2)	60.7	24.3
Schroder Life Intermediated Div Growth (ABF)	14/03/2019	3.8	2.4	30.0	22.6
Schroders Global Emerging Markets (ABF)	14/03/2019	4.2	3.8	40.0	27.4
Stewart Investors Asia Pacific Leaders (ABF)	14/03/2019	(0.7)	2.1	49.5	38.6
Stewart Investors Global Emerging Markets (ABF)*	14/03/2019	(0.4)	0.3	40.0	4.3
Storebrand Global ESG Plus Lux (ABF)	31/12/2019	2.1	18.3	86.6	61.1
CT Global Select (ABF)*	14/03/2019	11.3	35.0	93.9	106.9
CT UK PAIF (ABF)*	14/03/2019	2.1	(16.7)	(7.2)	(3.9)
Vanguard FTSE Developed World ex UK (ABF)	14/03/2019	4.3	24.9	100.7	97.1
Vanguard US Equity Index CCF (ABF)*	14/03/2019	8.4	32.1	130.8	129.5
LGIM Future World Global Equity Fund (ABF) #	14/08/2024	2.5	-	-	-
BlackRock Aquila Connect Corporate Bond All Stocks Fund (ABF) #	13/08/2024	0.5	-	-	-
Insight Broad Opportunities Fund (ABF) #	13/08/2024	(3.3)	-	-	-
Nordea 1 – GBP Diversified Return Fund (ABF) #	14/08/2024	0.6	-	-	-

Net fund performance for self-select funds is calculated on the percentage change of the net unit prices from the start to the end of the period and includes any income the Fund receives. The net fund performance figures are shown after deductions for annual management charge and additional fund expenses. Fund expenses will vary depending on the costs incurred.

* Performance and charges shown until the month end prior to fund closures.

Performance and charges shown from date of inception to 31 March 2025.

The following fund names changed during the Scheme year until the date of this statement sign off:

Old Fund Name	Date Changed	New Fund Name
Stewart Investors Global Emerging Markets	14 July 2024	Stewart Investors Global Emerging Markets Leaders
CT UK Property	17 April 2024	CT UK PAIF
LGIM Ethical Global Equity Index	31 May 2024	L&G FTSE4Good Developed Equity Index
LGIM Ethical UK Equity Index	31 May 2024	L&G FTSE4Good UK Equity Index

All charges are collected through a daily adjustment in unit prices and are payable to the following parties:

Alliance Bernstein (AB) for investment management and asset allocation advice in relation to the Retirement Strategies Funds. This includes management fees charged by third-party fund managers in relation to any other underlying funds by which the value of the AB Retirement Strategies Funds is determined.

Mobius Life for the establishment, administration and maintenance of the Retirement Strategies Funds.

Additional fund expenses payable to third-party fund managers in relation to expenses incurred by those underlying funds such as custodian fees, audit fees, depository/trust fees and legal fees. These expenses are dependent upon the underlying asset allocation of the Retirement Strategies Funds at any given time.

The total expense ratio of the Retirement Strategies Fund is the total annual cost associated with managing and operating the Retirement Strategies Fund.

During the year, the following funds were either suspended or closed and the funds redirected accordingly:

Fund Name	Dates Suspended	Comments
abrdn Diversified Growth and Income Pension Fund	29 May 2024	Fund closed 19 May 2024.
Jupiter Global Convertibles	31 May 2024	Fund closed 31 May 2024
Storebrand Global ESG Plus Fund	23 August 2024 to 30 August 2024	Fund temporarily suspended to enable a change of administrator

If a fund is suspended or closed, the steps taken are as follows:

1. The fund manager will notify the investment platform provider, Mobius Life, who in turn will notify the Trustee.
2. On behalf of the Trustee, the administration team identify which members are affected and notify them in writing, seeking confirmation of their instructions for existing and/or future contributions (as applicable). If members do not provide an investment instruction, their existing and/or future contributions (as applicable) will be invested in their default Target Date Fund.
3. In certain circumstances the Trustee may not be notified of the fund suspension or closure in advance. In this situation, the Trustee will invest any future contributions in the member's default Target Date Fund until the member is able to provide an alternative investment instruction.
4. The member website is updated to show the fund is suspended or closed.

In addition, the following funds were closed in September 2024 by the Trustee following the review of the self-select funds explained in Section 1 above:

- abrdn Emerging Markets Equity (CTNB)
- Aegon Investment Grade Bond
- Aegon UK Corporate Bond
- Aquila Connect Over 15 Year UK Gilt Index Fund
- Aquila Connect Over 5 Year UK Index-Linked Gilt
- Aquila Connect Pacific RIM Equity Index
- Aquila Connect US Equity
- Aquila Life 50:50 Currency Hedged Global Equity
- Aquila Life Up to 5 Yrs Gilt
- AXA Framlington Health
- Baillie Gifford Diversified Growth
- Baillie Gifford IF Long Term Global Growth Inv
- Baillie Gifford OGF Emerging Markets Leading Cos
- Baillie Gifford OGF European Fund
- Baillie Gifford UKB Global Alpha Growth Fund
- Baillie Gifford UKB Managed Fund
- BlackRock Life Balanced Growth
- BlackRock UK Smaller Companies
- BlackRock UK Special Situations
- BNY Global Equity
- BNY Real Return
- CT Global Select
- CT UK PAIF Property Fund
- EF Tellsons Endeavour
- Invesco High Income
- Invesco Income
- iShares 100 UK Equity Index
- Janus Henderson Global Select
- Jupiter China
- Jupiter India
- LGIM Cash
- LGIM Diversified Fund

- LGIM Global Equity Fixed Weights 60/40 Index
- LGIM Over 5 Year Index Linked Gilt
- LGIM World Emerging Market Equity Index
- M&G Corporate Bond
- Ninety One Global Income Opportunities
- Stewart Investors Global Emerging Markets Leaders
- Vanguard US Equity Index CCF

3.7 Legacy Additional Voluntary Contributions (AVC) (Defined Benefit AVCs that commenced prior to 2012)

The self-select and TDF funds outlined above are used for both current and future AVC investments. However, During the year to 5 April 2025, some members of the Scheme were invested in legacy AVCs. Details of these funds and providers funds are shown in the table below.

Legacy AVC Provider	Type of Fund	Type of Fund	Type of Fund	Payment of Contributions
Clerical Medical	With-profits fund	Unit linked funds	-	No further contributions
Phoenix Life	With-profits AVC	-	-	No further contributions
Prudential	With-profits cash accumulation	-	-	No further contributions
Reassure Limited	Basic with-profits	-	-	No further contributions
Standard Life	Pension Millennium with-profits fund	Pension with-profits fund	Managed pension fund	No further contributions
Standard Life	Money market pension fund	Pension with-profits one fund	Ethical pension fund	No further contributions

With effect from 1 April 2023, member AVC contributions ceased to be invested with the legacy AVC providers Clerical Medical, Standard Life, Phoenix Life and Prudential. All AVCs from 1 April 2023 are now invested in the funds available through the Mobius Life investment platform.

During the quarter to December 2024, following advice provided by the Scheme's investment advisors Mercer and a comprehensive communications exercise with the affected members, all AVCs invested with the legacy AVC providers were disinvested with the majority transferring to the DC investment arrangements on the Mobius Life investment platform. Where applicable, an additional payment was made by the Trustees to members' funds invested in the Mobius Life investment platform to compensate them for fees incurred during the transfer and the loss of any enhanced benefits provided by the legacy arrangements (including with profit guarantees, annual bonuses and guaranteed annuity rates). A handful of members had their AVCs withheld from being transferred to the DC investment platform as they wished to retire.

It is important to note that all firms that conduct with-profits business are required to publish a Principles and Practices of Financial Management (PPFM) which explains how the with-profits fund is managed. An annual report for the with-profits policyholders outlining providers' compliance with obligations relating to PPFM is produced. This information including investment information, net return on investments, arrangement costs and charges can be obtained from the Providers' website as The Trustee has not managed to obtain this information as at the time of writing this report. As such this information is available to members using the links to the provider websites as shown in the following table:

Legacy AVC Provider	Principles and Practices of Financial Management (PPFM) Web Address
Clerical Medical	www.clericalmedical.co.uk/business/fundsprices/withprofits www.clericalmedical.co.uk/fund-availability-and-prices/fund-factsheets/unit-linked.html
Phoenix Life	www.phoenixlife.co.uk
Prudential	www.pru.co.uk/funds/ppfm
Reassure Limited	www.reassure.co.uk
Standard Life	www.standardlife.co.uk/c1/funds/with-profits-important-information.page www.standardlife.co.uk/investments/tools/fund-performance

3.8 The impact of charges on a member's fund

All pension arrangements will apply charges to a member's account which cover items such as the cost of administering their account and the cost associated with the investments. As a member of the Scheme, the employer covers all the costs of running the Scheme, so the only charges are those related to the running of the investment funds. Most members in the Scheme are invested in the default option, the maximum charge for these funds is 0.261%. This is significantly lower than the maximum permitted charge for default funds of 0.75%. As member's fund growth can be significantly affected by the charges deducted over time, it's important that they understand how their fund at retirement can be impacted.

Additionally, in all DC pension schemes, a further layer of costs is incurred when contributions are invested. This is because investments involve transactions such as buying, selling, lending, and borrowing of investments - and all of these transactions incur costs. Transaction costs are payable by members in addition to the AMC and the additional fund expenses described above.

3.9 Default investment arrangement costs

The following tables show the estimated costs for the target date fund cohorts. This is based on the estimated cost of regular contributions and rebalancing events and the spread of the underlying portfolios, rolled up into the TDF. Please note that the figures and costs shown represent the worst-case level of costs (i.e., a full mid-offer spread) and the actual spreads experienced are typically lower. As most members of the Scheme are invested in the default arrangement an illustration is shown as follows.

Example:

Annual salary	£32,200
Total contribution (from member and employer)	8%
Total investable contribution (per year)	£2,576
Average pot size	£32,560
Future Investment charges (based on rate applicable as at 31 March 2025)	0.253%-0.261% depending on age
Transaction costs associated with contributions	
Based on average Offer to Mid Spread of Target Date Funds as at 31 March 2025 including those that are incurred for single swinging priced funds prudently assuming that the swing is unfavourable for all such transactions	0.0100%
Transaction costs associated with ongoing investment management	
Based on average total transaction costs associated with investment management for the period 31.3.2021-31.3.2025 including rebalancing costs associated with trading between single swinging priced funds. In years where costs were negative (i.e., beneficial to members) these have been counted as zero for the purposes of these calculation.	0.0185%

The table below shows the potential impact over time of costs and charges borne by the Scheme's DC members on projected values over a range of ages.

