

Glanbia Cheese Limited Pension Scheme

Annual Implementation Statement

Scheme year ending 31 December 2022

1 Introduction and purpose of this Statement

1.1 This document is the Annual Implementation Statement ("the Statement") prepared by the Trustees covering the Scheme year to 31 December 2022. The purpose of this Statement is to:

- detail any reviews of the Statement of Investment Principles ('SIP'), required under section 35 of the Pensions Act 1995, that the Trustees have undertaken, and any changes made to the SIP over the year as a result of the review;
- set out the extent to which, in the opinion of the Trustees, the Scheme's SIP has been followed during the year;
- describe the voting behaviour by, or on behalf of, the Trustees over the year; and
- set out the extent to which, in the opinion of the Trustees, the engagement policy within the SIP has been followed during the year.

2 Review of and changes to the SIP

Review of the SIP and changes made during the Scheme year

2.1 No changes were made to the SIP over 2022.

Subsequent review of and changes to SIP (post Scheme year-end)

2.2 There have been no changes to the SIP after 31 December 2022. The Trustees will be reviewing the investment strategy in 2023 and the SIP will be updated following the review.

3 Adherence to the SIP

3.1 The Trustees believe the policies set out in the SIP have been followed during the 2022 Scheme year and the justification for this is set out in the remainder of this section.

Overall investment objective as set out in the SIP

3.2 The Trustees' investment objectives are described in the SIP.

3.3 The Trustees meet these objectives by regularly reviewing the investment strategy - the last review was undertaken in September 2022. The review considered some of the key risk management areas such as: the level of interest rate and inflation risk within the Scheme, Diversity, sustainability risks, liquidity risk, currency risk and a review of the expected return and overall risk (as measured by Value at Risk) of the current investment strategy and alternative investment strategies. Following the review, the Trustees maintained the current investment strategy.

How do the Trustees meet their investment obligations?

- 3.4 The Trustees meet regularly to conduct their business and monitor the Scheme's investment strategy and performance on a quarterly basis. A monthly update of the Scheme's assets is also provided to the Trustees.
- 3.5 WTW update the Trustees in between these meetings, in their role as the appointed investment advisor, if any particular issue arises with any of the funds.

Professional advice

- 3.6 The Trustees are aware of the requirement to take professional advice when setting and reviewing investment strategy. The Trustees have appointed WTW to provide such advice.
- 3.7 The Trustees have established Investment advisor objectives. The Trustees expect to monitor these on a regular basis.

Investment strategy

- 3.8 The Trustees recognise that the Scheme's investment strategy is of primary importance in seeking to achieve their investment objectives. The Trustees review the performance versus the Scheme's investment objectives on a regular basis and a more thorough review, as described above, is carried out annually.

Risk management

- 3.9 The Trustees have identified several risks involved in the management of the Scheme assets which are considered when reviewing the investment arrangements. These risks and the process through which they are managed are laid out in the Scheme's SIP. The Trustees continue to review and monitor these risks on a regular basis.

Investment manager arrangements

- 3.10 There were no changes to the investment managers employed to manage the Scheme's assets during the year. The Scheme's assets are managed by Legal and General Investment Management (LGIM) and the Partners Group.
- 3.11 The Scheme's portfolio is comprised of a portfolio of world equities (UK and overseas developed markets), a private markets mandate, credit portfolio and an LDI portfolio.
- 3.12 The asset allocation and the investment vehicles through which it is implemented ensures the portfolio has a suitable mix of return-seeking and matching assets, consistent with the Trustees' policy. In addition, through the private markets allocation, the Scheme accesses a very wide range of return-seeking assets, including exposure to illiquid assets, providing exposure to a range of different sources of risk and return.

4 ESG considerations

- 4.1 Considering the Scheme's investment funds are predominately passively managed, The Trustees take a pragmatic approach to ESG considerations. This is reflected in the SIP.
- 4.2 The Trustees have delegated responsibility for the selection, retention, and realisation of investments to the underlying investment managers. The Trustees recognise that long-term sustainability issues, including climate change, may have an impact on investment risk and outcomes. At the present time, the strategy is to invest predominantly in pooled funds which do not take explicit account of social, environmental and governance considerations in the selection,

retention, and realisation of investments. However, the Trustees do review the strategy regularly and may reflect these factors in any subsequent changes to the strategy or to underlying investment managers.

4.3 During the Scheme year, the Trustees undertook the following ESG monitoring activities:

- The Trustees' investment advisor incorporate Sustainability / ESG risk measures into the review of the investment strategy.
- The Trustees also received a Sustainable Investment report from the Trustees' investment advisor regarding LGIM's approach to ESG integration, Voting and Engagement.

4.4 The Trustees continue to develop their approach to ESG monitoring.

5 Voting and engagement

5.1 All the Scheme's investments are held within pooled funds. The key area of activity during the Scheme year was to consider how to monitor (and measure) the managers' performance in these areas.

