# General Mills UK Pension Plan

Trustee's Annual Report
and Financial Statements

for the year ended 5 April 2025

Registration Number 10262237

**MUFG Retirement Solutions**
A division of MUFG Pension & Market Services

# Contents



# Appendices

# 1. Trustees and Professional Advisers

## Trustees of the Plan

In July 2023, the Principal Employer appointed Independent Trustee Services Limited ("ITS") as the sole Trustee represented by: D Brickman.

On 1 April 2025, ITS were removed as sole Trustee and Ross Trustees Services Limited (trading as Independent Governance Group) was appointed as Sole Trustee.

The Plan is managed by a sole corporate Trustee, Ross Trustees Services Limited (from 1 April 2025) represented by D Brickman and M Keen.

Independent Governance Group is the trading name of Ross Trustees Services Limited, Independent Trustee Services Limited, Independent Trustee Limited, Clarity Trustees Limited, Clark Benefit Consulting Limited, Leadenhall Independent Trustees Limited all registered in England and Wales.

Directors are as follows

| | |
|---|---|
| S Andrews | |
| D Best | |
| P Bhardwaj | |
| A Bradshaw | |
| J Branagh | Appointed 20 June 2025 |
| R Cousins | |
| H Frisby | Appointed 20 June 2025 |
| C Garfield | |
| A Hardiman | Appointed 25 June 2025 |
| C Hardingham | |
| C Kember | |
| H Kotecha | Appointed 20 June 2025 |
| A Livingstone | Resigned 2 May 2025 |
| C Martin | Appointed 20 June 2025 |
| R Mattingly | |
| N Moore | |
| N Mullock | Appointed 20 June 2025 |
| J Myerson | |
| A Osborne | |
| M Sohal | |
| G Suckling | |

## Professional Advisers

**Actuary**

Jacob Sapwell — Resigned 1 June 2025
Willis Towers Watson plc
51 Lime Street
London
EC3M 7DQ

Laura Amin — Appointed 1 June 2025
Lane Clarke & Peacock LLP
95 Wigmore Street
London
W1U 1DQ

**Administrator**

MUFG Retirement Solutions Pension Administration (HS) Limited — Resigned 1 September 2025
11th Floor
20 Chapel Street
Liverpool
L3 9AG

Link Group was acquired by Mitsubishi UFJ Financial Group, Inc. on 16 May 2024, as a result, Link Group has rebranded as MUFG Pension & Market Services, which MUFG Retirement Solutions Pension Administration is a division of. The Company Registration No: 01901744 remains unchanged.

Lane Clarke & Peacock LLP — Appointed 1 September 2025
95 Wigmore Street
London
W1U 1DQ

**Banker**

Barclays Bank PLC
Market Place
Leicester
LE87 2BB

**Credit Adviser (Employer Covenant)** — Resigned 1 June 2025

Willis Towers Watson plc
51 Lime Street
London
EC3M 7DQ

**Group Life Insurer**

Legal & General Assurance Society Limited
Legal & General House
Kingswood
Tadworth
KT20 6EU

**Independent Auditor**

Crowe UK LL — Resigned 9 April 2025
Black Country House
Oldbury
West Midlands
B69 2DG

Cooper Parry Group Limited — Appointed 2 May 2025
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

**Investment Consultant** — Resigned 1 June 2025

Willis Towers Watson plc
51 Lime Street
London
EC3M 7DQ

Lane Clarke & Peacock LLP — Appointed 1 June 2025
95 Wigmore Street
London
W1U 1DQ

**Investment Manager**

Legal & General Investment Management Limited
One Coleman Street
London
EC2R 5AA

**Secretary to the Trustee**

Elizabeth Mealing
Independent Governance Group
4th Floor
Cannon Place
78 Cannon Street
London
EC4N 6HL

**Solicitor**

Eversheds Sutherland (International LLP)
115 Colmore Row
Birmingham
B3 3AL

**Principal Employer**

General Mills UK Limited
The Pavilions
Bridgewater Road
Bristol
England
BS13 8FD

**Enquiries**

Any enquiries about the Plan, including requests from individuals for information about their benefits, complaints, and copies of the Plan documentation, should be addressed to:

MUFG Pension & Market Services
PO Box 9810
Bournemouth
BH1 9PF

Email: generalmills@rs.mpms.mufg.com

# 2. Trustee's Report

## The Plan

The General Mills UK Pension Plan (the "Plan") is a Defined Benefit Plan and is governed by a Trust Deed which ensures that the assets of the Plan are segregated from the finances of the Principal Employer.

The Plan was established by the Principal Employer, for the benefit of its employees and those of its fellow subsidiary companies. In January 2016 the Plan announced its intention to close the Berwick site during 2016, having gone through a consultation exercise in 2015. General Mills Berwick Ltd ceased to be a participating employer on 31 January 2017.

The Plan is also required to comply with tax, social security and other pension's law which may override the provisions of the Trust Deed from time to time.

The Plan is a registered occupational pension scheme under Section 153 of the Finance Act 2004 and is operated in accordance with regulations prescribed by the Department for Work and Pensions (DWP) and HMRC.

The Plan is approved by HMRC National Insurance Contributions Office for the purpose of Contracting-Out of the State Second Pension (S2P) (formerly the State Earnings Related Pension Scheme). Due to legislation changes, the Defined Contribution section of the Plan could no longer be contracted out from 6 April 2012 and the Defined Benefit Section of the Plan ceased to be contracted out from 6 April 2016. The money purchase protected rights underpin was removed on 4 April 2014.

The Defined Benefit section of the Plan was closed to new entrants with effect from 10 June 2010. The Defined Contribution section of the Plan was closed to new employees with effect from 1 June 2010. The Defined Contribution section transferred to Aviva Master Trust on 28 July 2023 leaving no Defined Contribution benefits in the Plan. There is a transfer facility for Defined Benefit members who held Defined Contribution Additional Voluntary Savings; however, they are under no obligation to use it.

## Trustee and Advisers

The Trustee of the General Mills UK Pension Plan is listed in Section 1.

The Trustee is assisted by various professional advisers in the operation of the Plan. All advisers who have acted on behalf of, have been retained, or appointed post-year end by, the Trustee during the year are detailed in Section 1.

In accordance with the Pensions Act 1995, there are written agreements in place between the Trustee and each of the professional advisers identified earlier in this Report and also with the Principal Employer.

## Appointment of Trustee and its Directors

The powers of appointment and removal of the Trustee are vested in the Principal Employer and must be exercised by Deed. The Trustee is a corporate trustee.

All changes to the Trustee during the year and following the year end are detailed in Section 1.

## Trustee Meetings

Two Trustee meetings were held during the year. The Trustee will make any decisions at the Trustee meetings, which will be noted under the Trustee minutes.

## Financial Development of the Plan

For the year ended 5 April 2025, the Financial Statements are set out in Sections 4 and 5. The Fund at 5 April 2025 stood at £47,575,783 a decrease of £4,922,307 over the position at 5 April 2024.

The Financial Statements following this Report have been prepared and audited in accordance with Regulations made under Section 41(1) and (6) of the Pensions Act 1995 and with guidelines set out in the Statements of Recommended Practice (SORP) Financial Reports of Pension Schemes (Revised June 2018).

## Investment Policy

The Trustee is responsible for the overall investment policy of the Plan and has delegated day to day decisions and safe custody of the Plan's investments to the Investment Manager. The Trustee receives regular reports on the Investment Manager's dealings and investment performance. The Trustee is responsible for determining the range of funds available to members and continuously monitors the suitability and diversification of those funds offered. Expert advice is sought whenever appropriate.

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles which includes the Trustee's Policy on the following matters:

- Ensuring compliance with the current investment requirements
- Ensuring compliance with the current scheme-specific funding requirement
- The kinds of investment and the balance between different kinds of investment
- Risk
- Expected return on investments
- Financial and non-financial considerations that are taken into account in the selection, retention, and realisation of investments; and
- Socially responsible investment and voting policy of which further details are below:

**Social, Environmental and Ethical considerations**: The Trustee recognises that social, environmental, and ethical considerations are among the factors which the Investment Manager will take into account, where relevant, when selecting investments for purchase, retention, or sale. The Manager has produced statements setting out their policy in this regard. The Manager has been delegated by the Trustee to act accordingly.

**Exercise of Voting Rights:** The Trustee has delegated the exercise of voting rights to the Investment Manager on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Manager has produced written guidelines of their process and practice in this regard. The Manager is encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies.

**Trustee arrangement with the Investment Manager:**

The LDI (Liability Driven Investments) mandate is actively managed by Legal & General, whose performance targets have been defined in relation to the Plan's liabilities, as set out in section 5.5 – 5.8 of the Statement of Investment Principles.

The non-LDI mandate is passively managed by Legal & General Investment Management Limited, whose performance targets are set out in section 5.2 of the Statement of Investment Principles.

Legal & General were appointed by the Trustee following advice given by the Investment Adviser.

The Trustee believes that it has taken reasonable steps to satisfy itself, and it is satisfied, that the Investment Adviser has appropriate knowledge and experience for advising on the Plan's investments.