Projected pension pot in today's money (as at 1 st April 2025)			
Years	Standard default arrangement		
	Accumulated contributions before investment returns, costs, and charges	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	2,576	35,991	35,897
3	7,806	43,194	42,876
5	13,140	50,872	50,279
10	26,951	72,322	70,784

15	41,466	97,365	94,439
20	56,721	126,512	121,650
25	72,754	160,348	152,870
30	89,606	199,536	188,599
35	107,317	238,786	223,749
40	125,931	274,594	255,123
43	137,553	292,662	270,567

Assumptions used

- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pot size is assumed to be £32,560 at age 22 for a member retiring at age 65.
- Inflation is assumed to be 2.5% each year.
- Contributions are assumed to be paid at the beginning of each month from age 22 to 65 and increase in line with assumed earnings inflation of CPI plus 1.0% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £215 per month.
- Values shown are estimates and are not guaranteed.
- Charges are based on a prudent historical average of charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Furthermore, we note that the transaction costs incurred when buying and selling the TDF strategies has been included in this analysis, which is noted as an option for trustees and investment managers within the guidance provided by the DWP.
- The projected future growth rate, after all costs and charges have been deducted, for the default strategy is initially CPI + 3.5% up until 32 years before retirement reducing gradually to CPI + 0% at 2 years before retirement – based on the latest assumptions used to produce member SMPI illustrations as at 31 March 2025. These are in line with the targets set for the default strategies by the Trustee. For purposes of these illustrations these rates, gross of charges, have been capped at 2.5% plus estimated transaction costs in line with DWP guidance and for the period to 5 April 2020.
- The provision of these outcomes on behalf of members assumes the provision of investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
- In addition, the trustee is required to provide value for money to members and as such it would be inappropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

3.9.2 Self-select Funds Illustration on impact of charges

The table below shows the potential impact over time of costs and charges borne by the Scheme's DC members on the lowest and highest charging funds, using the same member assumptions shown below.

Example:

Annual salary	£32,200
Total contribution (from member and employer)	8%
Total investable contribution (per year)	£2,576
Average pot size	£32,560

Projected pension pot in today's money (as at 5th April 2024)				
Years	Most expensive fund: JPM Natural Resources		Least expensive fund: Aquila Connect Corporate Bond All Stocks	
	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	£36,883	£36,350	£35,642	£35,614
3	£46,292	£44,430	£42,024	£41,930
5	£56,811	£53,219	£48,706	£48,533
10	£88,785	£78,672	£66,794	£66,365
15	£130,740	£109,898	£87,011	£86,227
20	£185,582	£148,074	£109,559	£108,305
25	£257,054	£194,607	£134,656	£132,799
30	£349,977	£251,186	£162,541	£159,928
35	£470,557	£319,833	£193,473	£189,925
40	£626,787	£402,972	£227,733	£223,047
43	£741,802	£460,996	£250,011	£244,533

- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pot size is assumed to be £32,560 at age 22 for a member retiring at age 65.
- Inflation is assumed to be 2.5% each year.
- Contributions are assumed to be paid at the end of each month from age 22 to 65 and increase in line with assumed earnings inflation of CPI plus 1.0% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £215 per month.
- Values shown are estimates and are not guaranteed.
- Charges are based on a prudent historical average of charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Transaction costs incurred when buying and selling the self-select funds have not been included in this analysis.
- The projected future growth rate is assumed to be 7% p.a. for the JPM Natural Resources Fund. The TER applicable for the JPM Natural Resources Fund is 0.805% p.a. and the transaction costs are assumed to be 0.645% p.a. which is the average transaction cost over the 5 years to 5 April 2025.
- The projected future growth rate is assumed to be 4% p.a. for the Aquila Connect Corporate Bond All Stocks Fund. The TER applicable for the Aquila Connect Corporate Bond All Stocks Fund is 0.080% p.a. and the transaction costs are assumed to be 0.000% p.a. which is the average transaction cost of the fund since its inception within the Scheme in August 2024.
- Transaction costs for the self-select funds have been averaged over a 5 year period from 6 April 2020 to 5 April 2025. Fund's incepted within that 5 year period have been assessed from the point of inception up until 5 April 2025. Where annual transaction costs are negative, they have been assumed to be zero.
- The provision of these outcomes on behalf of members assumes the provision of investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
- In addition, the trustee is required to provide value for money to members and as such it would be inappropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

3.10 Transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pensions savings can reduce the amount available to the member at retirement. Transaction costs have been obtained from the investment managers who invest money for the Trustee. For the Target Date Funds these are shown on the fourth page of this document and on the seventh to ninth pages for the self-select funds. Transaction costs can be positive or negative depending on how the market moves between arrival and execution and depends on the time period used.

Historical Fund performance information can be found on the fund factsheets for each of the available funds, the factsheets are available on the website at www.abfpensions.com/dc/investments. We also provide members under two years to normal retirement age with a personalised projection on their benefit statements each year.

3.11 Net Investment Returns

The DWP recommends that figures for net investment returns should be shown dating back at least 5 years and the Trustee has selected standard reporting periods of 1 year, 3 years, 5 years and added 10 years for clarity even though there is no data currently available for some of the funds reporting, as the inception date for these funds is less than 10 years ago.

The self-select fund is distinct from the underlying fund, with its own price and other fund specific details. However, the fund is fully invested in the underlying fund. The performance of the fund will not exactly match that of the underlying fund due to price swings, valuation timing or charges. Fund performance shown on page 10 is based on the unit prices calculated each day for the fund. Each fund has a single unit price, which means that on any given date, an investor will purchase units at the same price as an investor selling units.

3.12 Value for Money Assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of "good value," but the Trustee considers that it broadly means "that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole, when compared to other options available in the market." The Trustee reviews all member-borne charges (including transaction costs) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the year. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee's investment advisers have confirmed that the fund charges are competitive for the types of funds available to members. The Trustee's assessment included a review of the performance of the Scheme's investment funds (after all charges) in the context of their investment objectives. In carrying out the assessment, the Trustee also considers the other qualitative benefits members receive from the Scheme, which include:

- The oversight and governance of the Trustee – this ensures the Scheme is compliant with relevant legislation, such as the charge cap, holds regular meetings to monitor the Scheme and address any material issues that may impact members.
- The design of the default arrangement – this is structured to allow members' benefits to grow in order to provide benefits on the member's retirement.
- The range of investment options and strategies – the Trustee has provided an additional suite of funds to allow members to self-select their investment options.
- The quality of communications delivered to members – all communications to members has been provided in accordance with the regulatory requirements and written in a clear and concise manner so it is easily understood by the members.
- The quality of support services - the Scheme website provides members with online access to Scheme information and their fund values.
- The efficiency of administration processes - the administration process has met or exceeded its expected levels of standards for the Scheme year.

The chart below illustrates the impact of charges for a 30-year-old member who is paying £200 a month into the Scheme and is invested in the default fund option. In preparing the chart below, the Trustee had regard to how the level of charges incurred by the Scheme members in the default fund compare to those levied by National Employment Savings Trust (NEST).



Band 1 - no charge – the fund could be £285,890

Band 1 shows the potential fund at age 65 if no charges were deducted from the fund or contributions. Unfortunately, as all investment managers will make a charge for running the fund, this result is only provided for comparison purposes.

Band 2 - 0.2% charge – the fund could be £272,359

Band 2 shows the potential fund at age 65 for a member of the Scheme who is invested in the default TDF option. The Scheme does not deduct any charges from your contributions, so if you pay £100, then the full £100 is used to purchase units in your chosen investment fund.

Band 3 - 0.4% charge – the fund could be £259,534

Band 3 shows the potential fund at age 65 for the average charge for DC members.

Band 4 - 0.7% charge – the fund could be £241,539

Band 4 shows the potential fund at age 65 if a charge a little below the maximum charge of 0.75% that is permitted for a default fund is levied.

Band 5 - 2.1% charge – the fund could be £174,181

Band 5 shows the fund if a 2.1% charge was taken from total contributions. This is similar to the charge that we understand is currently levied by National Employment Savings Trust (NEST). According to NEST's March 2024 quarterly investment report, NEST will deduct 1.8% from each contribution paid, meaning that from £100, only £98.20 is used to purchase units. They then deduct a further investment charge of 0.3% on the fund.

The Trustee assessment of the extent to which the charges and transaction costs set out above represent good value for members relative to what members receive and to other comparable schemes and have concluded that members continue to receive excellent value.

This is demonstrated by the following:

- According to the DWP Pension Charges Survey 2020, the average member charge for Qualifying Workplace unbundled DC trust-based schemes (i.e., comparable to the Scheme) was 0.48% pa, whereas the maximum total expense ratio for the Scheme's default fund at the year-end was 0.261% pa.

- The maximum total expense ratio for the Scheme default fund is 0.261% per annum which we understand is much lower than the total charges for a member in the National Employment Savings Trust (NEST) who we understand currently incurs 2.1% in total charges according to NEST's March 2024 quarterly investment report.
- The TDFs are actively managed glidepaths using passive sleeves of assets and their investment performance since inception has ranged between 3.8% and 9.8% per annum which was above the relevant benchmark in all cases and ranged from 3.0% and 6.3% per annum in the current year.
- There are strict controls in place to ensure timely investment and accuracy of contributions as per our monitoring procedures in 2.1.
- The Employer meets all other costs of running the DC section e.g., administration and communications.