5.2 The Trustees have delegated all voting and engagement activities to the underlying manager, but nevertheless expect effective activities in these areas to form part of their processes. The Trustees, with the help of their investment advisor, will continue to review LGIM's Stewardship policies (made available at the following link <https://www.lgim.com/uk/en/capabilities/corporate-governance/>) and the relevant sustainability disclosures made available by the Partners Group at the following link: <https://www.partnersgroup.com/en/sustainability/>

Voting

- 5.3 During 2022, LGIM voted on over 171,000 proposals during over 15,750 company meetings. LGIM has implemented their own custom policies, and rely on the service of ISS, their proxy advisor LGIM has recently introduced a custom voting policy, which requires companies, among other things, to have a higher level of independence and diversity on the board, or to provide more in-depth disclosure regarding executive compensation.
- 5.4 The following table lays out the voting statistics for the Scheme's LGIM funds for the year ending 31 December 2022:

| Asset Class | Voting activity |
|-------------------------|--|
| World Equity Index Fund | <ul style="list-style-type: none"> • Number of meetings at which the manager was eligible to vote: 3113 • Number of resolutions on which manager was eligible to vote: 38,295 • Percentage of resolutions on which the manager voted (out of those resolutions where the manager was eligible to vote): 99.80% • Percentage of votes with management: 78.87% • Percentage of votes against management: 20.39% • Percentage of votes abstained from: 0.74% • Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 75.48% • Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 14.41% |

*Voting statistics are out of total eligible votes and are sourced from the investment managers.

- 5.5 The Partners Group hire services of Glass Lewis & Co, which is one of the leading global proxy voting service providers, and they have been instructed to vote in-line with the Partners Group's Proxy Voting Directive. Wherever the recommendations for Glass Lewis, the Partners Group's proxy voting directive, and the company's management differ, the Partners Group vote manually on those proposals.
- 5.6 The Partners Group have identified and provided a list of the most significant votes made on behalf of the Scheme. They have provided a 2-10 vote example of the private markets investments in the Partners Fund. Private markets investments are the largest exposure within the fund, and these are typically held directly, where Partners Group controls the board and therefore direction/strategy of the business. The Partners Fund's exposure in listed equity is usually <5%. Below is an example of one of those cases where the Partner's Fund have full control over the board:
- Confluent has an environmental impact assessment underway and has also engaged a third-party consultant to determine its greenhouse gas footprint. Meanwhile, Confluent has established a Diversity, Equity & Inclusion council, which is currently creating goals and roadmaps with a target to complete by the end of the

third quarter of 2022. Thereafter, ownership of each initiative will be identified. Confluent has also expanded its stakeholder benefits program. For instance, in 2022, the company launched stock options for all physical therapists and made significant investments in benefits, including reduced Eligible Employee premiums and increased communication around its wellness programs.

5.7 The following table lays out the voting statistics for the Partners Group funds for the year ending 31 December 2022:

| Asset Class | Voting activity |
|---------------|--|
| Partners Fund | <ul style="list-style-type: none"> • Number of meetings at which the manager was eligible to vote: 50 • Number of resolutions on which manager was eligible to vote: 853 • Percentage of resolutions on which the manager voted (out of those resolutions where the manager was eligible to vote): 100% • Percentage of votes with management: 94% • Percentage of votes against management: 4% • Percentage of votes abstained from: 2% • Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 29% • Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 1% |

Engagement

5.8 This year, LGIM had 1,224 engagement meetings with climate change being the most frequently discussed topic.

5.9 The following table outlines a number of significant votes cast by the Scheme's investment manager on the Trustees' behalf which the Trustees consider to be some of the most significant cast on their behalf based on the criteria the Trustees considered in arriving at the most significant votes.

Significant votes cast

Company: Apple Inc

Meeting date: 4 March

2022

1. **Shareholder resolution:** Company's board to conduct a third-party audit examining policies and provide recommendations to improve its civil rights impact (Civil Rights Audit)

How the manager voted: For

Outcome: Pass (53.6% of votes were for the resolution)

More details: This was a shareholder resolution, asking Apple to carry out a third party civil rights audit due to shareholder beliefs that Apple can improve how it deals with issues such as gender pay equity, leadership diversity and privacy. The Trustee view the vote as one of the most significant given the resolution aims to enhance diversity and inclusion which the Trustee views as an important issue.

Company: Amazon.com, Inc.

Meeting date: 25 May 2022

1. **Shareholder resolution:** Amazon.com, Inc. Elect Director Daniel P. Huttenlocher.

How the manager voted: Against

Outcome: Pass (93.3% votes supported the resolution)

More details: The manager voted against as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings. LGIM pre-declared its vote intention for this resolution, demonstrating its significance to other shareholders.

Signed: *R Threadkell*

Name: *RACHEL THREADKELL*

Date: *6 OCTOBER 2023*

Authorised for and on behalf of the Trustees of the Scheme