The Trustee believes that it has taken reasonable steps to satisfy itself, and it is satisfied, that the Manager has the appropriate knowledge and experience for managing the Plan's investments.

The Trustee will monitor the investment returns relative to the performance targets (details in section 11 of the Statement of Investment Principles).

The Plan may use different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular vehicle are consistent with its policies, where relevant to the mandate in question.

To maintain alignment, managers are provided with the most recent version of the Plan's Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.

**Trustee arrangement with the Investment Manager (continued):**

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee invests in certain strategies (e.g., the LDI portfolio) where such engagement is not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making. The appropriateness of the Plan's allocation to such mandates is determined in the context of the Plan's overall objectives.

The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

The Trustee has set the fee structure for the Manager and to the Investment Adviser with reference to standard industry practice.

The Manager charges a percentage of the average value of the Plan's holding. This percentage varies between pooled funds. In addition, a fee is paid for the management of the LDI portfolio.

Fees are outlined in the Manager's Agreement and the Investment Adviser's Agreement.

The Trustee reviews the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

The Statement of Investment Principles is appended to this Annual Report. This Statement may change from time to time according to advice received from the Investment Manager or Consultants. There were no significant departures from these investment principles during the year. The investments are managed by the Investment Manager shown in Section 1.

The Plan had indirect holdings of General Mills inc. ordinary shares through its pooled investment vehicles, which amounted to less than 0.1% of the Plan's net assets at the year end. General Mills inc is the parent company of General Mills UK Limited, the Principal Employer.

Further details regarding the Plan's investments are to be found later in the Trustee's Report and in the Notes to the Financial Statements.

## Membership

The table below details the membership of the Plan as at 5 April 2025.

| | Defined Benefit |
|---|---|
| **Deferred members at the start of the year** | **132** |
| ***Adjustment:** | **(1)** |
| **Less:** Retirements | (4) |
| **Deferred members at the end of the year** | **127** |
| **Pensioners at the start of the year** | **194** |
| **Plus:** Pensioners from deferred | **4** |
| New widow/dependant | 1 |
| **Less:** Deaths | (3) |
| **Pensioners at the end of the year** | **196** |
| **Total membership at the end of the year** | **323** |

* Adjustment due to the late notification of a member movement.

## Contributions

Prior to the closure of the Defined Contribution and the Defined Benefit sections of the Plan, members were able to make contributions by salary exchange, therefore the appropriate member contribution was paid by the Employer for members salary exchanging.

The Schedule of Contributions in place during the year was certified by the Actuary on 25 January 2024. No

further contributions are payable with effect from 6 April 2023 due to the Plan's closure to future accrual.

## Administration Expenses

In accordance with the Schedule of Contributions, the Employer meets the cost of the non-investment expenses of running the Plan and the annual levy payable to the Pension Protection Fund.

## Internal Dispute Resolution Procedure

The Trustee has prepared an Internal Dispute Resolution Procedure, which is available to all Plan members.

## Transfer Values

For Defined Benefit members, transfer values are calculated on a basis set by the Trustee after taking actuarial advice. The Trustee has instructed the Actuary not to take account of discretionary increases in calculating transfer values.

## GMP Equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The Trustee has now reviewed, with its advisers, the implication of this ruling on the Plan and the equalisation of guaranteed minimum pensions between men and women; in the context of the rules of the Plan and the value of any liability. With the review now complete, member records have been updated accordingly and any pensioners affected have been notified of the additional benefits due to them. When back payment was due, this was paid to affected members in February 2024.

A follow up ruling on 20 November 2020 confirmed that members who have historically taken a transfer value now have to be included in GMP equalisation assessments and top up payments made where necessary. Initial analysis indicated that very few members with GMP benefits had transferred out of the Plan and consequently the impact of this judgment is also expected to not be material. The affected members have been written to, and any additional benefits due, implemented.

As part of their take on review, the Plan Actuary identified six pensioner cases that need to be considered as part of sweep up exercise. The Trustee is waiting for a summary of findings and proposal for its consideration.

## Section 37 ruling

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. On 25 July 2024, the Court of Appeal upheld the High Court's decision that the statutory actuarial confirmation of amendments to benefits was required, and without this, alterations are void. The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal has upheld the High Court's decision that such a confirmation was required for amendments to future accruals, before legislation changed in 2013. The Trustee will investigate the possible implications with its advisers but, it is not possible at present to estimate the potential impact, if any, on the Plan.

## Pension Increases

**Defined Contribution Members**

Following the move of all Defined Contribution benefits to the Aviva Master Trust, no DC benefits remain in the Plan and members would need to contact Aviva directly regarding the options available to them on retirement.

**Defined Benefit Members**

For any ex-Diageo members, the Trustee did not award a discretionary increase this year.

Pensions in payment are increased by at least the minimum required by legislation. The increase as at 1 April 2025 is shown below:

| **1 April 2025** | |
|---|---|
| Pre 88 GMP | 0% Statutory |
| Post 88 GMP | 1.7% Statutory* |
| Excess accrued up to 5 April 2010 | 3.5%** |
| Excess accrued from 6 April 2010 | 2.5%*** |

* September 2024 CPI capped at 3%
** December 2024 RPI capped at 5%
*** December 2024 RPI capped at 2.5%

## Change of Plan Auditor

During the year, Crowe UK LLP resigned as auditors. In their resignation letter they noted that there are no circumstances connected with their resignation which they considered would significantly affect the interests of the members or prospective members of, or beneficiaries under, the Plan.

Cooper Parry Group Limited were appointed by the Trustees as Auditors to the Plan in their place.

## Change of Plan Actuary

In accordance with the regulations under 47(6) of the 1995 Act the leaving Actuary statement read: Under Regulation 5(7) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 I have considered whether there are any circumstances connected with my removal from the appointment which significantly affect the interests of current or prospective members and beneficiaries under the General Mills UK Pension Plan. I can confirm that I know of no such circumstances.

## Report on Actuarial Liabilities

The most recent formal actuarial valuation of the Plan was completed with an effective date of 5 April 2023 (the valuation date) and the previous Actuary's report was published in January 2024. This actuarial valuation was carried out in line with the Pensions Act 2004.

Following discussions with the Employer and Plan Actuary appointed at time, WTW, the Trustee determined and agreed the assumptions to be used to calculate the Plan's "technical provisions". The technical provisions are calculated by projecting the benefits expected to be paid in each year after the valuation date and then discounting the resulting cashflows to obtain a present value. The technical provisions reflect the value of assets required to make provision for the accrued benefits. The technical provisions are based on accrued benefits to the valuation date and are calculated based on economic and demographic assumptions relating to factors that will influence the Plan in the future; for example the levels of investment returns and salary increases, when members are expected to retire and how long they are expected to live.

The main assumptions underlying the valuation calculations were:

| | |
|---|---|
| Discount rate | Gilts curve + 0.40% p.a.<br>(single equivalent rate - 4.15%) |
| Salary increases | N/A |
| Retail Prices Index (RPI) | In line with the WTW gilt-implied RPI curve with no adjustment for an inflation risk premium |
| Consumer Prices Index (CPI) | 1.0% p.a. below RPI to 2030 and equal to RPI thereafter |
| Pre and post retirement mortality | SAPS S3 Light for Uxbridge members (with a multiplier of 1.024 for Males and 0.993 for Females) and<br>SAPS S3 Heavy tables for Berwick members (with a multiplier of 1.076 for Males and 1.109 for Females)<br>CMI 2022 projections with a 1.5% p.a. long term trend from 2013 and 0.5% p.a. initial addition |

A summary of the funding position at the valuation date is as follows:

| | |
|---|---|
| Market value of assets | £56,300,000 |
| Technical provisions | £52,100,000 |
| Past service surplus/(deficit) | £4,200,000 |
| Funding level | 108% |

Following the completion of the actuarial valuation, no Recovery Plan was required as the plan was in surplus as at 5 April 2023.

The previous Actuary's certification of the Schedule of Contributions is shown in Section 8.

On 1 June 2025, the Scheme Actuary appointment transitioned from WTW to LCP.

# Investment Management

**Investment Strategy and Principles**

The Trustee is responsible for determining the Plan's investment strategy.

<u>Defined Benefit (DB) Section</u>

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 the strength of the employer covenant, the long-term liabilities of the DB section and the funding agreed with the Employer. The investment strategy is set out in the Plan's Statement of Investment Principles (SIP).

The strategy throughout the Plan year was to hold:

- 70% in the LDI portfolio
- 30% in a Diversified Growth Fund (DGF). The DGF selected was the LGIM Diversified Fund. The aim of this fund is to broadly deliver equity-like returns over the longer-term, but with lower volatility than equities.
- The Trustee monitored the portfolio over the year and rebalanced the portfolio in October 2024 and February 2025. This was necessary as a result of rising gilt yields that reduced the value of the Plan's LDI portfolio, resulting in the Plan becoming overweight in the DGF compared to its strategic target above.
- Adjust as appropriate the composition of the LDI portfolio to seek to match the scheme's hedging objectives.