4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

- 4.1 In order to run the Scheme effectively, the Trustee Directors are required to maintain appropriate levels of knowledge and understanding. Sections 247 and 248 of the Pensions Act 2004 require that each Trustee Director:
- is conversant with the trust deed and rules of the Scheme, the Scheme's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Scheme,
 - has, to the degree that is appropriate for the purposes of enabling the individual to properly exercise his or her functions as a Trustee Director, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.
- 4.2 The Trustee has measures in place to comply with the requirement under Sections 247 & 248 of the Pensions Act 2004 regarding conversance and knowledge and understanding for the Scheme year ending 5 April 2025. Details of how the conversance and knowledge and understanding requirements have been met during the year covered by this statement are set out below.
- 4.3 The Trustee has a rolling program of training requirements to cover legislative changes, Scheme specific events, conversance with Scheme documentation and general pensions and trust law. During the Scheme year, each of the Trustee Directors attended training, examples of which included:
- Cyber Security and how cyber risk affect the Scheme and its members
 - Competition Markets Authority (CMA) requirements
 - Conflict of interest
 - Data Audit Management
 - Default Fund Review
 - Effect of GMP to Scheme and membership
 - Investment Fund Monitoring reporting
 - Self- Select Fund range review
 - General Information on financial markets
 - Pension Regulators' guidance on equality, diversity and inclusion for Pension Schemes
 - "The General Code "requirements
- 4.4 Trustee knowledge and understanding and training requirements are assessed through Trustee training by the Scheme Actuary and self-assessment questionnaires (produced and analysed by the Scheme's Investment and Actuarial adviser). The questionnaires are completed by Trustee Directors in September each year with the results discussed at the Q4 Trustee meeting. The questionnaire covered (amongst other areas):
- Contents of the Pensions Regulator's Codes of Practice
 - Cyber Risk
 - Competition Markets Authority (CMA) requirements
 - Covenant assessment
 - Effective System of Governance for the Scheme (ESOG)
 - Pension Dashboard
 - Pensions Regulator's guidance on equality, diversity & inclusion
 - Regulators Powers

- 4.5 The Scheme Secretary used the output from the questionnaires to recommend appropriate additional individual and full board training requirements to supplement the rolling program of training sessions. Any additional training for the Trustee has already been included as part of the Trustee training program for the Scheme year. The Trustee is also encouraged to request training if required and the cost is met by the Scheme.
- 4.6 Trustee training was provided via regular training and update sessions provided by the Scheme Secretary and the Scheme's advisers. The sessions covered compliance with legal requirements, general pensions, and Scheme specific topics, developing a working knowledge of the Trust Deed and Rules and other key Scheme documents and specifically incorporated good practice in the DC Code and DC regulatory guidance.
- 4.7 To understand the specifics of the Scheme, Trustee Directors have access to all key Scheme documents, Trustee policies and key Scheme information. This includes the Trust Deed and Rules of the Scheme and the Statement of Investment Principles. The Trustee is legally required to have a working knowledge of these documents. All Trustee Directors are aware of the importance of these documents, and the documents are regularly covered in the context of Trustee training and the receipt of professional advice from the Trustee's appointed advisers legal, investment, actuarial and other advisers. In addition, the Trustee produces an annual Implementation Statement which sets out how the policies within the Statement of Investment Principles have been followed during the Scheme year.

The Scheme has a detailed induction / training process for new Trustee Directors run by the Scheme Secretary and strongly suggests completion of the Pension Regulator's Trustee Toolkit within 6 months of appointment. Kelly Brown was appointed as a new Trustee Director on 20 February 2025 with both Clair McGairy and Will Reckitt subsequently appointed on 22 May 2025. The Trustee Toolkit is an online learning programme from The Pensions Regulator aimed at helping new trustees of occupational pension schemes meet the minimum level of knowledge and understanding.

- 4.8 The Trustee believes that the combined knowledge and understanding of the Trustee, together with the advice which is available to it from its range of appointed professional advisers enables it to properly exercise its functions as Trustee. This is achieved by evaluating and identifying the risks critical to the Scheme and obtaining a clear understanding of the Scheme's operational procedures, applicable legal and regulatory requirements, investments, and communications. The Group Pensions Director is delegated to monitor the performance and effectiveness of the Board against the objectives of the Scheme's business plan and to raise any concerns with the Board as they arise. Additionally, the Scheme Investment Advisers report to the Board any concerns they may have with regard to either the investment strategy or underlying fund managers. These reviews are proactive and would include concerns not immediately obvious by way of performance, for instance change in staffing, structure, or culture at respective investment managers. The regular reviews also include consideration of potential future enhancements or changes to our strategies.
- 4.9 All Trustee training records are maintained by the Secretary to the Trustee and are updated quarterly following each Trustee Board meeting. The standards of practice adopted by the Trustee are in line with the DC code and regulatory guidance.
- 4.10 Taking into account the knowledge and experience of the Trustee Directors with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g., actuary, investment consultants, legal advisers), the Trustee Directors believe they are well placed to exercise their functions as Directors of the Scheme properly and effectively.

5. Chairman's Closing Remarks

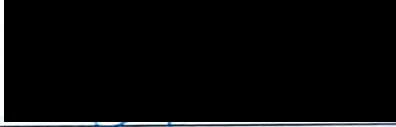
I am pleased to confirm that all aspects of the Scheme have continued to be delivered to members and participating employers throughout the Scheme Year.

Following the Defined Contribution investment review, the Scheme successfully implemented three DC projects last year. These projects resulted in the disinvestment of Legacy AVCs with the majority transferring to the DC investment arrangements on the Mobius Life investment platform and successfully implementing changes to the self-select fund range and introduced private debt allocation into the Target Date Fund range (default investment strategy) enhancing the investment options given to members.

Trustee meetings have been held in accordance with the annual calendar defined in the Trustee Business Plan & Risk Register and DC quarterly fund value monitoring, value for money and cyber risk management have remained top of the Trustee agenda.

Finally, I am happy to confirm that the Scheme remains compliant and there are no concerns to raise with members.

Signed for and on behalf of Associated British Foods Pension Trustees Limited

A black rectangular box redacting the signature of the Chair.

Chair

22.8.2025

Date

Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 5 April 2025 (the "Scheme Year"), whilst also covering manager engagement and voting information across the Scheme Year. This statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2019 and the statutory guidance produced by the Department for Work and Pensions.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

DB Section

The Trustee believes its primary objective is to invest the Scheme assets in such a manner that it is likely that the Scheme liabilities can be met.

The estimated liabilities are a series of projected cash flows calculated using assumptions contained in the actuarial valuation. In theory, the matching assets would be a portfolio of UK government bonds that provided the projected cash flows to cover all future economic scenarios. Given the discrete number of UK government bonds available, such a combination is unlikely to exist in practice. It is nonetheless a valid reference point against which to assess investment strategies that can be implemented in practice.

In agreeing to adopt this investment objective, the Trustee has considered the Company's view that some risk should be taken to reduce the cost of providing the benefits which would be expected from adopting a fully matched investment strategy.

There is a broad target benchmark split between asset classes for the DB Section. The strategic framework including benchmarks is outlined in the Investment Implementation Policy Document ('IIPD'). With effect from 1st October 2023, the Trustee is in the process of transitioning the DB Section's investment strategy, and associated benchmark split between asset classes, to a low dependency strategy.

The low dependency strategy notionally splits the DB Section asset allocation between a "liability portfolio" – consisting of global credit, multi-asset credit, UK property, senior private debt, LDI and cash – and an "unallocated portfolio" – consisting of equity, opportunistic private debt and a cash buffer. The primary objective of the liability portfolio is to reduce liability interest rate and inflation risk while broadly aligning the expected liability cash-flows with the expected asset cash-flows. The portfolio has a secondary objective of generating a modest level of return to support the actuarial valuation assumptions. The objective of the unallocated portfolio is to generate additional risk-adjusted returns for the Scheme, which can potentially be used to help meet other pension needs.

The target allocation to the liability portfolio shall be determined such that the assets within it are sufficient to fully-fund the DB Section liabilities of the Scheme on the prevailing valuation basis. Any excess assets will make-up the unallocated portfolio. This target allocation, and the transition to it, is reviewed at least annually.

When considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitability qualified investment adviser. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

DC Section

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives.

The Trustee assumes that most members do not have the knowledge or desire to manage their pension investments. The Trustee regards it as its duty to make available (as the default investment option) a fund which:

- is suitable for most members; and
- is dynamically managed; and
- has a risk and reward profile that reflects the period until its participating members reach retirement age.

The Trustee also regards its duty as making available a range of investment options sufficient to enable members to tailor their investment strategy to their own needs if they wish to do so. The Trustee has the objective of grouping these investments into 'tiers' based on the amount of member involvement required in investment management.

The investment objective of each Target Date fund (default fund) is designed and managed for an investor saving to retire in or around the years stated in its name (the "target date"). The investment manager's aim is to maximise, for a typical such investor, their eventual retirement income while taking account of their decreasing capacity to afford losses as they approach and, possibly, go past the target date of retirement. On retirement, the investor is assumed to use their built-up pension savings to provide pension income from the options available when they retire. The Target Date funds will progressively move from riskier, capital growth-oriented assets such as equities, private debt and property, into lower-risk retirement income protection-oriented assets, such as bonds, as it approaches and passes its target date. The investment manager seeks to ensure that the mix of assets remains appropriate given the Target Date Fund's aim and will also employ a dynamic asset allocation strategy which seeks to mitigate the effects of large market movements without detracting from long-term returns. The manager will manage the Target Date Funds in such a way that, for an individual investing over the whole term of each Target Date Fund, a return of beating inflation over the life of the funds is being targeted.

A comprehensive review of the self-select fund options took place in February 2024. As a result of the review the Trustee agreed to remove a number of funds whilst still maintaining the level of diversification by asset class and manager style. Some funds were also added to the fund range to address certain gaps identified in the review. These changes were implemented in Q3 2024.

The Trustee also received advice from Mercer in relation to the default investment option for the legacy Additional Voluntary Contribution ("AVC") assets. Effective from 1 April 2023, all legacy Unit-Linked and With Profit AVC arrangements were closed and all further contributions were redirected to the current DC section default arrangement - the AllianceBernstein Target Date Funds. In November 2024, following a detailed review of the legacy AVC assets, the Trustee transitioned the legacy AVC assets over to the DC section default arrangements, unless members made an alternative selection.

Trustee review of the SIP for the year ended 5 April 2025

In March 2025 the Trustee reviewed the SIP and made the below updates.
With respect to the DB Section:

- Minor updates reflecting the Trustee's decision to sell-down the UK Property allocation and allocate the proceeds to global credit and LDI.

With respect to the DC Section:

- Remove wording relating to the legacy AVC arrangements following the transfer of these arrangements to the DC Section over 2024.

The Trustee consulted with the Company in finalising the SIP. The most recent SIP is available online (<https://www.abfpensions.com/media/i21l3ido/statement-of-investment-principles-march-2025.pdf>)

Assessment of how the policies in the SIP have been followed for the year to 5 April 2025

In the opinion of the Trustee, the SIPs (as at March 2024 and March 2025) that were in place during the Scheme year have been followed throughout the year for both DB & DC Sections.

The information provided in this section highlights the work undertaken by the Trustee during the year for the long-term benefit of the Scheme. It also sets out how this work followed the Trustee's policies in the SIP, relating to the Scheme as a whole and the default investment arrangement. The SIP is attached as an Appendix to the Annual Report and Accounts and sets out the policies referenced below.

