

# Chair's DC Governance Statement

covering 1 April 2023  
to 31 March 2024







# Introduction and members' summary


The **AstraZeneca Pension Fund** (the Fund) is an occupational pension scheme providing defined contribution (DC) benefits (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses their investments (or is invested in the default option), but bears the investment risk).

## There are two categories of members in the DC Section of the Fund:

Members with DC benefits only who have an Investment Account (IA)

Members who have DC benefits in an IA in addition to their Defined Benefit assets in the Retirement Account (RA)

Some of these members also have Additional Voluntary Contributions (AVC) in the Fund. This Statement covers investments available to members in the IA and in the RA AVC arrangements only.



Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Fund, are required to produce a yearly statement (signed by the Chair of Trustees) covering:

- The design and oversight of the default investment option (i.e. where contributions are invested for members that do not wish to choose their own investments);
- Processing of core financial transactions (i.e. administration of the Fund, such as investment of contributions);
- The charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as 'legacy' funds;
- An illustration of the cumulative effect of these costs and charges;
- Net returns of the investment options;
- How the value members obtain from the Fund is assessed; and
- Trustee knowledge and understanding.

Although the IA is closed to new contributions (and is not used as a qualifying scheme for automatic enrolment purposes), we remain fully committed to maintaining high governance standards. The IA is monitored via the Fund's main Board and its Committees, including the DC Committee (DCC), which meet regularly to monitor the investment options, controls and processes in place. The DCC was set up during the 2021/22 Fund Year to give greater responsibility and focus to all DC governance matters and performance monitoring for the IA Section of the Fund.

The Trustee manages the Fund in accordance with the Pension Regulator's Code of Practice 13 on DC schemes. The Fund is reviewed against updates to the Code of Practice as they are made and ensures these are considered as part of its ongoing governance.

This Statement covers the period 1 April 2023 to 31 March 2024 (the Fund Year). The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the default and other investment options remain suitable for the membership. The Trustee will be concluding the triennial review of investment strategy over the next Fund Year with consideration given to the communication and implementation of any agreed changes.
- The Administrator of the Fund, WTW (formerly Willis Towers Watson), has processed core financial transactions promptly and accurately to an acceptable level during the Fund Year, and we remain comfortable with the Administrator's performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.
- Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Fund and represent value for the benefits members obtain.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.





# Default arrangements

The Fund is not used as a Qualifying Scheme for automatic enrolment purposes. Although a default investment arrangement was in place when the IA was open to accrual prior to July 2010, and referred to within this document, this is not a default option as defined under the Investment Regulations or for the purposes of the preparation of this Chair's Statement, and is therefore not subject to the Regulations.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the Fund's IA. Details of the objectives and our policies regarding the investment arrangements are set out in a document called the 'Statement of Investment Principles' (SIP).

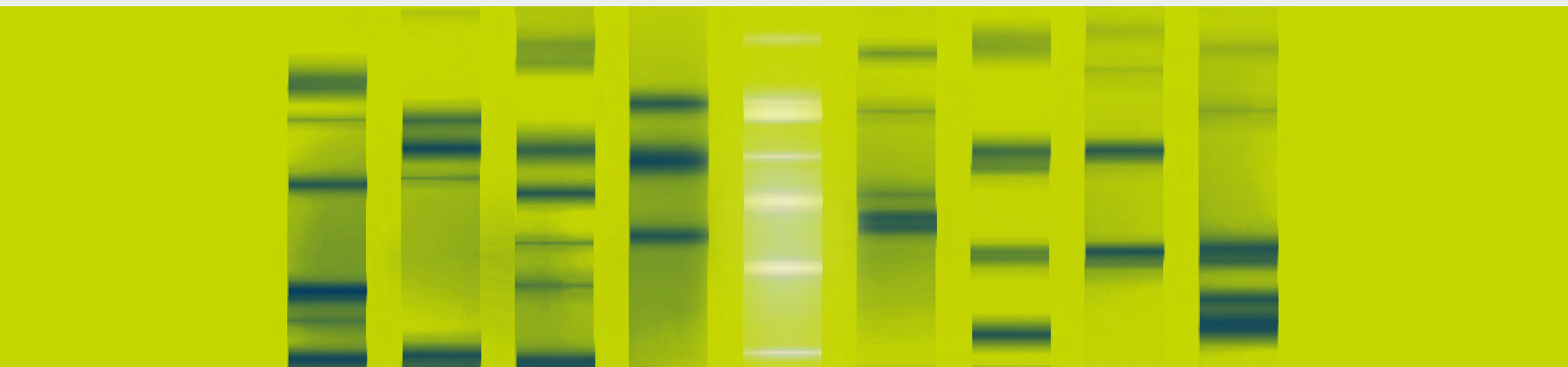
The Fund's SIP covering the investment arrangements can be found at <https://epa.towerswatson.com/doc/ZEN/AstraZeneca-Pension-Fund-SIP--.pdf>