**Quarterly, 1 and 3 year performance to 31 March 2025**

<u>Defined Benefit (DB) Section</u>

| | From 31 December 2024 | | | From 31 March 2024 | | | From 31 March 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Investment Sector Fund** | **Fund** | **Index** | **Dev** | **Fund** | **Index** | **Dev** | **Fund** | **Index** | **Dev** |
| Diversified Fund | 0.54 | (3.15) | 3.69 | 4.76 | 6.48 | (1.71) | 2.71 | 8.62 | (5.92) |

The table above excludes the Liability Driven Investment (LDI) portfolio. This portfolio has been designed to change in value in a way that closely mirrors the change in the value of the Plan's liabilities arising from changes in expected future interest rates and inflation. LGIM do not provide return figures for this portfolio; however, the Trustee monitor the performance of the LDI portfolio relative to the Plan's liabilities to ensure that the hedging is working effectively and that there is an appropriate level of collateral available within the asset portfolio to meet future collateral calls.

<u>Defined Contribution (DC) and AVC Section</u>

Following the transfer out of the DC section relatively early in the Plan's previous financial year, performance information for previously held DC assets is not included.

## Statement of Trustee's 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 Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan 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 judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis *unless it is appropriate to presume that the Plan will be wound up.*

The Trustee is also responsible for making available certain other information about the Plan 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 them to safeguard the assets of the Plan 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 Plan by or on behalf of the Employer and the active members of the Plan 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 Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan 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.

## Approval

This Report, together with the Financial Statements in Sections 4 and 5, has been prepared by the Trustee and audited in accordance with the requirements of the Occupational Pensions Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. The Trustee has also obtained the Investment Manager’s, Actuary’s and Auditor’s Reports, in accordance with those Regulations.

Signed on behalf of the Trustee of the General Mills UK Pension Plan:

| | | | |
|---|---|---|---|
| **Trustee Director** | | **Date** | |
| **Trustee Director** | | **Date** | |

# 3. Independent Auditor's Report

## Independent Auditor's Report to the Trustee of the General Mills UK Pension Plan

**Opinion**

We have audited the financial statements of the General Mills UK Pension Plan for the year ended 5 April 2025 which comprise the fund account, the statement of net assets and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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:

- show a true and fair view of the financial transactions of the Plan 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 Plan 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 Plan's ability to continue as a going concern for a period of at least twelve months from when the 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.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and 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 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of the Trustee**

As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Plan's 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 Plan'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 liquidate the Plan 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Plan has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Pensions Act 1995 and United Kingdom Generally Accepted Accounting Practice.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Plan and how the Plan is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Plan's control environment and how the Plan has applied relevant control procedures, through discussions and sample testing of controls;
- obtaining an understanding of the Plan's risk assessment process, including the risk of fraud;
- reviewing Trustee meeting minutes throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing the appropriateness of journal entries and other adjustments made.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Plan's Trustee, in accordance with Regulation 3 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 Plan's Trustee those matters we are required to state to them 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 Plan and the Plan's Trustee, for our audit work, for this report, or for the opinions we have formed.

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date

**COOPER PARRY GROUP LIMITED**

Statutory Auditor

# 4. Financial Statements

## Fund Account for year ended 5 April 2025

| | Note | 2025 Defined Benefit £ | 2025 Defined Contribution £ | 2025 Total £ | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total |
|---|---|---|---|---|---|---|---|
| Employer contributions | 4 | - | - | - | 6,815 | 1,629 | 8,444 |
| Employee contributions | 4 | - | - | - | 86 | - | 86 |
| | | - | - | - | 6,901 | 1,629 | 8,530 |
| Benefits paid or payable | 5 | (923,507) | - | (923,507) | (1,117,677) | (26,954) | (1,144,631) |
| Payments to and on account of leavers | 6 | - | - | - | - | (10,984,715) | (10,984,715) |
| Administrative expenses | 7 | - | - | - | (5) | - | (5) |
| | | (923,507) | - | (923,507) | (1,117,682) | (11,011,669) | (12,129,351) |
| **Net withdrawals from dealings with members** | | **(923,507)** | **-** | **(923,507)** | (1,110,781) | (11,010,040) | (12,120,821) |
| **Net returns on investments** | | | | | | | |
| Investment income | 8 | 7,038 | - | 7,038 | 3,335 | - | 3,335 |
| Change in market value of investments | 9 | (3,918,890) | - | (3,918,890) | (2,854,858) | 190,831 | (2,664,027) |
| Investment manager expenses | 10 | (86,948) | - | (86,948) | (91,429) | - | (91,429) |
| | | (3,998,800) | - | (3,998,800) | (2,942,952) | 190,831 | (2,752,121) |
| **Net decrease in the fund during the year** | | **(4,922,307)** | **-** | **(4,922,307)** | (4,053,733) | (10,819,209) | (14,872,942) |
| Net assets at start of period | | 52,498,090 | - | 52,498,090 | 56,333,282 | 11,037,750 | 67,371,032 |
| Transfers between sections | 13 | - | - | - | 218,541 | (218,541) | - |
| **Net assets at 5 April 2025** | | **47,575,783** | **-** | **47,575,783** | 52,498,090 | - | 52,498,090 |

The Notes in Section 5 form part of these Financial Statements.

## Statement of Net Assets (available for benefits)

| | Note | **As at 5 April 2025 Defined Benefit £** | **As at 5 April 2025 Defined Contribution £** | **As at 5 April 2025 Total £** | As at 5 April 2024 Defined Benefit £ | As at 5 April 2024 Defined Contribution £ | As at 5 April 2024 Total £ |
|---|---|---|---|---|---|---|---|
| **Investment assets** | 9 | | | | | | |
| Pooled investment vehicles | | 47,298,299 | - | 47,298,299 | 52,263,137 | - | 52,263,137 |
| **Total investments** | | 47,298,299 | - | 47,298,299 | 52,263,137 | - | 52,263,137 |
| Current assets | 11 | 291,879 | - | 291,879 | 247,219 | - | 247,219 |
| Current liabilities | 12 | (14,395) | - | (14,395) | (12,266) | - | (12,266) |
| **Net assets at 5 April 2025** | | **47,575,783** | **-** | **47,575,783** | 52,498,090 | - | 52,498,090 |

The Financial Statements in Sections 4 and 5 summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take into account obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan which does take account of such obligations, for the Defined Benefit section, is dealt with in the Report on Actuarial Liabilities in Section 2 of the Annual Report, and these Financial Statements should be read in conjunction with this Report.

The Notes in Section 5 form part of these Financial Statements.

Signed on behalf of the Trustee of the General Mills UK Pension Plan:

| | | | |
|---|---|---|---|
| **Trustee Director** | | **Date** | |
| **Trustee Director** | | **Date** | |

# 5. Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 5 April 2025

### 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 – The Financial Reporting Standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice ("the SORP") (revised 2018).

The Financial Statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Plan has adequate resources to meet obligations as they fall due for at least the next twelve months from the approval of these Financial Statements.

In reaching this conclusion, the Trustee considered the impact of current economic conditions on both the Plan and the Principal Employer, General Mills UK Limited.

On this basis, whilst the impact of the current economic conditions is subject to considerable volatility, given the strong funding position and the ability of the Plan's investment strategy to withstand short term fluctuations, the Trustee considers that the Plan will nevertheless continue to operate. Following this assessment, the Trustee concluded it was appropriate to prepare the Financial Statements on a going concern basis.

### 2. Identification of the Financial Statements

The Plan is established as a trust under English law. Any enquiries about the Plan should be addressed to:-

MUFG Retirement Solutions
PO Box 9810
Bournemouth
BH1 9PF

Email:generalmills@rs.mpms.mufg.com

### 3. Accounting Policies

The principal accounting policies are:

3.1 The Scheme's functional currency and presentational currency is pounds sterling (GBP).

3.2 Contributions:

3.2.1 Employee contributions, including AVCs, are accounted for when they are deducted from pay by the Employer.

3.2.2 Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions in accordance with the Schedule of Contributions in force during the year.

3.3 Benefits payable are included in the Financial Statements on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving.

3.4 Individual transfers in or out of the Plan are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid. Group transfers out are accounted for in accordance with the terms of the transfer agreement.

3.5 Administrative expenses and investment management expenses are accounted for on an accruals basis.

3.6 Investments including AVCs are included at fair value. The fair value of pooled investment vehicles is the bid price, or, if single priced, the closing single price at the close of business on 5 April as advised by the investment managers.

## 3. Accounting Policies (continued)

3.7 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 and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income if reinvested within the fund without issue of further units, change in market value also includes such income. Income for cash and short term deposits is accounted for in the Financial Statements on an accruals basis.

## 4. Contributions

| | **2025 Defined Benefit £** | **2025 Defined Contribution £** | **2025 Total £** | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| **Employer contributions** | | | | | | |
| Normal | - | - | - | 6,796 | 1,613 | 8,409 |
| Additional voluntary contributions | - | - | - | 19 | 16 | 35 |
| | - | - | - | 6,815 | 1,629 | 8,444 |
| **Employee contributions** | | | | | | |
| Normal | - | - | - | 86 | - | 86 |
| **Total** | **-** | **-** | **-** | 6,901 | 1,629 | 8,530 |

Contributions were paid in accordance with the Schedule of Contributions that was certified by the Actuary on 25 January 2024. No deficit funding contributions are due under the Schedule.