Requirement 1 – Securing compliance with the legal requirements about choosing investments

Detail of the Trustee's policy:

When considering appropriate investments for the Scheme, the Trustee obtains and considers the written advice of their investment adviser. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee receives advice from its investment adviser at the quarterly Investment Sub-Committee meetings. Since the start of the year, advice was provided on a wide range of issues, including:

- A quarterly review of the performance of the DB investment managers;
- The future make-up of the DB section's public investment grade credit allocation.
- The selection of three new public investment grade credit managers, including agreeing appropriate guidelines for each manager.
- Consolidation of the equity portfolio, including termination of two managers, in order to de-risk the investment strategy and fund the appointment of the three new public investment grade credit managers.
- Style exposures of the equity portfolio, including the impact the evolution of the equity portfolio may have on these exposures.
- Funding the Scheme's future cash-flow requirements, including consideration to the expected evolution of the private debt allocation.
- Review of the accuracy of Insight's LDI portfolio against the Scheme's target interest rate and inflation hedge levels.
- Recalculating the Liability Benchmark Portfolio ("LBP") used in managing Insight's LDI portfolio to reflect latest market conditions.
- Ensuring compliance with the UK EMIR Phase 6 of the Uncleared Margin Rules.
- Production of the Scheme's third Task Force on Climate Related Financial Disclosures report, including carrying out the necessary Trustee training on additional requirements of the report.
- Fee review of the public market mandates.

DC Section: The Trustee receives advice from its investment adviser at the quarterly Investment Sub-Committee meetings, as required. Since the start of the year, advice was provided on a wide range of issues, including:

- A quarterly review of the performance of both the default funds and self-select funds against their aims and objectives. The Trustee agreed to receive additional, detailed quarterly performance analysis from its DC investment adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.
- Inputting into the Scheme's third Task Force on Climate Related Financial Disclosures report;
- Bulk transfer of legacy unit-linked and with-profits AVCs to suitable DC investment arrangements.
- Implementation of self-select changes following review in February 2024.
- Advice in relation to suitable benchmark comparators for relevant self-select funds.

Requirement 2 – Kinds of investments to be held

Detail of the Trustee's policy:

DB Section: The Trustee has considered various combinations of assets and investment approaches that might minimise the required degree of risk for a level of return expectation consistent with the Scheme's objectives and liability profile.

DC Section: A range of asset classes are included within the default investment option (within the blended funds used), including developed market equities, emerging market equities, private debt, money market investments, and pre-retirement funds. It is the Trustee's policy to utilise both active and passive management within the default investment option, depending on the asset class.

The Trustee has also made available a range of individual self-select fund options for investment in addition to the default investment option. A range of asset classes have been made available, including equities, diversified growth funds, money market investments, gilts, index-linked gilts, corporate bonds and pre-retirement funds. It is the Trustee's policy to offer both active and passive management self-select fund options to members where appropriate, depending on the asset class.

How the requirements have been met over the year to 5 April 2025:

DB Section: On a quarterly basis, the Trustee reviewed its investment strategy. After considering the Scheme's liability profile and requirements of the Statutory Funding Objective, the Trustee considered its appetite for risk (including financially material risks such as Environmental, Social and Governance risks, including climate change). This took account of the Sponsoring Employer's appetite for risk and the strength of the Sponsoring Employer's covenant.

Given the DB Section's funding position, the Trustee and ABF have agreed to transition the investment strategy to a low-dependency portfolio. The low dependency portfolio does not currently utilise any additional asset classes but instead evolves the allocation between the Scheme's existing asset classes. As such, over the Scheme year the Trustee did not allocate to any new asset classes. However, the Trustee has agreed to sell down the allocation to UK Property to improve liquidity and fund additional allocations to public investment grade credit and LDI, the allocation is expected to be fully sold by mid-2026.

The Trustee regards the strategic distribution of the assets under both the current strategy and the low dependency portfolio to be appropriate for the Scheme's objectives and liability profile.

DC Section: The Trustee reviewed the default investment option in November 2023. This review, amongst other items, considered the asset allocation within the Target Date Funds. As a result of the review, the Trustee agreed to include an allocation to private debt to further increase diversification within the glidepath whilst improving the risk/reward dynamics. This was implemented during the Scheme year.

In February 2024 the Trustee reviewed the self-select fund options. The Trustee concluded that the available range of funds could be streamlined whilst continuing to make available a broad range of investments to members. As such the Trustee agreed to remove a number of funds from the range whilst also adding some funds to address certain gaps identified by the review. These changes were implemented in August 2024.

In March 2024, the Trustee decided to map all existing legacy AVC assets to the AllianceBernstein Target Dated Funds, unless other funds are selected by the member. This was following advice from Mercer and previous actions to re-direct all future AVC contributions into these funds which was completed in 2023. The transition of legacy AVC assets was completed in November 2024.

Requirement 3 – The balance between different kinds of investments

Detail of the Trustee's policy:

DB Section: The Trustee has considered various combinations of assets and investment approaches that might minimise the required degree of risk for a level of return expectation consistent with the Scheme's objectives and liability profile.

DC Section: Members can combine the investment funds in any proportion to achieve the desired level of return and risk in line with their own attitude towards and tolerance of risk.

Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee reviews the strategic asset allocation on a quarterly basis throughout the year to ensure it meets its objectives based on the changing membership profile.

Under the low dependency strategy, the assets will be notionally split between a "liability portfolio" – consisting of global credit, multi-asset credit, UK property, senior private debt, LDI and cash – and an "unallocated portfolio" – consisting of equity, opportunistic private debt and a cash buffer.

The target allocation to the liability portfolio shall be determined such that the assets within it are sufficient to fully-fund the DB Section liabilities of the Scheme on the prevailing valuation basis. Any additional assets will make-up the unallocated portfolio. This target allocation, and the transition to it, is reviewed at least annually.

In transitioning to the low dependency portfolio, the allocation to the liability portfolio will increase, funded primarily by a reduction in the equity allocation. This is facilitated by a monthly disinvestment from the equity portfolio with the proceeds used to meet the cash-flow requirements of the DB Section and fund an increased allocation to the liability portfolio.

To accelerate the transition, the Trustee has agreed to terminate two equity managers and appoint three new public investment grade credit managers. This is expected to be implemented over 2025 and will be bringing the allocation to these asset classes and the split of assets between the liability and unallocated portfolios in-line with that of low dependency strategy. Given this the transition to the low dependency portfolio is expected to conclude over 2025 (ahead of schedule).

Over the Scheme year the Trustee also took the decision to sell down the Scheme's allocation to UK property, which is expected to be fully sold off by mid-2026. The proceeds are to be allocated to public investment grade credit and LDI.

DC Section: As part of the November 2023 default strategy review, the balance between UK Government Bonds and other asset classes for the At-Retirement allocation was considered and a decision was made to reduce the allocation to UK Government Bonds to better reflect the decisions members make at retirement. It was also agreed to incorporate a private debt allocation to the Target Date Funds. This was implemented during the Scheme year as detailed above.

The Trustee receives a quarterly investment performance report from AllianceBernstein and Mobius Life, which monitor the performance of the Target Date Funds and self-select funds. The Trustee have agreed to receive additional, detailed quarterly performance analysis from its DC Investment Adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.

As the assets of the DC section are invested in pooled fund vehicles the investment restrictions applying to these funds are determined by the investment manager. The Trustee is satisfied that the investment managers' policies on investing in individual securities held in each vehicle provides adequate diversification of investments. The investments held within the Scheme are consistent with the policies in the SIP.

Requirement 4 – Risks, including the ways in which risks are to be measured and managed

Detail of the Trustee's policy:

DB Section: The degree of investment risk the Trustee is willing to take depends on the financial health of the DB Section and its liability profile. The Trustee monitors these with a view to altering the investment objectives, risk tolerance and/or return target should there be a significant change in either. The Trustee also regularly considers the strength of the Employer covenant and factors this into the level of risk being considered.

DC Section: The Trustee recognises risk (both investment and operational) from a number of perspectives in relation to the self-select fund options and the default investment option and that the choice and allocation of investments can help to mitigate these risks.

Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members. In designing the default option, the Trustee has explicitly considered the trade-off between risk and expected returns.

How the requirements have been met over the year to 5 April 2025:

DB Section: As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of investment managers, funds and asset classes.

The Trustee continued to transition to the low dependency portfolio, which is expected to reduce the overall level of investment risk by reducing the allocation to higher risk assets in favour of lower-risk income generative assets. This expectation was confirmed via analysis reviewed by the Trustee in both May 2024 and February 2025. As described in Requirement 3, the Trustee has taken steps to accelerate the transition to the low dependency portfolio by agreeing to terminate two equity managers and appoint three new public investment grade credit managers.

Interest rate and inflation risk is managed via hedging within the Insight LDI portfolio. In May 2024, the Trustee conducted a review of the accuracy of Insight's LDI portfolio relative to the target levels of hedging, finding that the hedge was performing as expected.

One of the key risks under the low dependency portfolio is meeting the Scheme's cash-flow needs. In February 2025, the Trustee reviewed the Scheme's cash-flow policy to ensure the current and expected future asset allocation was expected to generate sufficient cash-flow to meet the Scheme's needs. This analysis considered the expected run-off of the Scheme's private debt allocation as well as the evolution of the asset allocation as it transitioned to the low dependency portfolio.

The Trustee considered climate change risk as part of the scenario analysis reported within the Scheme's TCFD report. Given the funding level, the DB investment strategy demonstrated robustness with respect to the potential impact of climate change across the scenarios and time-periods considered.

Over the coming year the Trustee will consider the key risk exposures of the Scheme, including its reliance upon the Sponsor and how these are best managed.

DC Section: The default investment option manages investment and other risks through a strategic asset allocation consisting of equities, multi-asset funds, private debt, bonds and money market investments. The self-select range provides different risk and return profiles across a range of funds to cater for members with different risk tolerances.

DB & DC Sections: The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. In Q1 2025 the risk register was reviewed which included the consideration of how climate risks are monitored and managed.

Within their TCFD report, the Trustee included the results from the 2022 scenario analysis which modelled the exposure of the TDFs to climate risk and engaged the investment manager of the default Target Date Funds, AllianceBernstein, on their climate intensity reduction target. The DC TDFs were found to be materially impacted by climate risk under a failed transition climate scenario. The Trustee noted the allocation to sustainable investments, which is expected to provide some protection from these risks. Further, AllianceBernstein considers climate risk amongst other risks as part of the investment strategy decisions. The scenario analysis for the DC TDFs will be reviewed in H2 2025 to reflect the revised strategy and updated climate scenarios.

Requirement 5 – Expected return on investments

Detail of the Trustee's policy:

DB Section: The Trustee selected the strategic benchmark to reflect that the Scheme's liabilities would change in value in a similar manner to changes in the UK government bond markets. The Trustee expects that there will be some return premium above government bonds from non-government bonds (i.e. credit) and a larger return premium from equity and alternative investments such as property. The Trustee expects there will be periods when equities, property and credit underperform government bonds and is prepared (as is the Company) to accept and manage this risk.

DC Section: The funds available are expected to provide an investment return commensurate with the level of risk being taken.

In designing the default, the Trustee has explicitly considered the trade-off between risk and expected returns, to generate returns in excess of inflation during the growth phase and de-risk towards the retirement date to protect funds from significant falls when the timeframes to recover these losses are shorter.