**We have made available a range of investment options for members. The default option for IA only members is the Drawdown Lifestyle option and the default option for RA members with an IA is the Lump Sum Lifestyle. Further details on the lifestyle investment options are provided in the Fund's SIP.**

We regularly monitor the performance of the investment options and will aim to formally review the appropriateness of the investment options for the Fund membership every three years, and if necessary, make changes to the design. We will undertake a more frequent review if there are any significant changes in the investment policy or member demographics.

We began the most recent triennial strategy review in the previous Fund Year, with discussions taking place at the 1 December 2022 DCC meeting, by considering the membership characteristics of the Fund to determine the most appropriate retirement target for the majority of members. In relation to IA only members, the analysis suggested that there is likely to be a broad split of projected pot sizes. However, taking into account the projected pot sizes for members closest to retirement, it was concluded that an income drawdown target remains appropriate for IA only members. In relation to RA members whose IA account represents AVCs, it was concluded that a cash lump sum target remains appropriate given the smaller projected pot sizes at retirement.





The strategy review continued into the Fund Year, with most recent discussions taking place at the 12 September 2024 DCC meeting which followed the Fund Year end. As part of the strategy review, we have reviewed the risk / return profile of the default arrangements and whether it remained appropriate for the Fund given membership demographics and changes in trends within the DC landscape. Consideration has been given to the following aspects:

- The structure of the default arrangements and whether it could be improved.
- The asset allocation and underlying fund allocations of the funds within the default arrangements.
- The availability of environmental, social and governance (ESG) investment options and whether to integrate ESG further within the default arrangements.
- The underlying funds used in the self-select fund range and their continued appropriateness.

We are in the process of considering the implementation of any agreed changes which will be communicated to members in due course.

In addition to triennial strategy reviews, we also review the performance of the investment options against their objectives on a quarterly basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Fund Year concluded that the investment options were performing broadly as expected and consistently with the aims and objectives as stated in the SIP.



## Asset allocation breakdown

We are required to show the asset allocation of the default arrangements. In line with DWP's guidance, we have also shown this asset allocation for different ages as at the Fund Year end.

We note that the default option for IA only members is the Drawdown Lifestyle option and we have shown the asset allocation assuming a Target Retirement Age (TRA) of 67 (which is the Fund's TRA for IA only members). For RA members with an IA, where the default option is the Lump Sum Lifestyle, we have shown the asset allocation assuming a TRA of 62 (which is the Fund's TRA for RA members with an IA).

### Drawdown Lifestyle

Fund name	Allocation			
	25 year old %	45 year old %	55 year old %	At Retirement %
Cash	0.0	0.0	0.2	25.2
Corporate bonds (UK and overseas)	0.0	0.0	26.9	25.2
UK government bonds	0.0	0.0	1.6	1.5
Overseas government bonds	0.0	0.0	3.0	2.8
Listed equities <sup>1</sup>	100.0	100.0	58.6	36.2
Private equity	0.0	0.0	2.2	2.1
Property (direct)	0.0	0.0	3.8	3.5
Private debt	0.0	0.0	1.7	1.6
Other	0.0	0.0	2.1	2.0

### Lump Sum Lifestyle

Fund name	Allocation			
	25 year old %	45 year old %	55 year old %	At Retirement %
Cash	0.0	0.1	18.2	60.1
Corporate bonds (UK and overseas)	0.0	10.1	27.6	13.4
UK government bonds	0.0	0.6	1.6	0.8
Overseas government bonds	0.0	1.1	3.0	1.5
Listed equities <sup>1</sup>	100.0	84.5	39.6	19.3
Private equity	0.0	0.8	2.3	1.1
Property (direct)	0.0	1.4	3.9	1.9
Private debt	0.0	0.6	1.7	0.8
Other	0.0	0.8	2.1	1.0

<sup>1</sup>Listed equities includes exposure to alternatives through shares in listed infrastructure, global Real Estate Investment Trusts (REITs) and Timberland companies.