No further contributions were payable with effect from 6 April 2023 due to the Plan's closure.

## 5. Benefits paid or payable

| | **2025 Defined Benefit £** | **2025 Defined Contribution £** | **2025 Total £** | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Pensions | 958,112 | - | 958,112 | 909,923 | - | 909,923 |
| Commutation of pensions and lump sum retirement benefits | (34,605) | - | (34,605) | 202,307 | - | 202,307 |
| Benefits taken under income drawdown arrangements | - | - | - | - | 26,954 | 26,954 |
| Taxation where lifetime or annual allowance exceeded | - | - | - | 5,447 | - | 5,447 |
| | **923,507** | **-** | **923,507** | 1,117,677 | 26,954 | 1,144,631 |

During the prior year there was an ineligible lump sum paid which was returned during current year (£84,048.04).

## 6. Payments to and on account of leavers

| | **2025 Defined Benefit £** | **2025 Defined Contribution £** | **2025 Total £** | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Individual transfers to other schemes | - | - | - | - | 146,380 | 146,380 |
| Group transfers out | - | - | **-** | - | 10,838,335 | 10,838,335 |
| | **-** | **-** | **-** | - | 10,984,715 | 10,984,715 |

## 7. Administrative expenses

| | **2025 Defined Benefit £** | **2025 Defined Contribution £** | **2025 Total £** | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Bank charges | **-** | **-** | **-** | 5 | - | 5 |

All other Plan expenses were borne by the Employer except for bank charges and member tracing fees.

## 8. Investment income

| | 2025 Defined Benefit £ | 2025 Defined Contribution £ | 2025 Total £ | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Bank interest | **7,038** | **-** | **7,038** | 3,335 | - | 3,335 |

## 9. Reconciliation of net investments

| | Opening value £ | Purchases £ | Sales £ | Change in market value £ | Closing value £ |
|---|---|---|---|---|---|
| **Defined benefit section** | | | | | |
| Pooled investment vehicles | 52,263,137 | 33,672,658 | (34,718,606) | (3,918,890) | 47,298,299 |
| | 52,263,137 | 33,672,658 | (34,718,606) | (3,918,890) | 47,298,299 |
| Total net investments | 52,263,137 | | | | **47,298,299** |

Transaction costs are borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately reported.

There are no direct transaction costs. Indirect costs are incurred through the bid/offer spread on investments within Pooled Investment Vehicles.

Pooled investment vehicles

The Plan's investments in pooled investment vehicles as at 5 April 2025 and 5 April 2024 comprised:

| | **5 April 2025** | 5 April 2024 |
|---|---|---|
| | **DB Section** | DB Section |
| | **£** | £ |
| Bond Funds | 25,424,033 | 23,677,443 |
| Cash Fund | 351,877 | 236,838 |
| Diversified Growth Fund | 14,673,106 | 16,401,885 |
| Liability Driven Investment | 6,849,283 | 11,946,971 |
| **Total** | **47,298,299** | 52,263,137 |

*2024 PIVs have been reclassified.

Fair value hierarchy

The fair value of financial instruments has been estimated 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).

Fair value hierarchy (continued)

The Plan's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

| | **As at 5 April 2025** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **£** | **£** | **£** | **£** |
| Pooled investment vehicles | - | 47,298,299 | - | **47,298,299** |
| **Total investments** | **-** | **47,298,299** | **-** | **47,298,299** |

Analysis for the prior year end is as follows:

| | As at 5 April 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | £ | £ | £ | £ |
| Pooled investment vehicles | - | 52,263,137 | - | 52,263,137 |
| Total investments | - | 52,263,137 | - | 52,263,137 |

Concentration of investments

The following investments exceeded 5% of the net assets of the Plan.

| | **5 April 2025** | | 5 April 2024 | |
|---|---|---|---|---|
| | **£** | **%** | £ | % |
| **Legal & General Investment Management Limited** | | | | |
| **Defined Benefit Section** | | | | |
| 2042 Index Linked Gilt | **3,674,410** | **7.72** | 2,615,534 | * |
| 2030 Index Linked Gilt | **3,867,016** | **8.13** | 4,542,536 | 8.65 |
| 2035 Index Linked Gilt | **2,552,375** | **5.36** | 3,334,600 | 6.35 |
| 2037 Index Linked Gilt | **2,783,866** | **5.85** | 2,117,870 | * |
| Diversified Growth Fund | **14,673,106** | **30.84** | 16,401,885 | 31.24 |

* fund value <5% at year end

<u>Investment risk disclosures</u>

*Investment risks*

**Credit risk** – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Market risk** – comprises the following three types of risk:

- Interest rate risk – The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
- Currency risk – The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
- Other price risk – The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency)

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits that are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

<u>Defined Benefit Section</u>

The benchmark allocation for the Plan's DB section assets is set out below:

| Asset Class | Benchmark allocation at 5 April 2025 |
|---|---|
| Diversified Growth Fund (DGF) | 30% |
| Liability matching portfolio (LDI) | 70% |

Further information on the Trustee's approach to risk management, credit and market risk is set out below.

*Credit Risk*

The Plan is subject to credit risk because it directly invests in pooled investment vehicles. It is directly exposed to credit risk in relation to the funds managed by Legal & General Investment Management Limited and indirectly exposed to credit risks arising on the financial instruments held by these pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

Pooled investment arrangements used by the Plan comprise unit linked insurance contracts issued by Legal & General Investment Management Limited. The pooled investment vehicles are unrated.

Indirect credit risk arising in relation to these underlying investments held in the pooled investment vehicles is mitigated by only investing in funds which hold at least investment grade credit rated investments.

*Currency Risk*

The Plan is subject to indirect currency risk because some of its investments are held in overseas markets, via pooled investment vehicles. Currency hedging techniques may be applied within the pooled investment vehicles to reduce this risk but may not eliminate it entirely.

Investment risk disclosures (continued)

*Interest Rate Risk*

The Plan is subject to indirect interest rate risk because some of the investments are held in cash and bonds through pooled investments vehicles – in particular, in the LDI portfolio. The LDI portfolio adopted by the Trustee is designed to protect the Plan against future changes in expected interest rates. As interest rates change, the value of the portfolio should rise or fall in a similar manner to the Plan's technical provisions liabilities.

*Other Price Risk*

The Plan is subject to indirect other price risk principally in relation to the non-liability matching assets held through pooled investment vehicles, in particular the Diversified Growth Fund. Other price risk is mitigated by the Plan's choice of pooled investment vehicle holding a diversified portfolio of assets. The holdings are diversified by both geography and asset class.

The table below shows the extent to which the various classes of investments held by the DB section of the Plan are affected by the indirect investment financial risks. However, each risk has been considered in isolation, in practice there is often a high degree of correlation between these risks.

| Pooled investment vehicles class | Credit Risk | Currency Risk | Interest Rate Risk | Other price risk |
|---|---|---|---|---|
| Equities | No | Yes | No | Yes |
| Government Bonds | Yes | No | Yes | No |
| Corporate Bonds | Yes | No | Yes | No |
| Diversified Growth Fund | Yes | Yes | Yes | Yes |
| Cash Fund | Yes | No | Yes | No |

## 10. Investment manager expenses

| | **2025 Defined Benefit £** | **2025 Defined Contribution £** | **2025 Total £** | 2024 Defined Benefit £ | 2024 Defined Contribution £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Administration, management & custody | **86,948** | **-** | **86,948** | 91,429 | - | 91,429 |

## 11. Current assets

| | **As at 5 April 2025 Defined Benefit £** | **As at 5 April 2025 Defined Contribution £** | **As at 5 April 2025 Total £** | As at 5 April 2024 Defined Benefit £ | As at 5 April 2024 Defined Contribution £ | As at 5 April 2024 Total £ |
|---|---|---|---|---|---|---|
| Cash balances | **291,879** | **-** | **291,879** | 247,219 | - | 247,219 |

## 12. Current liabilities

| | **As at 5 April 2025 Defined Benefit £** | **As at 5 April 2025 Defined Contribution £** | **As at 5 April 2025 Total £** | As at 5 April 2024 Defined Benefit £ | As at 5 April 2024 Defined Contribution £ | As at 5 April 2024 Total £ |
|---|---|---|---|---|---|---|
| Other creditors | **14,395** | **-** | **14,395** | 12,266 | - | 12,266 |

**13. Transfers between sections**

In the prior year, the transfer between sections as shown in the fund account is due to excess DC monies being transferred to the DB section of the bank account following closure of the DC section.

**14. Tax status**

The Plan is a registered pension scheme under Chapter 2 of Part 4 of The Finance Act 2004. It is, therefore, exempt from the UK income and capital gains tax.

**15. Related party transactions**

The employer paid fees totaling £146,051 to Independent Governance Group (trading name of Independent Trustee Services Limited and Ross Trustees Services Limited) for the period from 6 April 2024 to 5 April 2025.

