

The Leprino Foods Ltd Pension Scheme

Annual Implementation Statement

Scheme year ending 31 December 2024

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 2024. 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.

The Scheme makes use of a wide range of investments, therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

A copy of this implementation statement has been made available on the website www.leprinofoods.co.uk and included in the Trustees’ annual report and accounts for the year to 31 December 2024.

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 2024.
- 2.2 An investment strategy review was carried out during the year with the aim of aligning the investment strategy with the Trustees’ and Company’s agreed end-game target to settle all the Scheme’s liabilities with an insurer. The specific changes made were:
- Reducing the allocation in equities from 20% to 5%;
 - Increasing the allocation in LDI and gilts from 55% to 70%; and
 - Restructuring the LDI portfolio to hedge 95% of the liabilities on a basis that more closely resembles the estimated solvency position as calculated by the Scheme Actuary.

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

- 2.3 The SIP was reviewed and updated in January 2025 to reflect the revised investment strategy.

3 Adherence to the SIP

- 3.1 The Trustees believe the policies and principles set out in the SIP have been followed during the 2024 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 March 2024. 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 moved towards a lower risk investment strategy that better aligns with the Trustees' and Company's agreed end-game target to settle all the Scheme's liabilities with an insurer.

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 and review the advisor against the strategic objectives at least every 12 months.

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 at least every 12 months.

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 The Scheme's assets are managed by Legal and General Investment Management (LGIM). Assets managed by the Partners Group were fully disinvested over the course of the year.
- 3.11 The Scheme's portfolio is comprised of a portfolio of world equities (UK and overseas developed markets), a 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.

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 Trustee asked their investment adviser to review both the managers' voting and engagement policy while the Trustee reviewed a sample of voting information provided by the investment managers while preparing this Statement.

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://am.landg.com/en-es/institutional/responsible-investing/investment-stewardship/>).

Voting

- 5.3 LGIM has implemented their own custom policies, and rely on the service of ISS, their proxy advisor. LGIM periodically updates its corporate governance and responsible investing policies which require 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 2024:

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: 6,674 Number of resolutions on which manager was eligible to vote: 64,472 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: 79.59% Percentage of votes against management: 19.15% Percentage of votes abstained from: 1.25% Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 60.58% Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 10.44%

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

The Partners Group Fund was disinvested from in May 2024 and therefore voting statistics for that fund have not been included in this Statement.

Voting information on the Scheme's bond funds are not provided since the vast majority of loan and debt securities do not come with voting rights.

Engagement

- 5.5 The following table outlines a number of significant votes cast by the Scheme's investment manager on the Trustees' behalf which the Trustee consider to be some of the most significant cast on their behalf, either because the votes against manager recommendations were successful demonstrating that the voting policy had a demonstrable impact on outcomes, because the justification for a vote is particularly significant, or the impact on the relevant company could lead to significant change. The details outlined are LGIM's justification for each vote in relation to the World Equity Index Fund, which the Trustee has considered and believes to be reasonable.

SIGNIFICANT VOTES CAST

Company: Apple Inc.

Meeting date: 28 Feb 2024

Shareholder resolution: Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy

How the manager voted: Against

Outcome: Fail

Rationale: Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.

Reason significant: Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets LGIM manages on their behalf.

Company: Microsoft Corporation.

Meeting date: 10 Dec 2024

Shareholder resolution: Resolution 9: Report on AI Data Sourcing Accountability

How the manager voted: For

Outcome: Fail

Rationale: Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.

Reason significant: High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

Company: Amazon.com, Inc.

Meeting date: 22 May 2024

Shareholder resolution: Resolution 6: Report on Customer Due Diligence

How the manager voted: For

Outcome: N/A

Rationale: Shareholder Resolution - Human Rights: A vote in favour is applied as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.

Reason significant: Pre-declaration and High-Profile Meeting: This shareholder resolution is considered significant as one of the largest companies and employers not only within its sector but in the world, LGIM believes that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. LGIM voted in favour of this proposal last year and continue to support this request, as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for their products (RING doorbells and Rekognition) and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic. Despite this, Amazon's coverage and reporting of risks falls short of our baseline expectations surrounding AI. In particular, LGIM would welcome additional information on the internal education of AI and AI-related risks.

Signed: *C O'Donovan*

Name: Conor O Donovan

Date: 28th May 2025

Authorised for and on behalf of the Trustees of the Scheme