# Requirements for processing core financial transactions

The processing of core financial transactions is carried out by the Administrator. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Fund, transfers of assets between different investments within the Fund, and payments to members/beneficiaries.

We recognise that delay and error can cause significant issues for members. They can also cause members to lose faith in the Fund, which may in turn reduce their propensity to engage with the Fund and could impair future outcomes. We have received assurance from WTW that there are adequate internal controls to support prompt and accurate processing of core financial transactions.



The Fund has a service level agreement (SLA) in place with WTW which covers the accuracy and timeliness of all core financial transactions. The SLA specifies a target completion deadline for most administration tasks, including investments switches and retirement quotes, of five working days. The key processes adopted by WTW to help it meet the SLA are as follows:

- WTW uses an internal system that monitors all core financial transactions and any internal or external audit work;
- WTW makes use of dedicated process teams for individual processes, including contributions;
- WTW operates a 'team leader dashboard' facility to monitor and manage the workflow of the administration team, SLA's and statutory deadlines;
- WTW operates within the specified procedures and controls as set out in their annual Audit and Assurance Faculty report; and
- All financial transactions are reviewed, with transactions over £100,000 receiving an additional review. WTW also monitors the Trustee bank account daily. Operationally, all new items of work received are added to member records by the offshore team, together with the processing of all address and general data updates. These processes are designed to speed up service delivery and improve member experience.

To help us monitor whether service levels are being met, the DCC of the Trustee Board receive quarterly reports about the administrator's performance and compliance with the SLA, covering DC IA members only. These reports are a subset of quarterly administration reports which cover the rest of the Fund membership including RA members with an IA. Any issues identified as part of our review processes are raised with WTW immediately, and steps taken to resolve any issues arising.

Performance against the SLA for IA only members was 99%, 98%, 99% and 99% over Q2 2023, Q3 2023, Q4 2023 and Q1 2024 respectively, which is ahead of WTW's target of 95%.



There were no complaints made in relation to IA only members. There were six complaints made in relation to RA members with IA benefits. We understand from our DC advisers, LCP LLP, that this number of complaints is not out of line with other schemes of a similar size to the Fund. We do not have any concerns with the level of complaints received over the Fund Year and have worked closely with WTW to resolve the complaints, whilst at the same time looking to ensure lessons are learned to avoid recurrence of similar issues arising in future.

## Standard Life

Standard Life undertakes the administration services in relation to AVC assets held in the Standard Life With-Profits One Fund.

Standard Life targets an SLA of ten working days for service levels in relation to the processing of core financial transactions. It has an internal controls statement which outlines information about processing of its core financial transactions. Governance and oversight arrangements are in place to monitor performance against defined service levels and risk standards. Authorising and processing transactions is achieved through controlled systems including, but not limited to, the following actions:

- Compliance with processes is supported by an automated workflow system that ensures work is enabled, tracked and managed.
- A dedicated control team actively manages manual payments (including automation failures) and where applicable, the reporting of missed contributions to the Pensions Regulator.
- An automated quotes system, which ensures the consistent application of calculations.
- Scheme rules and policy provisions are coded within automated systems that have been built and tested to established project management practices.
- A quality assurance framework is in place to ensure that payments are processed in line with the defined processes and service levels.

Over the Fund Year, Standard Life confirmed that whilst there have been eight administration actions none of these actions were core financial transaction related. WTW engages with Standard Life in relation to any members who have AVCs and we would expect WTW to make us aware if there were any material issues relating to the processing of core financial transactions.



## Conclusion

Based on our review processes and the governance and oversight arrangements of WTW and Standard Life, we are satisfied that over the Fund Year:

- The Standard Life administrators were operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- There have been no material administration issues in relation to processing core financial transactions; and
- Core financial transactions have been processed promptly and accurately to an acceptable level.





# Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus 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 stated charges are shown as a per annum (p.a.) figure and exclude administration charges and charges for communication services, since these are not met by the members.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Fund's fund managers buy and sell assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds. The transaction costs are borne by members.

The charges and transaction costs have been supplied by the Aegon who is the Fund's platform provider. When preparing this section of the Statement, we have taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations we have used zero where a transaction cost is negative to give a more realistic projection (i.e. we would not expect transaction costs to be negative over the long term).