Of this amount, £102,281 (2024: £45,491) for secretarial services, of which £8,602 (2024: £11,910) remained outstanding at the year end, and £43,771 (2024: £42,138) for trustee services, with £3,183 (2024: £3,425) still outstanding at the year end.

There were no other related party transactions to note during the year.

**16. Employer related investments**

Under the Pensions Act 1995 particular types of investment are classed as "employer-related investments". Under laws governing employer related investments ("ERI") not more than 5% of the current value of Plan assets may be invested in ERI (subject to certain specific exceptions). In addition, some ERI is absolutely prohibited, including an employer related loan or guarantee. In September 2010 the prohibition of Employer Related Investments was extended to cover pooled funds. It should be noted that this prohibition does not cover pooled funds held in life wrappers, i.e. funds which are packaged in an insurance policy.

The Trustee reviews its allocation to ERI on an on-going basis and is satisfied that the proportion of the Plan assets in employer-related investments does not exceed 5% of the market value of the Plan's assets as at 5 April 2025 and the Plan therefore complies with legislative requirements. This will continue to be monitored going forward. The Plan had indirect holdings of ordinary shares in MAAA through its pooled investment vehicles, which amounted to less than 0.1% (2024: less than 0.1%) of the Plan's net assets at the year end.

**17. GMP Equalisation**

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The Trustee has now reviewed, with its advisers, the implication of this ruling on the Plan and the equalisation of guaranteed minimum pensions between men and women; in the context of the rules of the Plan and the value of any liability. With the review now complete, member records have been updated accordingly and any pensioners affected have been notified of the additional benefits due to them. When back payment was due, this was paid to affected members in February 2024.

A follow up ruling on 20 November 2020 confirmed that members who have historically taken a transfer value now have to be included in GMP equalisation assessments and top up payments made where necessary. Initial analysis indicated that very few members with GMP benefits had transferred out of the Plan and consequently the impact of this judgment is also expected to not be material. The affected members have been written to, and any additional benefits due, implemented.

As part of their take on review, the Plan Actuary identified six pensioner cases that need to be considered as part of sweep up exercise. The Trustee is waiting for a summary of findings and proposal for its consideration.

**18. Section 37 ruling**

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. On 25 July 2024, the Court of Appeal upheld the High Court's decision that the statutory actuarial confirmation of amendments to benefits was required, and without this, alterations are void. The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal has upheld the High Court's decision that such a confirmation was required for amendments to future accruals, before legislation changed in 2013. The Trustee will investigate the possible implications with its advisers but it is not possible at present to estimate the potential impact, if any, on the Plan.

# 6. Independent Auditor's Statement about Contributions

## Independent Auditor's Statement about Contributions to the Trustee of the General Mills UK Pension Plan

We have examined the Summary of Contributions to the General Mills UK Pension Plan for the Plan year ended 5 April 2025 which is set out on page 27.

In our opinion contributions for the Plan 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 Plan Actuary on 25 January 2024.

**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 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 Plan 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 Plan'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 Plan 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 report**

This statement is made solely to the Plan's Trustee, 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 work on contributions has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to them in such an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan and the Plan's Trustee, for our work on contributions, for this statement, or for the opinions we have formed.

**COOPER PARRY GROUP LIMITED**

Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date

# 7. Summary of Contributions

## Statement of Trustee's Responsibilities in respect of Contributions

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 Plan by or on behalf of the Employer and the active members of the Plan 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 Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions. Where reaches 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.

## Trustee's Summary of Contributions payable under the Schedule in respect of the Plan 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 Plan under the Schedule of Contributions certified by the Actuary on 25 January 2024 in respect of the Plan year ended 5 April 2025. The Plan Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

## Summary of Contributions payable in the year for General Mills UK Pension Plan

During the year, there were no contributions payable to the Plan by the Employer.

Signed on behalf of the Trustee of the General Mills UK Pension Plan:

| | | | |
|---|---|---|---|
| **Trustee Director** | | **Date** | |
| **Trustee Director** | | **Date** | |

# 8. Actuarial Certification of Schedule of Contributions

## Actuarial Certificate given for the purposes of Regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

**Scheme Name - General Mills UK Pension Plan**

**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in the Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 5 April 2023 to continue to be met for the period this Schedule is in force.

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 26 January 2024.

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

| | | | |
|---|---|---|---|
| **Signed** | | **Date** | 25 January 2024 |
| **Name of Employer** | Towers Watson Limited, a WTW company | **Qualification** | FIA |
| **Address** | 51 Lime Street<br>London<br>EC3M 7DQ | | |

# 9. General Mills UK Pension Plan Schedule of Contributions

## (Prepared in accordance with Section 227 of the Pensions Act 2004)

**For the period 1 February 2024 to 31 January 2029**

This schedule of contributions has been prepared by the Trustee, and agreed by all participating employers, after obtaining advice from the Scheme Actuary. This replaces the previous Schedule of Contributions dated 1 June 2021 and is effective from 1 February 2024.

**Principal Employer** General Mills UK Limited

**Regular contributions**

The Plan closed to future accrual with effect from 5 April 2023. Therefore, the Principal Employer and members are not required to pay regular contributions into the Plan.

**Other contributions**

The Employer meets the cost of the non-investment expenses of running the Plan and the annual levy payable to the Pension Protection Fund.
The Principal Employer may pay additional contributions of amounts and on dates that they determine.

| | | | |
|---|---|---|---|
| **Signed on behalf of the Principal Employer General Mills UK Limited** | | | |
| **Date** | 25 January 2024 | **Position** | VP, Managing Director |

| | | | |
|---|---|---|---|
| **Signed on behalf of ITS Limited (Part of Independent Governance Group) as Trustee for the General Mills UK Pension Plan** | | | |
| **Date** | 26 January 2024 | **Position** | Trustee Director |

This schedule of contributions has been agreed by the Trustee of the General Mills UK Pension Plan after obtaining actuarial advice from me.

| | | | |
|---|---|---|---|
| **Signed** | | **Date** | 25 January 2024 |
| **Name of Employer** | Towers Watson Limited, a WTW company | **Qualification** | FIA |
| **Address** | 51 Lime Street<br>London<br>EC3M 7DQ | | |

# Statement of Investment Principles



General Mills UK Pension Plan

## Statement of Investment Principles

February 2025

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# Section 1: Introduction

1.1 This document constitutes the Statement of Investment Principles ("the Statement") for the General Mills UK Pension Plan ("the Plan").

1.2 The Plan's benefits are provided from a pension fund ("the Fund") where the assets are held under the legal control of the Plan's trustee, the General Mills Pension Trustee Limited ("the Trustee"), under a trust constituted between the Principal Company, General Mills UK Limited ("the Company"), and the Trustee. The operation of the Plan is governed by a Definitive Trust Deed, dated 4 April 2014, and any subsequent Deeds of Amendment.

1.3 The purpose of this Statement is to document the investment principles, guidelines and procedures which are appropriate for the Plan, in a manner conforming to the Pensions Act 1995 ("the Act") and the Occupational Pension Schemes (Investment) Regulations 2005. This Statement has been prepared in accordance with Section 35 of the Act.

1.4 This statement was formally established by the Trustee after taking professional advice from Willis Towers Watson (the "Investment Adviser"). The Plan's Investment Adviser is believed by the Trustee to be qualified by their ability in and practical experience of the management of investments of trust-based occupational pension schemes. This statement will be reviewed from time to time (see section 12 below).

1.5 Any party providing services in connection with the operation of the Plan shall accept and adhere to this Statement. However, the Trustee recognises that its contractual relationship with its Investment Manager is governed by the terms of the Investment Management Agreement ("the Mandate").

This statement remains the property of the Trustee. Reproduction of any kind by other parties, otherwise than for the purpose of the Plan, is not permitted without prior agreement of the Trustee Directors.

1.6 This document is not to be read as the Trustee Directors giving financial advice to members.

# Section 2: Trustee objectives and administration of the fund

2.1 The Trustee is responsible for all aspects of the Plan, including this Statement. However, the Company has been consulted regarding the contents of the Statement as required by the Act.

**Objectives**

2.2 The Trustee has a duty to act in interests of the beneficiaries of the Plan. The Trustee's primary investment objective, therefore, is to maintain solvency and control of the risk of insolvency at an appropriate level.

2.3 One of the Trustee's objectives is to ensure that the investment strategy (i.e. mix of the Plan's investments between the various asset classes) does not jeopardise the payment of benefits. Protection of solvency can be achieved in the short term by investment in assets that seek to match so far as possible the nature and term of the liabilities. However, it is not possible to match the liabilities exactly over the long term. Consequently longer-term protection of solvency depends on the continued support from the Company, both in terms of its future contributions and its underwriting of the benefits.

2.4 The expected long-term contributions required from the Company, depend in part on the long-term real rate of return (i.e. return in excess of inflation) earned on the Plan's assets. The investment strategy adopted by the Trustee affects the realised long-term return. Although an investment strategy with a relatively low expected real return may reduce the volatility of the Plan's funding level and contribution rate, it may jeopardise the Company's continued support of the Plan since the strategy would lead to relatively higher anticipated costs.