How the requirements have been met over the year to 5 April 2025:

The investment performance reports from investment managers are reviewed by the Trustee on a quarterly basis.

DB Section: The investment performance reports detail how each investment manager is delivering against their specific mandates and benchmarks. The Trustee assesses the performance of all investment managers using both a qualitative and quantitative review. This also includes assessing the diversification of the portfolio in terms of asset type, geographical position and the current inflation environment.

Over the 5-years to 31 March 2025, the Scheme has returned 4.4% p.a. relative to a benchmark return of 4.2% p.a.. Over this period the Scheme's funding position has improved as a result of the assets significantly outperforming the liabilities.

DC Section: The review by the Trustee on a quarterly basis includes the risk and return characteristics of the default and the self-select fund options.

The Trustee ensures that performance reports include risk and return metrics when completing their review by monitoring the returns against their aims and objectives. The Trustee also assesses the growth of the funds versus inflation and equity volatility.

The Trustee have agreed to receive additional, detailed quarterly performance analysis from its DC Investment Adviser, Mercer, for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the investment offering.

Requirement 6 – Realisation of investments

Detail of the Trustee's policy:

DB Section: The Trustee considers the liquidity of the investments in the context of the likely needs of member benefits.

DC Section: The Trustee's administrators will realise assets following member requests on retirement or earlier where required.

How the requirements have been met over the year to 5 April 2025:

DB Section: Most years, due to the maturity of the Scheme, investment income has been used or some assets are sold to meet benefit payments, fund capital calls for the private debt programme or to meet margin calls for the currency hedge programme.

The Trustee recognises that there is liquidity risk in holding assets that are not readily marketable and realisable. Given the long-term investment horizon of the Scheme, the Trustee believes that a degree of liquidity risk is acceptable because it expects to be rewarded for assuming it. The low dependency portfolio is designed to be sufficiently liquid to meet these potential cashflow requirements under stressed scenarios.

Whilst certain assets are illiquid (particularly the Property and Private Debt assets), the Trustee has developed strategies for daily liquidity. The diverse asset allocation contains both liquid and illiquid assets to ensure all financial obligations can be met.

In the normal course of events, if a disinvestment is required, the Trustee takes the decision to source the liquidity based on the asset allocation.

The continued sale of the Scheme's UK property assets will increase the liquidity of the Scheme given some of the proceeds are to be invested in public investment grade credit and the LDI portfolio.

Over the transition period to the low dependency portfolio, the majority of the Scheme's cash flow requirements have been met from monthly disinvestments from the equity portfolio. This disinvestment programme also served to fund an increased allocation to the liability portfolio. In anticipation of the sale of two equity managers and addition of three new public investment grade credit managers, the monthly disinvestment from the equity portfolio was ceased in Q4 2024.

In February 2025 the Trustee reviewed the future cash-flow generation of the Scheme. This review showed that the Scheme's expected cash-flow needs could be met by net cash-flow generated from the private debt portfolio, cash realised from the sale of the UK property assets and income generated from the Scheme's public market assets until 2028. Following this, a small amount of disinvestments will be required to meet cash-flow needs.

DC Section: The Trustee receives an administration report on a quarterly basis to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the DC Chair Statement, the Trustee is satisfied that all requirements were met throughout the year with 100% of the SLAs being met.

All funds invest in daily priced pooled investment vehicles, accessed by an insurance contract. This means that the Trustee can readily have access to the cash to settle member obligations. The Trustee therefore has no concerns regarding the liquidity of any of the Scheme's assets.

Over the year, the aforementioned transitions of the legacy AVCs and self-select assets were completed within agreed timeframes.

Requirement 7 – Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee considers financially material considerations in the selection, retention and realisation of investments. Consideration of factors such as ESG is delegated to the investment managers.

Investment managers are expected to evaluate these factors, including climate change considerations, then exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

Items listed in Sections 4.2, 4.3, 4.4, 4.5 and 5.2 of the SIP are in relation to what the Trustee considers "financially material considerations".

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Each investment manager's investment report is reviewed for performance by the Trustee on a quarterly basis. The Trustee also considers their ratings (both general and ESG specific) from the Trustee's investment adviser. All of the investment managers remained highly rated by either the investment adviser or the Investment Committee during the year.

The Scheme's SIP includes the Trustee's policy on ESG factors, stewardship and climate change. The Trustee's policy is to delegate responsibility for exercising of ownership rights (including engagement and voting rights) to the investment managers but acknowledge that any actions taken by the investment managers are on the Trustee's behalf.

The Trustee produced its third annual TCFD report for the Scheme, in which it considers the Scheme's exposure to climate risk, through climate related scenario modelling. The Trustee sets carbon intensity reduction targets for the DB Section's aggregate equity and fixed income portfolios (including the public investment grade credit portfolio), and the DC Target Date Funds for the DC Section. Climate related metric data is also collated and the developments on how the metrics have changed are reported on over the Scheme year. Over the year there has been improved metric reporting received for the Scheme following further engagement with the managers.

To improve its understanding, the Trustee has undertaken investment training on responsible investment. This was provided by its investment adviser to cover ESG factors, stewardship, climate change and ethical investing.

The Trustee keeps its policies under regular review with the SIP subject to review at least annually. Where investment managers may not be highly rated from an ESG perspective the Trustee continues to monitor the investment manager closely. When implementing a new investment manager, the ESG rating of the investment manager is considered.

The Trustee acknowledges that investment managers in fixed income may be less likely to have a high ESG rating assigned by the investment adviser due to the nature of the asset class, where it is harder to engage with the issuer of debt.

Requirement 8 – The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments

Detail of the Trustee's policy:

DB and DC Section common policies: Non-financial matters are taken into consideration by the Trustee. How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Each quarter the Trustee considers both quantitative and qualitative analysis provided by its investment adviser. This includes detailed analysis of the market cycle to identify opportunities for future

investment or risk reduction measures. The Trustee also periodically reviews the appropriateness of offering individual ESG or sustainable investment choices to members.

Requirement 9 – The exercise of the rights (including voting rights) attaching to the investments

Detail of the Trustee's policy:

DB and DC Section common policies: Investment managers are expected to evaluate these factors (including climate change considerations), exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee has delegated its voting rights to the investment managers.

Investment managers are expected to provide voting summary reporting on a regular basis, at least annually, which includes details of the voting activity of relevant managers, highlighting the most significant votes. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy.

The Trustee has engagement priorities, which are detailed later in this report and in the SIP, and a definition of what they consider to be significant votes based upon these priorities. An overview of engagement activities is provided later in this Statement.

Requirement 10 – Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Detail of the Trustee's policy:

DB and DC Section common policies: Investment managers are expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice. As part of this monitoring, the Trustee may engage with the Scheme's investment managers where appropriate to understand the activity undertaken in relation to the Scheme's engagement priorities. The Trustee has determined its own engagement priorities which are outlined later in this Statement.

Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: Investment managers are expected to provide reporting on a quarterly basis and on an annual basis they should provide stewardship monitoring results. These are reviewed by the Trustee to ensure that the investment managers are complying with their obligations.

Where the Scheme invests in pooled funds, the Trustee requires their investment managers to engage with the investee companies on its behalf.

The Trustee believes its investment managers are voting responsibly on their behalf and in line with the Trustee's investment policy.

Requirement 11 – How the arrangement with the investment managers incentivises the investment managers to align their investment strategies and decisions with the Trustee's policies mentioned in sub-paragraph (b) of the legislation (2-8 of this Statement).

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy on aligning investment manager appointments with the investment strategy is set out in Section 10 of the SIP.

Investment managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the selected asset class.

Where the Trustee invests in certain pooled investment vehicles, it accepts that they have no ability to specify the risk profile and return targets of the investment manager, but appropriate mandates can be selected to align with the overall investment strategy.

How the requirements have been met over the year to 5 April 2025:

DB Section: The Trustee continually reviews and amends the mandate for each investment manager where appropriate.

Benchmarks are established for each investment manager against which performance is monitored. In appointing the new public investment grade credit managers, the Trustee worked with its Investment Adviser and the managers to develop appropriate objectives, benchmarks and guidelines.

There is a broad target benchmark split between asset classes for the DB Section. The strategic framework including benchmarks is outlined in the IIPD.

DB & DC Sections: The Trustee continually meets with the investment managers to challenge decisions made including voting history and engagement activity to ensure best performance over the medium to long term.

The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee is dissatisfied, then it will consider replacing the investment manager.

Requirement 12 – How the arrangement incentivises the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy in relation to incentivising investment managers to consider long-term financial and non-financial performance is set out in section 11 of the SIP.

The Trustee regularly meets with its investment managers and challenges their strategic policies. The Trustee regularly reviews the decisions made by its investment managers and can challenge such decisions to try to ensure the best long-term performance over the medium to long term. Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to replace the investment manager.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee met with six of their investment managers at Investment Committee or Trustee Board meetings during the year to discuss matters such as their mandates, performance and appetite for risk. In addition, the Trustee met with the three new public investment grade credit managers, which were short-listed from a much wider manager review by the Group Pensions Department, supported by their Investment Adviser's manager research function.

The Trustee delegates authority to senior management of the Group Pensions Department to regularly meet on an ongoing basis with its investment managers to discuss the contractual arrangements they have in place, to ensure they continue to incentivise the investment managers to make decisions based on medium to long term financial and non-financial performance. This ensures each investment manager's target performance is consistently reviewed to match the Trustee's objectives.

Requirement 13 – How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in sub-paragraph (b) of the legislation (2-8 of this Statement).

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee recognises its time horizon is a long-term proposition as set out in Section 12 of the SIP. As such investment managers are assumed to be held for a suitably long time. Investment managers' performance net of fees is therefore reviewed over both short and long-term horizons. Remuneration is agreed ahead of the investment manager appointment and is reviewed on a regular basis.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee receives DB investment performance reports from its investment adviser on a quarterly basis, which present performance information over 1-quarter, 6-month, 1-year, 3-year, 5-year periods and since inception. As well as considering each investment managers style over the course of an economic cycle, the Trustee reviews absolute performance and in many cases relative performance against a suitable index used as a benchmark. Investment managers are also monitored constantly for qualitative as well as quantitative performance, with a focus on the long term strategy of the Trustee whilst being mindful of short term returns.

The investment managers are generally remunerated by way of a fee calculated as a percentage of assets under management. This fee basis is reviewed with each investment manager as part of the informal reviews carried out by senior members of the pensions management team. In February 2025, the Trustee reviewed and benchmarked the fee arrangements for the DB section's public market managers. Following this review, improved fee arrangements were negotiated for a small number of managers, with the remaining found to have fee rates in-line with or more preferable than the market averages.