## Lifestyle arrangements

Although the Trustee is not directly involved in the day-to-day investment, for the lifestyle arrangements, members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their TRA and in which funds they are invested.

For the Fund Year, annualised charges and transaction costs are set out in the following table.

### Drawdown Lifestyle charges and transaction costs (% p.a.)

Years to target retirement date	TER (% p.a.)	Transaction costs (% p.a.)
20 or more years to retirement	0.12	-0.01
15 years to retirement	0.20	-0.01
10 years to retirement	0.27	0.00
5 years to retirement	0.27	0.00
At retirement	0.24	0.01

### Lump Sum Lifestyle charges and transaction costs (% p.a.)

Years to target retirement date	TER (% p.a.)	Transaction costs (% p.a.)
20 or more years to retirement	0.12	-0.01
15 years to retirement	0.20	-0.01
10 years to retirement	0.27	0.00
5 years to retirement	0.23	0.01
At retirement	0.19	0.01

### Annuity Lifestyle charges and transaction costs (% p.a.)

Years to target retirement date	TER (% p.a.)	Transaction costs (% p.a.)
20 or more years to retirement	0.12	-0.01
15 years to retirement	0.20	-0.01
10 years to retirement	0.27	0.00
5 years to retirement	0.22	0.00
At retirement	0.16	0.01

The lifestyle arrangements do not have any performance-based fees associated with it.



## Self-select and AVC options

The level of charges for each self-select fund (including those used in the default arrangements) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the default arrangements are shown in **bold**.

### Self-select fund charges and transaction costs

Fund name	TER (% p.a.)	Transaction costs (% p.a.)
<b>AZ Global Equity</b>	<b>0.12</b>	<b>-0.01</b>
<b>AZ Diversified</b>	<b>0.27</b>	<b>0.00</b>
<b>AZ Cash</b>	<b>0.13</b>	<b>0.02</b>
AZ Annuity Protection	0.15	0.00
Aegon BlackRock ACS World Ex-UK Equity Index	0.10	0.02
Aegon BlackRock ACS US Equity Index	0.10	0.01
Aegon BlackRock ACS UK Equity Index	0.09	0.11
Aegon BlackRock European Equity Index	0.10	0.01
Aegon BlackRock Pacific Rim Equity Index	0.10	0.00
Aegon BlackRock Aquila Life Japanese Equity Index	0.10	0.00
Aegon LGIM Ethical Global Equity Index	0.39	0.00

Table continued overleaf

### Self-select fund charges and transaction costs

Fund name	TER (% p.a.)	Transaction costs (% p.a.)
Aegon HSBC Islamic Global Equity Index	0.38	0.01
Aegon BlackRock DC Alpha Smaller Companies	0.60	0.62
Aegon JPMorgan All-Emerging Markets Equity	0.98	0.56
BlackRock iShares Over 5 Year Index-Linked Gilt	0.10	0.00
BlackRock iShares Corporate Bond All-Stocks	0.10	0.00

### AVC fund charges and transaction costs (% per annum)

Fund name	TER (% p.a.)	Transaction costs (% p.a.)
Standard Life With-Profits One Fund	0.60 <sup>1</sup>	0.04

<sup>1</sup> This figure has been taken from the Standard Life website, with a 0.40% Fund discount applied.



## Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The 'before costs' figures represent the savings projection assuming an investment return with no deduction of member-borne charges or transaction costs. The 'after costs' figures represent the savings projection using the same assumed investment return but after deducting member-borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past three years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past three years as this is the longest period over which figures were available and should be more indicative of longer-term costs compared to only using figures over the Fund Year.
- The illustration is shown for the Drawdown Lifestyle, the Lump Sum Lifestyle and two funds from the Fund's self-select fund range. The two self-select funds shown in the illustration are:
  - The fund with highest annual member-borne costs (TER plus Fund Year transaction costs) – this is the Aegon JPMorgan All-Emerging Markets Equity; and
  - The fund with lowest annual member-borne costs – whilst there are a few that could have been shown, for the purposes of this illustration this is the BlackRock iShares Corporate Bond All-Stocks.