2.5 Key short term funding objectives for the Plan are that:

a the value of assets should at least equal the value of liabilities calculated on a scheme-specific funding basis; and

b the Plan should have access to adequate readily available funds so as to ensure that benefits can be paid as and when they fall due.

2.6 The Trustee recognises the importance of maintaining solvency of the Plan. Solvency can be measured in various ways for example, it may be measured as the cost of securing benefits with an insurance company in the event of the Plan being discontinued or on the Plan's funding basis, which is used to determine the contributions to be paid by the Company.

**Administration**

2.7 The Trustee also seeks regular advice from the Plan's Actuary and Investment Adviser.

2.8 The Trustee maintains a description of the manager structure and keeps current copies of all Investment Manager Mandates, insurance policies, proposal forms and related documents.

2.9 The Trustee shall not select securities for the Plan except for the selection of Pooled Funds. The Trustee shall retain one or more independent professional investment managers to invest the Fund.

2.10 The Trustee may rely on independent experts for certain aspects of the Plan's operations where expert knowledge is required or desired or where a potential or actual conflict of interest exists.

2.11 Financial statements of the Plan will be audited by an independent auditor in accordance with applicable statutory requirements.

2.12 The Trustee invests entirely in pooled funds. The custodian for the assets of those funds is appointed by the funds or their managers rather than by the Trustee.

2.13 The Trustee does not consult with members when determining the investment strategy.

# Section 3: Plan overview

3.1 The Plan has the following provisions:

a for members who joined the Standard Defined benefit section between 31 October 2002 and 21 March 2007, 1.6% of Final Pensionable Pay accrued for each year of Pensionable Service. This section was closed to new entrants on 21 March 2007.

b for members active prior to 31 October 2002, there are three levels of cover

I. Silver – 1.6% of Final Pensionable Pay accrued for each year of Pensionable Service

II. Gold – 2.0% of Final Pensionable Pay accrued for each year of Pensionable Service

III. Executive – 2.5% of Final Pensionable Pay accrued for each year of Pensionable Service.

3.2 The Plan closed to future accrual of benefits on 5 April 2023.

3.3 Plan members have no direct exposure to investment risk, although they have an interest in the security of the accrued benefits (i.e. the extent to which the Fund is sufficient to meet the present value of the accumulated benefits earned to date).

3.4 The Trustee, in conjunction with the Plan's Actuary, undertake a formal actuarial valuation every three years to assess the Plan's assets and liabilities (technical provisions) and the level of contributions required by the Company (documented in the Plan's Schedule of Contributions). The last formal valuation was carried out with an effective date of 5 April 2020. The funding level and contribution rates are to be reviewed at regular intervals.

3.5 Member contributions are detailed in the Trust Deed and Rules and can be paid using salary exchange.

# Section 4: Permitted categories of investment

4.1 The Trustee has very wide powers of investment under the Trust Deed and Rules and Section 34(1) of the Pensions Act 1995. Details of the investment powers and permitted categories of investment can be found in clause 2 of the Trust Deed and Rules.

In addition to such limits as are set out in the Trust Deed and Rules, individual managers are required to adhere to the specific limitation set out in the individual investment manager agreements, insurance policies or proposal forms and this statement.

# Section 5: Asset allocation, expected return and risk

**Asset allocation**

5.1 The policy asset allocation reflects a balance between investment in liability-matching assets (which are sensitive to movements in interest rates and inflation) and return-seeking assets (which are expected over the long term to provide higher returns and some level of inflation protection). Consideration was given to the factors outlined in Section 2, together with:

a the long-term nature of the liabilities; and

b the Company's ability to absorb cost fluctuation.

5.2 The approximate asset allocation and relevant performance benchmarks for the individual funds are as follows:

| Asset Class | Performance Benchmark Index | Approximate allocation (%) |
|---|---|---|
| **Diversified Growth Fund (DGF)*** | FTSE Developed World Index - 50% GBP Hedged** | 30.0 |
| **LDI portfolio***** | Plan-specific benchmark | 70.0 |
| **TOTAL** | | **100.0%** |

* LGIM's Diversified Fund
** This is a 'comparator' index, rather than a benchmark. The long-term expected rate of return of the Fund is broadly similar to that of a developed market equity fund
*** Initial allocation, following implementation the allocation to this fund will not be automatically rebalanced

5.3 The non-LDI assets are invested with Legal & General Investment Management in pooled funds. The LDI portfolio is managed on a delegated basis – see 5.5 to 5.8 below.

5.4 Cash and cash equivalents may also be held from time to time on a short-term, temporary basis.

**LDI portfolio**

5.5 The Trustee has implemented an LDI portfolio in order to reduce the risks posed to the Plan by future changes in interest rates and inflation.

5.6 The Trustee has delegated authority of the design and ongoing management of the LDI portfolio to the LDI investment manager (currently LGIM). That is, LGIM have discretion to choose the specific funds in which the Plan is invested. LGIM will select appropriate funds in order to meet the objectives set by the Trustees and monitor the performance of the portfolio against these agreed objectives.

5.7 The LDI portfolio has been designed to broadly hedge 100% of the impact of changes in interest rates and inflation on the Plan's technical provisions liabilities. For convenience, this has been defined as 87% of the Plan's liabilities, valued on a gilts-flat basis. LGIM have been provided with an investable liability proxy for this purpose.

5.8 The hedge design will be reviewed periodically, typically in conjunction with the Plan's triennial valuation, or sooner in the event of a significant change in the membership profile. The hedge design is currently in the process of being reviewed and is set to be updated in the first half of 2025 with the aim of hedging 95% of the Plan's liabilities, valued on a gilts-flat basis.

**Future cashflows**

5.9 The Plan holdings at LGIM are currently split into two sections: DGF (012) and LDI (000). Each time cash flows are made into or out of the Plan's holdings, the Trustee will instruct the investment manager on the section to which the cash flows should be applied. If the LDI section is chosen, LGIM will determine which assets to buy/sell in line with the arrangement set out in 5.5 to 5.8.

5.10 The current default option is to apply cash flows to the LDI section, but the Trustee will keep this under review.

**Expected Risk and Return**

5.11 Based on analysis undertaken as at 31 December 2023, the Plan's expected risk and return metrics based on the portfolio set out in 5.2 are as follows:

| General Mills UK Pension Plan | Risk/Return |
|---|---|
| Best estimate return (10 year) above gilts | 0.94% pa |
| One year 95% Value at Risk (VaR) excluding longevity risk | £2.8m |

**Risk commentary**

5.12 The risks inherent in the investment strategy over a market cycle (a five to ten year period) are:

a the risk that the market returns will not be in line with expectations; and

b the risk of annual volatility of returns, which means that in any one year the actual return may be very different from the expected return (such return may also be negative).

5.13 The Trustee recognises that the investment of assets in financial markets results in an exposure to risk. Risks take many forms. In an attempt to control the level of risk to which the Plan's assets are exposed, the Trustee has introduced a number of policies and procedures. These include investing assets in pooled funds so that there is sufficient liquidity for the needs of the Plan and that diversification of investment is achieved.

The table below sets down some key risks identified by the Trustee and the measures taken to control these risks in a satisfactory way. The measures do not render the investment strategy free of risk. Rather, the measures endeavour to balance the need for risk control and the need to allow the investment managers sufficient flexibility to manage the assets in such a way as to achieve the required performance target:

| Summary of Risks and Control Measures | |
|---|---|
| **Risk** | **Control Measure** |
| Under funding on a discontinuance or ongoing basis | Regular monitoring of funding position |
| Future changes in interest rates and inflation | Implementation of an LDI portfolio to limit the impact on the Plan's technical provisions basis. |
| The investment manager adopting extreme positions to achieve Trustee's performance target | Investing in pooled funds with defined goals and restrictions |
| Security of Plan assets | Appointment of an independent custodian by the Manager |
| Underperformance against the benchmark by the investment manager | Monitoring of performance on a quarterly basis |
| The assets not being marketable when cash requirement enforce security sales | Investing in pooled funds which in turn invest in liquid marketable securities |
| The concentration of assets in any particular investment | The approach adopted by the Trustee deliberately targets a diversified asset allocation |
| The level of overseas investment | Hedging a proportion of the overseas currencies that can be hedged efficiently. |

# Section 6: The Investment Manager

6.1 The DGF mandate is managed on an active basis by Legal & General Investment Management, whose performance targets are set out in section 5.2.

6.2 The LDI mandate is actively managed by Legal & General Investment Management, whose performance targets have been defined in relation to the Plan's liabilities, as set out in section 5.5 to 5.8.

6.3 Legal & General were appointed by the Trustee following advice given by the Investment Adviser.

6.4 The Trustee believes that it has taken reasonable steps to satisfy itself, and it is satisfied, that the Investment Adviser has appropriate knowledge and experience for advising on the Plan's investments.

6.5 The Trustee believes that it has taken reasonable steps to satisfy itself, and it is satisfied, that the Manager has the appropriate knowledge and experience for managing the Plan's investments.