For the DC Section, the self-select fund option review also considered the fees of each manager, and where fees were deemed high, alternative funds were suggested. The Trustee have agreed to receive more detailed quarterly performance analysis from its DC Investment Adviser for the next Scheme year. This will provide the Trustee with further tools to assess the ongoing suitability of the DC investment offering.

Requirement 14 – How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how it defines and monitors targeted portfolio turnover or turnover range.

Detail of the Trustee's policy:

DB and DC Section common policies: The Trustee's policy in relation to the monitoring of portfolio turnover costs is set out in Section 14 of the SIP.

How the requirements have been met over the year to 5 April 2025:

DB & DC Sections: The Trustee asks its investment managers to provide portfolio turnover and turnover costs in their presentations to the Trustee.

The Trustee also receives MiFID II reporting from its investment managers. All reporting is analysed to ensure consistency between reporting periods and any inconsistencies are investigated with the investment manager. The Trustee has put in place a monthly equity disinvestment programme to minimise transaction costs and spread risk of transitioning the DB Section's investment strategy to the low dependency portfolio.

DC Sections: DC transaction costs are disclosed in the annual DC Chair's Statement. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs.

The Trustee is required to assess these costs for value on an annual basis. However, at present, the Trustee notes a number of challenges in assessing these costs:

- No industry-wide benchmarks for transaction costs exist.
- The methodology leads to some curious results, most notably “negative” transaction costs.
- Explicit elements of the overall transaction costs are already considered when investment returns are reported, so any assessment must also be mindful of the return side of the costs.

As noted in the most recent Chair’s Statement, dated 5 April 2025, there is little flexibility for the Trustee to impact transaction costs as they invest in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Scheme invests in, there is not yet any “industry standard” or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Trustee will continue to monitor transaction costs on an annual basis and assess these costs for value. In particular, the Trustee does undertake charging and cost comparisons with other large pension schemes with publicly available data. Finally, the Trustee always considers returns, net of all fees/costs.

Requirement 15 – The duration of the arrangement with the investment managers

Detail of the Trustee’s policy:

DB and DC Section common policies: There is no set duration for the investment manager appointments, with the exception of Private Debt managers. All appointments are regularly reviewed as to their continued suitability and could be terminated either because the Trustee is dissatisfied with the investment manager’s ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee. For Private Debt managers, at the time of appointment the life of the fund is established, however this could be extended in line with the IMA.

How the requirements have been met over the year to 5 April 2025:

DB Section: All investment managers agreements, except for the Private Debt managers, have no set duration. As at 5 April 2025, the Trustee is currently invested in 27 private debt funds using a series of vintages via LLP structures for a defined number of years. In accordance with the IMA each Fund can extend the lifetime of the fund for a prescribed time period.

DC Section:

The DC investment manager appointments have no set duration. However, if the Trustee is not satisfied with an investment manager, it will ask the investment manager to take steps to rectify the situation. If the investment manager still does not meet the Trustee requirements, the Trustee will remove the investment manager and appoint another after taking advice and following necessary due diligence.

The available fund range and default investment options are reviewed on at least a triennial basis. An investment manager’s appointment may be terminated if it is no longer considered to be optimal and does not have a place in the default strategy or general fund range. Following a review in February 2024, a number of the self-select funds were removed during August 2024 to streamline the investment offering whilst retaining a wide range of asset classes available for members to choose. In addition, 4 new funds were added to the self-select range to increase the diversity of asset classes available to members, this included a passive sustainable equity option. The full range of self-select funds is available online at www.abfpensions.com/defined-contribution-section-abf/investments/self-select-funds/.

Engagement and Voting

Voting Policy

The Trustee’s policy is to delegate responsibility for exercising of ownership rights (including engagement and voting rights) to the investment managers but acknowledge that any actions taken by the investment managers are on the Trustee’s behalf and accept responsibility on those actions.

Engagement Priorities

The Trustee's engagement priorities are based on its belief that ESG issues, across each of the three factors, may have a material impact on investment performance. As such the Trustee has determined what it considers the most salient topic within each of the three ESG factors, as listed below.

Engagement Priority	Rational
Environment: Climate Change	Climate-related financial impacts are driven by the associated transition to a low-carbon economy and the physical damages of different climate outcomes. The Trustee believes climate change issues present risks and opportunities that increasingly may require explicit consideration.
Social: Human rights including modern Slavery	Workforce and supply chain safety and human rights practices should avoid contributing to modern slavery, exploitation and other human rights abuses – these can contribute to economic instability, the threat of social tension and subsequent political instability which, in turn, may have a negative impact on investment performance. The Trustee notes alignment of this priority with the Company's Supplier Code of Conduct and the commitments made therein.
Governance: Executive remuneration	Executives have significant influence over the financial success of the companies which they manage. Therefore, executive remuneration policies can have a meaningful impact on the return of investors in companies. These policies should attract and retain talent whilst ensuring alignment of incentives with company and shareholder objectives.

Significant Votes

The Trustee considers a vote to be most significant if the holding makes up more than 2% of the relevant fund's value and:

- It relates to any of the Trustee's engagement priorities, as set out above; or
- It has a direct financial impact on the company.

Any vote on exposures that make up more than 5% of the relevant fund are also considered most significant, irrespective of the purpose of the vote. The Trustee reports on the most significant votes later in this report.

Engagement and Ownership for DB Investment Strategy

The investments within the DB Investment strategy are segregated between investment managers with equity, bond, property and derivative portfolios. Each investment manager within the equity portfolio is responsible for engaging with the companies within which they invest, as well as exercising the attached ownership rights (i.e. voting powers), to influence corporate policies/behaviours and hold company management to account. The Trustee monitors third-party investment managers' policies and actions to ensure that they align as closely as possible with those of the Trustee. Some managers within the bond portfolio also hold investments that have voting right attached to them and these managers are also reported below.

Below are the latest available summary statistics of the equity investment managers' engagement and voting track records, as well as specific examples.

Manager	Engagement	Voting
Artemis	Artemis have been unable to provide the primary engagement topics since engagement does not form part of the investment process in the SmartGARP strategy.	147 meetings eligible to vote at 1,948 total proposals eligible to vote on 100% of eligible votes were cast 92% of votes were with management recommendations 7% of votes were against management 1% of votes were abstained from - In 39% of meetings at least one vote was cast against management
Beachpoint	- Engaged with 17 issuers 19 total recorded engagements - The primary engagement topics are split as follows: 33% environmental matters 14% on social matters 52% on governance matters	6 meetings eligible to vote at 41 total proposals eligible to vote on 100% of eligible votes were cast 100% of votes were with management recommendations 0% of votes were against management recommendations 0% of votes were abstained from 0% of meetings at least one vote was cast against management
Calamos	The Calamos Global Team does not presently engage company management with specific activist objectives.	42 meetings eligible to vote at 656 total proposals eligible to vote on 100% of eligible votes were cast 99.2% of votes were with management recommendations 0.8% of votes were against management recommendations 0.0% of votes were abstained from - In 11.9% of meetings at least one vote was cast against management
CQS	- Engaged with 78 different corporate issuers and banks 92 total recorded engagements - The primary engagement topics are split as follows: 33% environmental matters 13% on social matters 54% on governance matters	31 total proposals voted 100% of eligible votes were with management recommendations

Manager	Engagement	Voting
Liontrust	Engaged 9 fund holdings in 2024. Of these 9 engagements, 78% were on environmental issues, 78% were on social issues, and 56% were on governance issues (this adds up to more than 100% as some engagements had more than one area covered.)	38 meetings eligible to vote at 781 total proposals eligible to vote on 83.4% of eligible votes were cast 94.5% of votes were with management recommendations 5.5% of votes were against management recommendations 0.0% of votes were abstained from - In 47% of meetings at least one vote was cast against management
Schroders	- Engaged with 143 global companies 762 total recorded engagements - The primary engagement topics are split as follows: 70% environmental matters 16% social matters 14% governance matters	579 meetings eligible to vote at 7,850 total proposals eligible to vote on 95.8% of eligible votes were cast 88.1% of votes were with management recommendations 11.2% of votes were against management recommendations 0.2% of vote was abstained from - In 60.3% of meetings at least one vote was cast against management
Veritas	5 total recorded engagements - The primary engagement topics are split as follows: 40% environmental matters 0% social matters 60% governance matters	31 meetings eligible to vote at 493 total proposals eligible to vote on 100% of eligible votes were cast 92% of votes were with management recommendations 7% of votes were against management recommendations 0% of vote was abstained from - In 41% of meetings at least one vote was cast against management

Figures may not total 100% due to a variety of reasons, such as rounding, lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted in differing ways, or a vote of 'Abstain' has also been considered a vote against management.

Specific Examples of Engagement

Engagement Example – Beachpoint

CommScope Inc. and Diebold Nixdorf Inc.— Beachpoint's first step in this collaborative engagement was to review the Carbon Disclosure Project's (CDP) selection of high impact / high emitting companies that have not yet set a 1.5°C aligned science-based target. The targeted groups include:

1. Companies who disclosed they anticipate setting a Science-Based target in the next two years within their CDP Climate Change response;
2. Companies who disclosed to CDP's Climate Change questionnaire but did not indicate they plan to set a Science-Based target; and
3. Companies who did not disclose to CDP's Climate Change questionnaire.

Beach Point then selected companies from the CDP's three targeted groups (detailed above) that are held in our portfolio, these being CommScope Inc. and Diebold Nixdorf Inc.. As part of this campaign, Beachpoint co-endorsed letters, alongside other financial participants, backing the request to set science-based targets to the carefully selected group of companies. By partnering with the CDP in this campaign, Beach Point and the engaged companies gained access to Science Based Targets initiative (SBTi) resources and guidance to help develop targets and commitments aligned with the best-available climate science.

The success of this campaign was assessed by looking at how many of the targeted companies joined the SBTi during the time of the campaign, including committing to or setting science-based targets. One of the two companies engaged within the portfolio responded by committing to setting science-based targets within the timeframe of the campaign. Beachpoint recognize that this is an evolving process for issuers and can take time and resources to put validated decarbonization targets in place. Therefore, Beachpoint regard certain aspects of this overall engagement to be successful in that we worked to raise awareness for issuers around emissions target-setting and best climate practices.

Engagement Examples – Calamos

Accor - Accor is a global hotel operator/franchisor with a portfolio of 5,500 properties. During a recent meeting with management, the Calamos Global Team discussed the company's social and environmental initiatives. Key environmental issues highlighted by management included their continued commitment to net zero emissions by 2050, as well as the elimination of single-use plastics by the end of 2025. The company is also in the process of collecting baseline water usage levels and is targeting a 45% reduction in water withdrawals by 2030. The management team also expressed a strong commitment to increased diversity and inclusion and specifically noted that 39% of their female employees currently hold vice president or higher positions, coupled with a commitment that women comprise 45% of the global senior leadership team by the end of 2025.