### Projected pension pot in today's money

Years Invested	Drawdown Lifestyle		Lump Sum Lifestyle		Aegon JPMorgan All-Emerging Markets Equity		BlackRock iShares Corporate Bond All-Stocks	
	Before cost	After cost	Before cost	After cost	Before cost	After cost	Before cost	After cost
1	£38,500	£38,500	£38,500	£38,500	£38,900	£38,400	£37,800	£37,700
3	£41,200	£41,100	£41,200	£41,100	£42,500	£40,800	£38,900	£38,700
5	£44,200	£43,900	£44,200	£43,900	£46,400	£43,400	£40,100	£39,800
10	£52,500	£51,900	£52,500	£51,900	£57,800	£50,600	£43,200	£42,600
15	£62,300	£61,200	£62,300	£61,200	£72,000	£59,000	£46,500	£45,600
20	£71,900	£70,100	£71,900	£70,100	£89,700	£68,800	£50,100	£48,800
25	£79,000	£76,100	£79,000	£76,100	£111,800	£80,200	£54,000	£52,300
30	£85,100	£80,900	£83,600	£79,600	£139,300	£93,500	£58,100	£56,000
35	£90,800	£85,200	£85,900	£80,900	£173,600	£109,000	£62,600	£59,900

See notes for assumptions used overleaf

## Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- Annual inflation assumption used is 2.5%.
- The starting pot size used is £37,200. This is the approximate average (median) pot size for all members because we believe that it is representative of the Fund's membership as a whole.
- The projection is for 35 years, being the approximate duration that the youngest Fund member has until they reach the Fund's default TRA of 67 for IA only members.
- We have assumed starting salary and contributions to be zero as the Fund is closed to new contributions.
- The projected annual returns (gross of fees) used are as follows:
  - Drawdown Lifestyle: 3.5% above inflation for the initial years, gradually reducing to a return of 1.0% above inflation at the ending point of the lifestyle.
  - Lump Sum Lifestyle: 3.5% above inflation for the initial years, gradually reducing to a return of 0.3% above inflation at the ending point of the lifestyle.
  - Aegon JPMorgan All-Emerging Markets Equity: 4.5% above inflation.
  - BlackRock iShares Corporate Bond All-Stocks: 1.5% above inflation.
- No allowance for active management outperformance has been made.







# Investment returns

This section shows the annual return, after the deduction of member-borne charges and transaction costs, for all investment options in which member assets were invested during the Fund Year, over periods to 31 March 2024. We have had regard to the statutory guidance in preparing this section. Based on the availability of data, we have shown the figures for one and four years.

For the arrangements where returns vary with age, such as for the lifestyle arrangements, returns are shown over the Fund Year for a member aged 25, 45 and 55 at the start of the period the returns are shown over.

We note that the default option for IA only members is the Drawdown Lifestyle option and the default option for RA members with an IA is the Lump Sum Lifestyle. We have shown performance for all lifestyle strategies below assuming that members have a TRA of 62 (which is the Fund's TRA for RA members with an IA) or 67 (which is the Fund's TRA for IA only members).





### Drawdown Lifestyle net returns over periods to Fund Year end

Age of member at the start of the period	1 year (%)		4 years (% p.a.)	
	62 years	67 years	62 years	67 years
25	22.5	22.5	17.4	17.4
45	16.8	22.5	12.1	16.7
55	8.4	9.8	7.1	7.7

### Lump Sum Lifestyle net returns over periods to Fund Year end

Age of member at the start of the period	1 year (%)		4 years (% p.a.)	
	62 years	67 years	62 years	67 years
25	22.5	22.5	17.4	17.4
45	16.8	22.5	12.1	16.7
55	7.6	9.8	5.9	7.7

### Annuity Lifestyle net returns over periods to Fund Year end

Age of member at the start of the period	1 year (%)		4 years (% p.a.)	
	62 years	67 years	62 years	67 years
25	22.5	22.5	17.4	17.4
45	16.8	22.5	12.1	16.7
55	6.6	9.8	1.2	7.1



### Self-select fund net returns over periods to Fund Year end

Fund name	1 year (%)	4 years (% p.a.)
<b>AZ Global Equity</b>	22.5	17.4
<b>AZ Diversified</b>	8.4	7.1
<b>AZ Cash</b>	5.1	1.8
AZ Annuity Protection	3.4	-5.6
Aegon BlackRock ACS World Ex-UK Equity Index	23.8	18.1
Aegon BlackRock ACS US Equity Index	28.3	20.4
Aegon BlackRock ACS UK Equity Index	7.0	11.9
Aegon BlackRock European Equity Index	13.0	14.9