6.6 The Trustee will monitor the investment returns relative to the performance targets (details in Section 11).

6.7 The Plan may use different managers and mandates to implement its investment policies. The Trustee ensures that, in aggregate, its portfolio is consistent with the policies set out in this Statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee will also ensure that the investment objectives and guidelines of any particular vehicle are consistent with its policies, where relevant to the mandate in question.

6.8 To maintain alignment, managers are provided with the most recent version of the Plan's Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.

6.9 Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

6.10 For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods. The Trustee invests in certain strategies (e.g. the LDI portfolio) where such engagement is not deemed appropriate, due to the nature of the strategy and/or the investment time horizon underlying decision making. The appropriateness of the Plan's allocation to such mandates is determined in the context of the Plan's overall objectives.

6.11 The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

**Fee details**

6.12 The Trustee has set the fee structure for the Manager and to the Investment Adviser with reference to standard industry practice.

6.13 The Manager charges a percentage of the average value of the Plan's holding. This percentage varies between pooled funds. In addition, a fee is paid for the management of the LDI portfolio.

6.14 Fees are outlined in the Manager's Agreement and the Investment Advisers Agreement.

6.15 The Trustee reviews the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

# Section 7: Adviser responsibility

7.1 In accordance with the Acts and the Trust Deed and Rules, the Trustee has appointed independent parties to assist with certain aspects of the Plan's operations where expert knowledge is required. Reliance on advice is conditional on the suitability of the adviser at the point of hiring as well as their ongoing suitability.

7.2 The following independent experts have been appointed by the Trustee:

- investment managers;
- the Plan Actuary;
- an investment adviser;
- an auditor;
- an administrator; and
- a solicitor.

7.3 The above advisers belong to one of three categories:

- statutorily required advisers;
- additional Trustee appointed parties; and
- other administrative support.

| | Statutory Role | Additional Parties Appointed By Trustee | Administrative Support |
|---|---|---|---|
| Investment Manager | | X | |
| Plan Actuary | X | | |
| Investment Adviser | | X | |
| Auditor | X | | |
| Administrator | | | X |
| Solicitor | | X | |

**Investment managers**

The investment managers will be responsible for:

- investment of the assets allocated to them in accordance with a mandate as described in this Statement;

- compliance with the terms of the Investment Management Agreement;

- reporting to the Trustee and its Investment Adviser on a quarterly basis and in writing in respect of their performance for the quarter, the investment holdings and transactions, the intended strategy for the future quarter, deviation from the intended strategy for the preceding quarter and compliance with the mandate and agreement;

- provision to the Trustee on an annual basis, or whenever changes occur, of their policies and procedures relating to voting rights on securities, soft commission, professional standards, conflicts of interest and internal controls;

- advising the Trustee on an ongoing basis of any changes in their organisation, ownership, personnel or investment process;

- attending meetings of the Trustee board regularly;

- being available for meetings or discussions with the Trustee or its appointed advisers or committees on a reasonable basis; and

**Plan Actuary**

The Plan Actuary will perform all the services required of the actuary under the Plan's governing documents and will be the actuary in relation to the Act. The Plan Actuary is responsible for the provision of advice on financial questions relating to the funding of the Plan and on questions in respect of probabilities relating to mortality and other contingencies and any other matters relating to the actuarial affairs of the Plan.

**Investment adviser**

The investment adviser will be responsible for:

- advising the Trustee on investment policy;

- advising the Trustee on issues relating to the Plan and the investment managers as they arise; and

- monitoring the consistency of other documents with this Statement.

**Auditor**

The auditor will be responsible for auditing and preparing an auditor's report on the financial statements of the Plan as prepared by the Trustee with the assistance of its advisers.

**Administrator**

Amongst other roles, the administrator will be responsible for:

- administering the Trustee's bank account;
- paying benefits out of the Trustee's bank account; and
- transferring money to the investment managers as instructed by the Trustee.

The administrator will advise the Trustee in a timely manner of any cash needs which require disinvestment from the portfolio of invested assets.

# Section 8: Diversification, restrictions, cash flow and disinvestment

**Diversification**

8.1 The uncertainty of future returns within each asset class and the uncertainty of future economic conditions mean that prudent diversification should be undertaken. The degree of diversification required will depend on the nature of each asset class.

8.2 Within each asset class, the Manager will be responsible for ensuring that a prudent level of diversification is maintained. As the Plan is invested through pooled funds, the Trustee recognises that it is unable to impose specific restrictions on the underlying investments (other than through its choice of funds and internal constitutions).

**Investment restrictions**

8.3 The investment restrictions imposed on the Manager are set out in the Investment Manager Agreement.

**Cash flow management**

8.4 The Trustee will regularly consider the likely cash flow position of the Plan and determine whether investment or disinvestment will be required. Procedures will be adopted to manage the cashflow position as follows:

a Disinvestment procedures: the Trustee will, when possible, provide the Manager with reasonable notice of future cash needs.

b Disinvestment approval: the Manager may act only on written instruction containing two original signatures of authorised signatories as set out in the Investment Manager Agreement.

c Destination: any disinvestment to be paid anywhere other than to the Plan's bank account will require signatures of at least two of the Directors of the Trustee.

8.5 The Trustee will advise the Manager of any additions or deletions of authorised signatories when they occur and will provide the relevant specimen signatures.

# Section 9: Corporate Governance and Socially Responsible Investment

9.1 The responsibility of exercising and directing voting rights acquired through Fund investments is delegated to the Manager, as the equity assets are invested in pooled funds. The Manager shall provide a copy of the Manager's voting rights policy, and any amendments thereto, to the Trustee.

9.2 The Manager shall maintain a record of how Fund voting rights have been exercised and shall, no less frequently than annually, affirm to the Trustee that they have complied with their voting rights policy. Where the Manager has voted in a manner different from their voting rights policy, the Manager shall provide the Trustee with an explanation regarding the rationale for departing from said policy.

9.3 The Trustee take account of financially material risks and opportunities in consultation with its advisers. All risks and opportunities are considered for materiality and impact within a risk management framework, which takes account of the Plan's investment time horizons and objectives. The Trustee consider sustainable investment factors, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, in the context of this broader risk management framework. The Trustee recognise the risk that if companies or governments in which the Plan (or members) invests fail to appropriately manage environmental, social and governance risks this may harm long term returns.

9.4 The Trustee policy is that day-to-day decisions relating to the selection, retention, and realisation of the Plan's assets is left to the discretion of the investment managers. This includes consideration of all financially materially factors, including ESG-related issues where relevant. The Trustee explore these issues with its advisers to understand how the investment managers exercise these duties in practice.

9.5 Given the size of the Plan and its use of mainly passive management, the Trustee believe that shareholder engagement is the most effective approach through which it can best effect positive change and enhance long-term financial performance to the benefit of members. The Trustee have delegated responsibility for active shareholder engagement to the Plan's investment managers. The Trustee will review the investment managers' approach to shareholder engagement and voting records as part of their overall investment monitoring.

# Section 10: Monitoring Investment Performance

10.1 The Trustee shall review on a regular basis, as needed:

a the assets and net cash flow of the Fund;

b the current asset mix of the Fund;

c statistics on the investment performance of the Fund relative to any benchmark indices; and

d the fees and expenses incurred in managing the Fund.

10.2 The Trustee shall meet with the Manager as necessary to discuss investment performance, investment strategies, expected future performance and any changes in the Manager's organisation, investment processes and professional staff.

10.3 The primary focus of performance assessment will normally be based on a moving three to five-year timeframe, however performance over shorter time periods will also be monitored and assessed. The Plan's assets are invested in passive pooled funds and are therefore expected to deliver returns broadly in line with the selected benchmark (before Manager fees). The Trustee will review the Managers if the actual performance differs from the benchmark return by a meaningful amount and over a sustained period.

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# Section 11: Policy Review

11.1 This Policy shall be reviewed at least annually in order to determine whether any modifications are necessary or desirable. Such a review shall consider whether there has been:

a a fundamental change in the design of the Plan;

b significant revisions to the expected long-term trade-off between risk and reward on key asset classes;

c a major change in the actuarial calculation basis, the membership/liability distribution, or the contribution/expense expectation in respect of the Plan;

d a significant shift in the financial risk tolerance of the Company;

e shortcomings of the Policy that emerge in its practical operation;

f significant recommendations by the Manager;

g changes in applicable legislation; or

h changes in the Plan's governance structure.

11.2 A copy of this Policy and any amendments to it shall be delivered to the Actuary for the Plan

# Implementation Statement 2025

## General Mills UK Pension Plan ("the Plan")

## Implementation statement for the year to 5 April 2025

### Introduction

This Implementation Statement has been prepared by the Trustee of the **General Mills UK Pension Plan** ("the Plan") in accordance with the requirements of the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). Its purpose is to:

- Set out how, and the extent to which, the policies in the Statement of Investment Principles (SIP) have been followed during the year;
- Describe any review of the SIP during the year and any changes made;
- Provide information about the voting behaviour by or on behalf of the Trustee, including the most significant votes cast and the use of proxy voting services.