Engagement Examples – CQS

Global beverage producer - An ongoing, collaborative engagement with a global beverage producer, where CQS initiated collaborative engagement via the Carbon Disclosure Project (CDP) Non-Disclosure Campaign in 2022. As the business has high water use intensity in its production processes, CQS have continued to seek commitments from the company to improve transparency of water risk supply-chain assessment in its public disclosures, requesting this complies with CDP reporting requirements. In addition, CQS discussed risks associated with nature-related impact, requesting more granular detail of its water management program, including plans to reduce water usage intensity.

During CQS's most recent company engagement in December 2024, they received confirmation from the investor relations ("IR") team that the company had completed the 2024 CDP water questionnaire and updated its policy assessment to evaluate water stress points in their supply chain. This included details of new water usage intensity reductions in its manufacturing and conservation of biodiversity in collaboration with its supply chains. CQS continue to be pleased by the progress of the company since our initial targeted engagement, given wider industry concerns of potential environmental and economic risk from mismanagement of broader supply chain, agricultural and biodiversity practices.

Encouragingly, CDP disclosure scores are due to be released during H1 2025, and we will monitor for an updated assessment of its manufacturing operations and efforts to mitigate impact. Following an update to its environmental policy, we will also monitor for any new targets set by the company that align to key identified water risk issues in its supply chain and ecosystems. Any additional details on participation in collective action associated with priority water basins would be welcomed. CQS also expect improvement of KPI reporting, which will align it to a leading industry competitor within Global Beverages.

Engagement – Liontrust

Deutsche Bank AG – In July 2024, Liontrust engaged with Deutsche Bank. The discussion largely centred on environmental issues, with the development of the Group's net zero sector pathways a key area of focus. It was positive to note that executive remuneration is linked to achieving these sector pathways targets. The Group is

not currently planning to have its targets validated by the SBTi as it sees CSRD as a much larger priority. Work is ongoing on Deutsche Bank's approach to biodiversity, with the establishment of a dedicated nature workstream.

Engagement – Schroders

Toyota - Schroders engaged with Toyota on their blueprint theme of climate change as well as select governance topics. Schroders discussed the company's increased move into hybrid and electric vehicles given growing demand in this space and their efforts towards achieving carbon neutrality. Toyota confirmed that they have already met their SBTi 2030 targets in their heavy freight trucks division and continue to focus on improving carbon emission reductions across their broad supply chain. The company noted the constant communication in place with suppliers regarding achieving their emission reduction targets. They also highlighted their commitment to reskilling their R&D staff, with a particular focus on software reskilling to further improve automation. Schroders took the opportunity in this engagement to discuss the transformation of the Board of Directors and implementation of a new corporate governance model at Toyota. The company reduced the Board of Directors from 16 to 10, with an increased presence of outside directors and Schroders will continue to monitor further developments in this area.

Engagement – Veritas

Unilever – Veritas engaged with Unilever regarding the validation of the rationale for the removal of the Net Zero Target from SBTi verification. In Q1 2024, the Science Based Targets initiative (SBTi) announced that Unilever's Net Zero commitment status had been changed to "commitment removed." Veritas firmly believe that any decarbonisation target must be based on a robust, science-based methodology and preferably validated by independent bodies, primarily the SBTi. As the Unilever Annual General Meeting (AGM) approached, with a resolution tabled for shareholders to approve the revised climate strategy, it was important for Veritas to understand the reason behind the change in Unilever's SBTi commitment status.

In 2021, Unilever Plc published its first Climate Transition Plan. The company successfully reduced operational emissions by 74% in absolute terms (vs. 2015) and reduced the emissions intensity of their products across the value chain by 21% (vs. 2010). However, achieving significant absolute reductions in Scope 3 emissions has proven challenging, prompting a review of their approach.

The updated Climate Transition Plan includes existing near-term targets to reduce GHG emissions from operations (Scope 1 & 2) by 100% by 2030 against a 2015 baseline (and by 70% by 2025 against a 2015 baseline). It also includes new near-term targets to reduce value chain (Scope 3) GHG emissions from energy and industrial sources by 42% by 2030 against a 2021 baseline, and from forest, land, and agriculture by 30.3% by 2030 against a 2021 baseline. The revised near-term Scope 3 GHG target, published under resolution 4 at the AGM, has been developed with reference to the Science Based Targets Initiative (SBTi) 1.5°C criteria and recommendations for near-term targets. The target has been integrated into the five Business Groups' financial growth plans allowing for more granular action plans and has been submitted to the SBTi for validation.

The new Scope 3 targets align with the Net Zero by 2039 ambition. However, notable emissions categories are out of scope for Unilever's near-term Scope 3 GHG reduction targets, but relevant to its 2039 Net Zero ambition: indirect procurement and third-party contract manufacturing. While most Unilever products are made in its own factories, about 15% are made by third-party contract manufacturers. With India being the most material country in terms of the contract manufacturing footprint, Unilever has begun engaging its Indian manufacturers in emissions reduction and included them within its Scope 3 target. The company will consider expanding the number of manufacturers in scope as it progresses and learns how to engage them effectively. This component of the carbon inventory is a key reason the NZ target is unable to be validated by SBTi. Accurate, supplier-specific data for these categories is not readily available to Unilever, so reporting must be based on estimates. Veritas believe that Unilever is applying best practices to its Net Zero climate goals. However, its long-term 2039 net zero target has not been approved by the Science Based Targets initiative (SBTi). Following a call with Unilever's representatives, Veritas are reassured that despite the challenges posed by changes in SBTi's methodology, their revised targets remain science based. Additionally, several other companies in the Fund have faced similar issues due to changes in SBTi's Scope 3 methodology. Veritas maintain that voting in favour of the revised transition plan was the correct decision and will continue to monitor the company's progress against the revised goals.

Engagement and Ownership for DC Default Strategy

The investments within the default strategy are accessed via third-party investment funds - most are managed by BlackRock, Northern Trust and Amundi. These investment managers are responsible for engaging with the companies within which they invest, as well as exercising the attached ownership rights (i.e. voting powers), to influence corporate policies/behaviours and hold company management to account. AllianceBernstein ("AB") monitors third-party investment managers' policies and actions to ensure that they align as closely as possible with their own. AB meet with each manager quarterly on ESG including on the topic of Stewardship. They receive their voting data quarterly and are increasingly also receiving detailed engagement content.

Overleaf are the latest available summary statistics of the investment managers' engagement and voting track records.

Manager	Engagement*	Voting
BlackRock	- Engaged with 865 global companies 1,093 total recorded engagements - The primary engagement topics are split as follows: 16% environmental matters 22% social matters 62% governance matters	4,158 meetings eligible to vote at 44,157 total proposals eligible to vote on 96.1% of eligible votes were cast 92.8% of votes were with management recommendations 7.2% of votes were against management recommendations 0.3% of votes were abstained from - In 32.2% of meetings at least one vote was cast against management
Amundi	- Engaged with 5,421 global companies 28,606 total recorded engagements - The primary engagement topics are split as follows: 49% environmental matters 26% social matters 19% governance matters 6% other	2,674 meetings eligible to vote at 31,166 total proposals eligible to vote on 99.4% of eligible votes were cast 82.9% of votes were with management recommendations 12.7% of votes were against management recommendations 4.5% of votes were abstained from - In 51.9% of meetings at least one vote was cast against management
Northern Trust	- Engaged with 32 global companies 124 total recorded engagements - The primary engagement topics are split as follows: 40% environmental matters 36% social matters 13% governance matters 12% other	202 meetings eligible to vote at 2,949 total proposals eligible to vote on 99.2% of eligible votes were cast 94.4% of votes were with management recommendations 9.0% of votes were against management recommendations 0.5% of votes were abstained from - In 43.1% of meetings at least one vote was cast against management

*Engagement statistics based on latest available data. Northern Trust and BlackRock statistics are as at 30 September 2024.

Voting and engagement metrics cover the year to 31 December 2024, unless otherwise stated, and represent the aggregate of Blackrock, Northern Trust and Amundi exposures held by AB, not only the underlying funds that the ABF Target Date Funds invest in. The ABF Target Date Fund is an investment vehicle that invests in a range of different assets that evolve over time in terms of a risk/return profile, targeting a retirement age of 65 in the default case.

Source: BlackRock, Northern Trust, Amundi, AllianceBernstein.

Specific Examples of Engagement Activity

Engagement – Amundi

Tencent Holdings – Amundi engaged with the company regarding its human rights policies and practices, including its adherence to international conventions and principles and transparency in disclosure in its annual ESG report. Tencent acknowledged potential to improve disclosures and considered employing third-party independent agencies to further formalise its reporting standards.

Engagement – BlackRock

Voestalpine AG – At the July 2024 AGM, Voestalpine proposed the election of eight directors—seven for five-year terms and one for a three-year term. Two of the directors had served on the board for over 12 years, and two were considered overcommitted. Blackrock engaged with the company and assessed the proposals against its EMEA proxy voting guidelines, which emphasise the importance of board refreshment, independence, and manageable director workloads. Due to concerns about the length of director terms, insufficient board independence, and overcommitment of two directors, BlackRock voted against the election of all eight directors, including the chair of the audit committee who had served for 20 years.

Engagement – Northern Trust

Colgate-Palmolive – Northern Trust engaged with the company about its plans for nature-related reporting, including the TNFD (The Taskforce on Nature-related Financial Disclosures). It was prioritising due diligence with third party experts to begin developing its double materiality assessment for CSRD (Corporate Sustainability Reporting Directive). Following this engagement, a letter was sent encouraging Colgate-Palmolive to consider partially aligning their water disclosures with TNFD. While the company sought to include results from the double materiality assessment in the sustainability report, it did not yet commit to reporting aligned with the TNFD. Both parties agreed that CSRD would benefit TNFD in the long run, but the severely high-risk exposure to water stressed assets warranted some preliminary plans to enhance reporting on the locations of these assets and/or activities in direct operations. The company acknowledged Northern Trust's concerns and agreed to explore options on how to strengthen their geographical risk disclosures.

Engagement and Ownership for DC Self Select Funds

Due to the number of DC Self Select Funds in the Scheme, it would not be possible to disclose all the voting information from the external investment managers in this statement and given the vast majority of assets and members (circa 98%) are invested in the Target Date Funds, the Trustee has elected to focus on these assets. The Trustee has not specified additional voting and engagement behaviours for these Funds as the voting and engagement for the Funds is outsourced for the DC Self Select Funds investment managers to carry it out.