Fund name	1 year (%)	4 years (% p.a.)
Aegon BlackRock Pacific Rim Equity Index	4.3	11.3
Aegon BlackRock Aquila Life Japanese Equity Index	21.6	11.1
Aegon LGIM Ethical Global Equity Index	22.2	18.4
Aegon HSBC Islamic Global Equity Index	29.5	19.6
Aegon BlackRock DC Alpha Smaller Companies	6.7	11.8
Aegon JPMorgan All-Emerging Markets Equity	3.7	5.5
BlackRock iShares Over 5 Year Index-Linked Gilt	-7.7	-9.8
BlackRock iShares Corporate Bond All-Stocks	6.3	-0.9



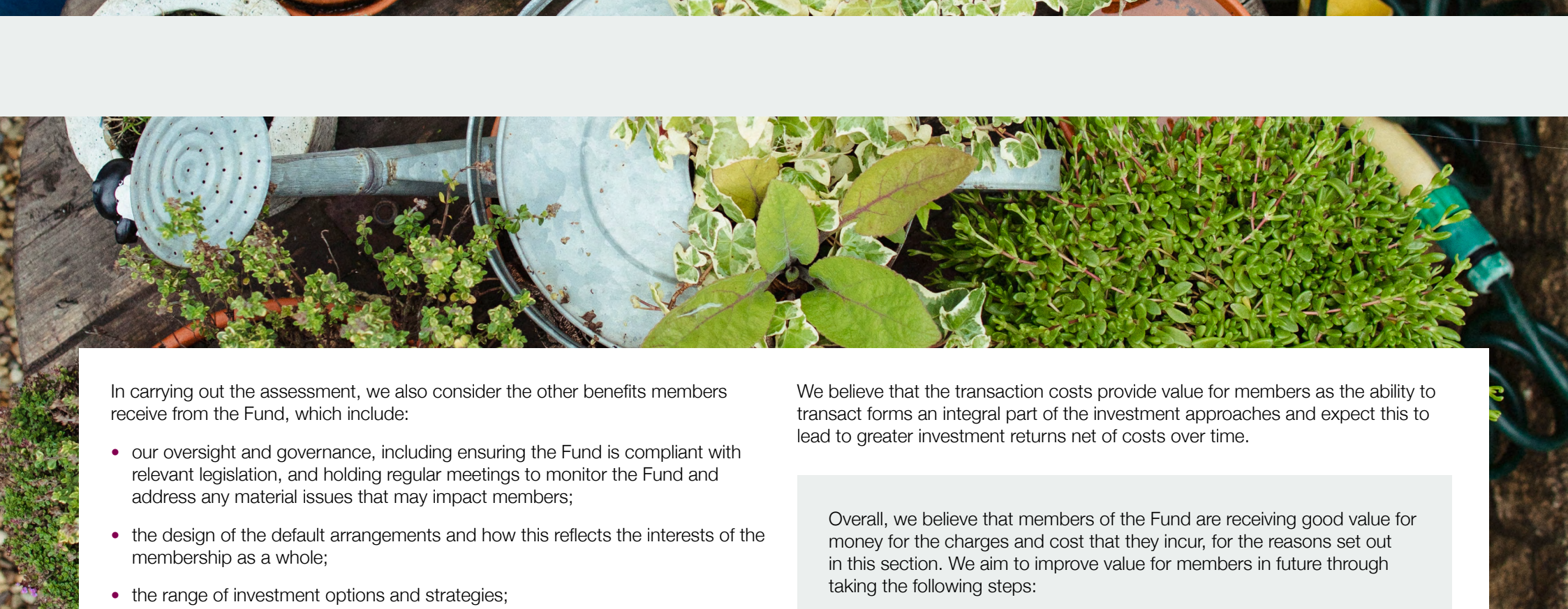
# Value for members assessment

We are required to assess every year the extent to which member-borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Fund. The date of the last review was 25 June 2024. We note 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. Our investment advisers have confirmed that the fund charges are competitive for the types of fund available to members.

Our assessment included a review of the performance of the Fund's investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the investment funds members can choose during the period covered by this statement have been consistent with their stated investment objectives.