### SIP Review

- The SIP was last reviewed and updated in **February 2025.**
- The changes made during the year included updates in relation to:
    - Removing reference to the Defined Contribution section of the Plan, which was formally closed with a Deed of Termination being signed on 27 October 2023 by the Trustee and Company.
    - The LDI hedge design which is currently in the process of being reviewed and is set to be updated in the first half of 2025 with the aim of hedging 95% of the Plan's Liabilities, valued on a gilts-flat basis (up from 87% previously).
- The SIP reflects the Trustee's investment beliefs and policies, including those on environmental, social and governance (ESG) considerations.

### Adherence to the SIP

Due to the changes in the SIP occurring toward the end of the reporting year (in February 2025), the adherence has been considered relative to the previous strategy. The Trustee is satisfied that during the Plan year:

- The Plan's investment policies and strategy were broadly implemented as intended, with the strategy being reviewed during the year and remaining unchanged.
- No new asset mangers were selected or appointed, but they were monitored in line with the Trustee's policies;
- ESG and stewardship matters were considered in accordance with the policies in the SIP.

Following the reporting period, the Plan amended its operating model to enhance the delegation of collateral management. This change was implemented to better support the Plan's objectives. The enhanced delegation has improved adherence to the Plan's collateral management policy by strengthening oversight and alignment with the Plan's risk management and investment strategies.

## Voting and Engagement

The Plan's assets are invested in pooled funds managed by external investment managers. The Trustee delegates voting and engagement activities to these managers, in line with the stewardship policy set out in the SIP.

Most of the Plan's assets are invested the in liability-driven investment (LDI) portfolio which consists of fixed income and derivatives. Due to the nature of these assets, there were no voting opportunities in the LDI portfolio during the year to 5 April 2025. Therefore, the sections below focus on the remaining assets where voting rights are held, specifically, on the equity investments in the Diversified Fund managed by Legal & General Investment Management (LGIM).

The Trustee delegates voting responsibilities to investment managers, who are selected for their robust stewardship and voting policies aligned with the Plan's ESG priorities, including climate risk, governance standards, and long-term value creation. The Trustee reviews these policies during the manager selection process and periodic monitoring to ensure readiness for voting if the Plan's asset allocation changes. Managers are expected to use proxy voting, with decisions reflecting the Plan's commitment to net zero by 2050 and other ESG objectives.

The Trustee will annually assess whether changes in asset allocation introduce voting opportunities and ensure stewardship policies remain fit for purpose.

### *LGIM - Diversified Fund*

#### *Voting Activity*

The Trustee delegates voting rights attached to investments in the Legal & General Diversified Fund to the underlying investment manager, LGIM. LGIM exercises these rights in accordance with its own stewardship policy and voting principles, which align with the Trustee's expectations of responsible investment behaviour.

Over the year to 31 March 2025:

- LGIM was eligible to vote at 6,616 meetings, covering 62,436 resolutions;
    - It voted on 99.81% of those resolutions;
- Of the votes cast:
    - 19.09% were against management;
    - 1.55% were abstentions;
    - 10.06% were contrary to proxy adviser recommendations;
- In 58.64% of meetings, LGIM voted at least once against management.

These statistics reflect LGIM's commitment to holding companies accountable on material ESG and governance issues through an active and outcomes-driven voting approach.

## *Most Significant Votes*

The Trustee has asked LGIM to report on the most significant votes cast on their behalf. A selection is summarised below:

| Company | Resolution | Vote | Rationale | Date of Vote | Vote Outcome |
|---|---|---|---|---|---|
| ***Prologis, Inc.*** | 1a: Elect Director Hamid R. Moghadam | Against | LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. | 09/05/2024 | N/A |
| ***Microsoft Corporation*** | 9. Report on AI Data Sourcing Accountability | For | LGIM supported the shareholder proposal due to growing investor concern over how companies train large language models using third-party data. Greater attention to data sourcing and AI governance was seen as essential. | 10/12/2024 | Fail |
| ***NextEra Energy, Inc.*** | 1f: Elect Director John W. Ketchum | Against | LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. | 23/05/2024 | N/A |
| ***Shell plc*** | 22: Approve the Shell Energy Transition Strategy | Against | LGIM voted against due to insufficient ambition in Shell's climate strategy. Concerns included the company's dependency on offsets, slow progress on renewable investment, and insufficient disclosures to demonstrate alignment with net zero goals. | 21/05/2024 | Pass |
| ***Toyota Motor Corp.*** | 1.1: Elect Director Toyoda, Akio | Against | LGIM opposed due to independence concerns. The board lacks sufficient independent directors and LGIM expects separation of Chair and CEO roles. LGIM also raised concerns about the company's lobbying practices and insufficient action on climate issues. | 18/06/2024 | N/A |
| ***Tencent Holdings Ltd*** | 3a: Elect Charles St Leger Searle as Director | Against | Audit Committee: Voted against due to lack of independent directors. Climate Impact Pledge: Voted against as company does not meet LGIM's minimum climate standards. | 14/05/2024 | Pass |
| ***BHP Group Ltd*** | 13: Approve Climate Transition Plan | For | LGIM supported the plan as BHP made meaningful updates, including clearer interim targets, decarbonization pathways, and an enhanced link to executive remuneration. However, LGIM will continue to monitor BP's alignment with long-term climate goals. | 30/10/2024 | N/A |
| ***National Grid Plc*** | 17: Approve Climate Transition Plan | For | LGIM voted in favour of the plan, commending the company's commitment to net-zero emissions. LGIM appreciated the clarity in the 'Delivering for 2035' report and welcomed National Grid's engagement with SBTi on heating decarbonisation. | 10/07/2024 | Pass |
| ***Apollo Global Management*** | 1.1: Elect Director A.B. Konrad | Against | LGIM opposed based on board diversity concerns. LGIM expects a company to have at least one third women on the board. | 24/06/2024 | Pass |
| ***Amazon.com, Inc.*** | 6. Report on Customer Due Diligence | For | LGIM voted in favour of enhanced transparency on material human rights risks, which remains insufficient despite some internal and third-party reviews. | 22/05/2024 | N/A |
| ***Nestlé SA*** | 7: Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods | For | LGIM voted for the shareholder proposal focused on improving nutrition disclosure. As a co-filer, LGIM called for more effective targets to increase availability of healthier food choices, citing links between poor diets and chronic conditions like obesity, diabetes, and heart disease. These health issues have economic consequences through increased healthcare costs and reduced productivity. LGIM believes Nestlé should set an industry example by raising standards and promoting positive change. | 18/04/2024 | N/A |
| ***Unilever Plc*** | 4: Approve Climate Transition Action Plan | For | LGIM voted for the plan, as it meets their minimum expectations. This includes disclosure of Scope 1, 2, and material Scope 3 GHG emissions, and emissions reduction targets aligned with a 1.5°C Paris goal. Although SBTi recently removed its approval of Unilever's long-term Scope 3 target, the company has submitted new near-term 1.5°C-aligned targets for validation. LGIM deems the ambition level adequate and remains supportive of Unilever's net-zero trajectory. | 01/05/2024 | Pass |
| ***Simon Property Group, Inc.*** | 1A: Elect Director David Simon | Against | LGIM opposed due to the combination of Chair and CEO roles, which it views as a governance risk. The lack of independent board leadership influenced the vote. | 08/05/2024 | Pass |

*Engagement Approach*

The Trustee recognises engagement as a critical tool in driving long-term value and responsible behaviour within investee companies. Direct engagement is delegated to investment managers, and the Trustee monitors engagement outcomes via ESG reporting and manager meetings.

Over the year to 31 March 2025, LGIM undertook:

- 2,411 total engagements, with 1,651 unique companies;
  - Covering 55% of eligible fund value and 32% of fund market cap.
- Which were categorised as follows:

| Category | Number of engagements |
|---|---|
| Environmental issues | 1,791 |
| Social issues | 478 |
| Governance topics | 268 |
| Other topics (e.g. financial and strategic themes) | 149 |

The top five engagement themes included:

- Climate Impact Pledge (1,447 engagements);
- Human Rights (315);
- Deforestation (154);
- Climate Change (145);
- Corporate Strategy (126).

*Engagement Example*

A notable engagement during the year involved LGIM's **Climate Impact Pledge**, which targets companies that are critical to the climate transition. One of LGIM's engagements focused on a high-emitting utilities company in the US. LGIM engaged on board accountability, climate risk disclosure, and net zero alignment. Following sustained pressure, the company committed to enhanced emissions disclosures and introduced a climate oversight committee at board level.

The Trustee is satisfied that LGIM's voting and engagement activity during the year was robust, outcomes-focused, and aligned with the Trustee's ESG and stewardship objectives. The Trustee will continue to monitor engagement outputs, including significant votes and climate-related activity, to ensure the Plan's stewardship policies are effectively implemented.

## Conclusion

The Trustee believes that the policies set out in the SIP have been adhered to during the Plan year. The Trustee continues to develop their understanding and oversight of responsible investment and stewardship matters.

This statement will be made available on the Plan's website: https://weareigg.com/client-docs/general-mills/

**Signed: Agreed by the Trustee**

On behalf of the Trustee of the General Mills UK Pension Plan

**Date: 7 August 2025**