Engagement and Ownership of Legacy AVC Funds

Due to the nature of the Legacy AVC Funds, it has not been possible to obtain the information from the policies which are mainly with-profit insurance policies. The Trustee has not specified additional voting and engagement behaviours for these Funds as the voting and engagement for the Funds is outsourced for the Legacy AVC Funds investment managers to carry it out. Further, the Legacy AVC arrangements were transferred to the DC Section over the course of the year.

Most Significant Votes

The Trustee's definition of a significant vote is provided in a previous section of this Statement. The most significant votes are considered to be all significant votes made by the top three holdings within each mandate. The table below lists the most significant votes cast over the year.

The Trustee delegates the responsibility for the exercising of voting rights attached to the Scheme's investments to their appointed investment managers. As such the Trustee do not use the direct services of a proxy voter. However, the Scheme's investment managers do utilise proxy voting providers, many of which using a custom voting policy and with final say on any votes determined by the investment manager.

Manager	Vote Information	Outcome
Calamos	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Election of Directors (12 individuals in total) Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Advisory Vote on Executive Compensation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Ratification of Auditor	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided

	Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	
	Company: NVIDIA Corp Date of vote: 25/06/2024 Resolution summary: Shareholder Proposal Eliminating Supermajority Provisions Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 8.17%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Advisory Vote on Executive Compensation Reason for significance of vote: Executive Remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Shareholder Proposal Regarding Extended Patent Exclusivities and Application for Secondary and Tertiary Patents Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided

	Company: Lilly (Eli) & Co Date of vote: 13/4/2024 Resolution summary: Shareholder Proposal Regarding Human Rights Policy Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.60%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Remuneration Report Reason for significance of vote: Executive Remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: For Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Shareholder Proposal Regarding Report on Sitting in Countries of Significant Human Rights Concern Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided
	Company: Microsoft Corporation Date of vote: 20/11/2024 Resolution summary: Shareholder Proposal Regarding Report on Risks of AI Data Sourcing Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.37%	How the manager voted: Against Rationale for vote decision: In-line with proxy voting policy Vote Outcome: Not Approved Implications: None provided

Liontrust	Company: Microsoft Corporation Date of vote: 10/12/2024 Resolution summary: Report on Risks of Operating in Countries with Significant Human Rights Concerns Reason for significance of vote: Human Rights Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.27%	How the manager voted: For Rationale for vote decision: The team voted for the proposal due to the benefit of increased disclosure on management of human rights-related risks in high-risk countries Vote Outcome: Not Approved Implications: None provided
	Company: Dassault Aviation SA Date of vote: 16/05/2024 Resolution summary: Authorize Repurchase of Up to 10 Percent of Issued Share Capital Reason for significance of vote: Executive remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.18%	How the manager voted: Against Rationale for vote decision: The team voted against as the share repurchase program can be continued during a takeover period. Vote Outcome: Approved Implications: None provided
	Company: Atlas Copco AB Date of vote: 24/04/2024 Resolution summary: Re-elect Johan Forssell as Director Reason for significance of vote: Executive remuneration Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 2.92%	How the manager voted: Against Rationale for vote decision: The team voted against the re-election due to lack of independence. Vote Outcome: Approved Implications: None provided
Veritas	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Adopt Targets Evaluating YouTube Child Safety Policies Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as additional disclosure on how the company measures and tracks metrics related to child safety on the company's platforms would give shareholders more information on how well the company is managing related risks. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024	How the manager voted: For Rationale for vote decision: A vote FOR this proposal is warranted as it would convey to the board non-affiliated

	Resolution summary: Approve Recapitalization Plan for all Stock to Have One-vote per Share Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	shareholders' preference for a capital structure in which the levels of economic ownership and voting power are aligned. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director John L. Hennessy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: The company does not report in line with the recommendations of the Task Force on Climate-related Financial Disclosures. The level of gender diversity on board is below 40% and has not improved compared to the previous year. Within senior leadership positions, none of the roles of Chair, CEO, Chief Financial Officer and senior independent director are held by women. In addition: Votes against governance committee members John Hennessy and Frances Arnold are warranted, due to the company maintaining a multi-class share structure with disparate voting rights, which is not subject to a reasonable time-based sunset. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director K. Ram Shriram Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director L. John Doerr Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass Implications: None provided

	of the vote (as % of portfolio): 7.6%	
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Elect Director Robin L. Washington Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: Against Rationale for vote decision: Votes against incumbent compensation committee members John Doerr, K. Ram Shriram, and Robin Washington are warranted due to executive compensation concerns, in the absence of a say-on-pay proposal on the ballot. Vote Outcome: Pass Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted because an independent human rights assessment on the impacts would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Report on Lobbying Payments and Policy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this resolution is warranted, as shareholders would benefit from increased disclosure to evaluate the company's lobbying efforts. Vote Outcome: Fail Implications: None provided
	Company: Alphabet Inc Date of vote: 07/06/2024 Resolution summary: Report on Risks Related to AI Generated Misinformation and Disinformation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 7.6%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from greater transparency on mis/disinformation related to generative AI in order to assess how the company is managing associated risks. Vote Outcome: Fail Implications: None provided

	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Advisory Vote to Ratify Named Executive Officers' Compensation Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: Against Rationale for vote decision: Performance-based awards account for less than 50% of the total LTI awards. While a pay-for-performance misalignment was identified for the year in review and certain concerns remain surrounding the company's pay program structure, as no portion of NEO compensation is directly tied to the achievement of pre-set performance criteria, certain mitigating factors have been identified. Specifically, it is recognized that FY23 pay for all NEOs was relatively low, consisting only of a base salary and certain perquisites. In addition, no equity awards were provided to NEOs in FY23, following relatively large grants made to certain NEOs during the prior fiscal year. However, following consecutive years of relatively low support for this proposal, the compensation committee demonstrated limited responsiveness to certain shareholders' concerns. The compensation committee engaged with shareholders, disclosed specific feedback, and provided enhanced disclosure surrounding the current pay program design and philosophy. While this greater transparency into the committee's rationale for its pay practices is recognized, the company did not make material changes to the pay program to address certain shareholder concerns. Although the company has demonstrated a degree of responsiveness by addressing certain shareholders questions, the lack of actions taken in respect to certain areas of concern falls short of adequate responsiveness. In light of the committee's limited responsiveness to the relatively low say-on-pay vote last year, a vote against this proposal is warranted. Vote Outcome: Pass Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Commission Third Party Assessment on Company's Commitment to Freedom of	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted. Shareholders would benefit from increased transparency and disclosure on how the company is managing human rights-related risks, particularly regarding

	Association and Collective Bargaining Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	freedom of association and collective bargaining rights. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Commission a Third Party Audit on Working Conditions Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted. Concerns are raised regarding recent work-place related violations and resulting negative media attention. Given the potential reputational risk, an independent third-party audit appears reasonable at this time. Additionally, results from an independent audit may address the inconsistencies between the statistics cited by the proponent and the injury rates reported by the company, which would allow shareholders to more fully evaluate the company's efforts to address workplace safety. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Elect Director Jonathan J. Rubinstein Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: Against Rationale for vote decision: The company has failed to commit to introducing and disclosing science-based emission reduction targets with a coherent strategy and action plan in line with a 1.5-degree scenario. Red Line E5 The company has failed to disclose quantitative and qualitative environmental information through CDP's climate change, water and forests questionnaires.to address workplace safety. Vote Outcome: Pass Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Efforts to Reduce Plastic Use Reason for significance of vote: Greater than 5% of fund's holdings	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.

	Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this proposal is warranted, as shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy. Vote Outcome: Fail Implications: None provided
	Company: Amazon.com, Inc. Date of vote: 22/05/2024 Resolution summary: Report on Lobbying Payments and Policy Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 6.2%	How the manager voted: For Rationale for vote decision: A vote for this resolution is warranted, as shareholders would benefit from increased disclosure to evaluate the company's lobbying efforts. Vote Outcome: Fail Implications: None provided
	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: For Rationale for vote decision: Veritas believe it is important for Unilever to improve its operational performance before engaging in substantial M&A which is made possible by the ability to issue up to 33% of ISC. Management themselves have stated that they agree with this position. Veritas therefore vote AGAINST item 17. Vote Outcome: Fail Implications: None provided
	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity without Pre-emptive Rights	How the manager voted: Against Rationale for vote decision: Veritas is voting contrary to the Red Line policy recommendation; on the basis that the amounts specified are within the typically permitted limits and the maximum discount is 10%.

	Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	Vote Outcome: Pass Implications: None provided
	Company: Unilever Plc Date of vote: 01/05/2024 Resolution summary: Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: Against Rationale for vote decision: Veritas is voting contrary to the Red Line policy recommendation; on the basis that the amounts specified are within the typically permitted limits and the maximum discount is 10%. Vote Outcome: Pass Implications: None provided
Amundi	Company: Nvidia Corp Date of vote: 26/06/2024 Resolution summary: Adopt Simple Majority Vote Reason for significance of vote: Greater than 5% of fund's holdings Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 5.6%	How the manager voted: For Rationale for vote decision: Absent the presence of a significant or controlling shareholder, AllianceBernstein is generally supportive of reducing supermajority vote requirements as it enhances shareholder accountability. Vote Outcome: Pass Implications: Through both voting and engagement, AllianceBernstein will continue to encourage strong governance practices at the company that improve accountability to minority shareholders.
	Company: Amazon.com Inc Date of vote: 22/05/2024 Resolution summary: Report on Framework to Assess Company Lobbying Alignment with Climate Goals Reason for significance of vote: Climate Change Approximate Size of fund's /mandate's holding as the date of the vote (as % of portfolio): 3.3%	How the manager voted: For Rationale for vote decision: The proposal appears value additive by requesting useful disclosure. The Company's current disclosure does not enable shareholders to assess any level of congruency between the Company's political advocacy or lobbying work and its commitments around climate. Further, the proposal does not ask for a line-by-line congruency analysis, but rather simply disclosure around the framework used to assess congruency. Vote Outcome: Fail Implications: AllianceBernstein will continue to encourage more transparency around the company's

		climate lobbying practices through both voting and engagement, as this disclosure is important to allow shareholders to assess alignment with the company's publicly stated values and priorities.
--	--	--

Note: No significant votes were cast over the year within the Artemis, BeachPoint, CQS or Schroders mandates within the DB Section of the Scheme. This is within expectations since due to the number of holdings, Schroders and Artemis do not have any votes meeting the 2% threshold for a significant vote. As a fixed income and credit multi asset manager respectively, Beachpoint and CQS have limited exposure to equities in their funds. For the small number of equity positions they do have, the Fund tends to hold little of the issued amounts and voting shares, and thus have fewer opportunities to cast "significant" votes.

Within the DC Target Date Funds BlackRock are currently unable to provide the percentage holding in the underlying fund and so no significant votes are listed in this report for these funds.