In carrying out the assessment, we also consider the other benefits members receive from the Fund, which include:

- our oversight and governance, including ensuring the Fund is compliant with relevant legislation, and holding regular meetings to monitor the Fund and address any material issues that may impact members;
- the design of the default arrangements and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Fund website where members can access fund information online as well as the free independent financial advice provided by Wren Sterling (available to RA members with an IA account) and the access to Hargreaves Lansdown to provide information on retirement options to IA only members; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Overall, we believe that members of the Fund are receiving good value for money for the charges and cost that they incur, for the reasons set out in this section. We aim to improve value for members in future through taking the following steps:

- concluding the review of investment strategy, communicating and implementing any changes alongside the negotiation of possible fee reductions across the funds offered to members;
- continuing to take steps to address the areas of improvements identified as part of the Trustee Effectiveness Review;
- continuing to review the retirement advice and guidance options available to members to determine if any enhancements could be made; and
- conducting a wider review of the communications strategy.





# Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Fund effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the Fund Year are set out below.



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With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings if they were material. During the period covered by this Statement, we received training on the following topics:

- 1 Pensions Dashboard Programme
  - 2 The General Code of Practice
  - 3 Cyber awareness and cyber risk management
  - 4 Managing climate risk
  - 5 Trustee Board effectiveness
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We are familiar with and have access to copies of the Fund's governing documentation and documentation setting out our policies, including the Trust Deed and Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Fund, and the SIP is formally reviewed annually and as part of making any change to the Fund's investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil our duties.

All of the Trustees Directors have completed the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). A new Trustee Director was appointed at the end of the Fund Year to replace an outgoing Trustee Director. Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Fund Year.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Additionally, the Fund has in place a structured induction process for new trustees. Newly appointed Directors are provided with induction training within six months of appointment. They are also expected to complete the Trustee Toolkit within this time period. The Trustee Director induction programme specifically includes DC training provided by Linklaters, the Fund Legal Advisers, WTW, the Fund Actuary and the AstraZeneca pensions team and covers the role of a trustee, duties and responsibilities, the legal framework, administration, investment, retirement and communication.

The Fund Actuary and Linklaters attend all the Trustee Board meetings. We therefore receive regular legal, actuarial and investment updates on legislative changes and the impact on the Fund and the existing rules so that we keep our knowledge of the law relating to pensions and trusts up to date. Linklaters also contributes during meetings where advice or interpretation of the Trust Deed and Rules or wider documentation such as the SIP is required to supplement the Directors' own knowledge of the Trust Deed and Rules.

The DCC focuses solely on matters relating to the IA. Members of the DCC are a sub-section of the full Trustee Board, including a professional independent trustee from Law Debenture. The DCC meets four times per year and receives IA-specific training and legislative updates from its DC advisers, LCP LLP.

We have a number of policies that support the governance and management of the Fund. The table to the right sets out the policies and the date of their last review. Most of the policies are reviewed on an approximate three-yearly basis, although some policies may be reviewed on a more ad-hoc basis. In a number of cases, the reviews were deferred to be covered as part of a workstream on assessing the Fund against the new General Code and a wider review of the Fund's policies.

## A KEMP

Signed by the Chair of Trustees  
of the AstraZeneca Pension Fund

23 September 2024

<b>Policy</b>	<b>Date of last review</b>
<b>Conflicts Policy</b>	Q4 2018 – Next review expected in Q3 2024.
<b>GDPR, Cyber and Data Security Policy</b>	The Trustee relies on Company policies for GDPR and data security.  Following the review in October 2023, the Cyber Security Policy and the Data Security Incident Response Plan have been implemented. The next review expected in Q4 2024.
<b>Internal Dispute Resolution Procedure</b>	June 2022 – Next review expected in Q1/Q2 2025.
<b>Member nominated Trustee Director election procedure</b>	February 2020 – Next review is scheduled for Q3/Q4 2024.
<b>Overpayments policy</b>	2019 – Next review is expected for Q3 2024.
<b>Trustee Skills Matrix</b>	February 2020 – previous review completed.  A Trustee Effectiveness review was carried out in October 2023. The review assesses the strengths and weaknesses of the Trustee Board, areas to improve include the delivery and timeliness of meeting papers, as well as decision making around crises management.
<b>Trustee Delegations</b>	June 2022 – Review commenced in Q2 2024 and is still in progress as at the time of writing.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (e.g. investment consultants, legal advisors), we believe that we are well placed to exercise our functions as Trustee Directors of the Fund properly and effectively.