Coca-Cola Hellenic (Northern Ireland) Pension Plan (the “Plan”)

Annual Implementation Statement

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (“the Regulations”). The Regulations amongst other things require that the Trustees outline how they have ensured that the policies and objectives set out in the Statement of Investment Principles ("SIP") have been adhered to over the course of the year.

This is the third implementation statement the Trustees have prepared and covers the year ended 30 June 2022.

This statement sets out the actions undertaken by the Trustees, the service providers and investment managers, to implement the policies as set out in the SIP and includes voting and engagement information that has been gathered from the managers.

Changes to the SIP over the year to 30 June 2022

The Statement of Investment Principles (SIP) was reviewed over the year to ensure ongoing compliance to the Regulations as follows:

- Set out how the Trustees take account of financially material risks (including, but not limited to, ESG including climate change)

- Set out how the Trustees take account of 'non-financial matters' - if at all - for example, members' ethical views

- Set out the Trustees' policy in relation to the stewardship of investments, including engagement, monitoring, and exercising voting rights associated with investment funds

The Plan's SIP is available on the Company's website as required by the Regulations.

The Trustees have outlined their policies regarding how they incentivise asset managers to achieve their long-term objectives, their policies on cost transparency, their policies on voting and stewardship rights and finally how their policies align with that of the sponsoring employer in relation to sustainability going forward.

The most recent SIP is dated 1st October 2019 and no changes were made to it over the year.

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Plan activity over the year to 30 June 2022

The Trustees' investment objectives are described in the SIP.

The Trustees met four times over the year, on 11 October 2021, 15 November 2021, 9 March 2022, and 24 May 2022.

Scottish Widows, the fund platform provider and administrator, attended and presented at each of these meetings. The Trustees engaged with Scottish Widows on several areas including their performance, strategy, risk, corporate governance and highlighted their expectation that on the Plan's behalf, Scottish Widows continues to focus on these areas.

In December 2021, the Trustees carried out an investment strategy review of the Plan. A number of recommendations were made to change the Default Fund as well as other self-select options available to members. As part of the investment strategy review, the Trustees, with the support of the Pension Investment Committee ("PIC"), considered how to further integrate ESG into the Default Fund and Self-Select options available for members.

The Trustees, in consultation, with the Company agreed to defer the implementation of the proposed changes until a review of a potential Master Trust provider for the Plan was completed.

In addition, the PIC that advises the Trustees on Plan investment matters, considers ESG and Responsible Investment periodically, at quarterly meetings and raises any significant issues at Trustee meetings.

The Trustees outline in their SIP several key objectives and policies. These are noted below together with an explanation of how these objectives have been met and policies adhered to over the course of the year ended 30 June 2022.

1. ***To provide a range of investments that are suitable for meeting members' varying risk aversions and long and short-term investment objectives, along with a default lifestyle option for members.***

   The Trustees have provided members over the course of the year with a range of investment choices. For members who do not wish to make an active investment decision, a default lifestyle arrangement (the Default Fund - Lifestyle Investment Strategy) is in place which gradually moves members from higher risk return-seeking assets in the Global Equity and Diversified Funds, to lower risk (government bonds and cash) assets as they approach retirement. In addition to the Default fund, for members who are comfortable making their own investment decisions, there are five self-select funds available which each member can choose from depending on their risk appetite.

   A review of the performance of each fund and the suitability of the range of funds took place at quarterly trustee meetings. The PIC supported the Trustees in reviewing the performance of the Plan's range of funds.

   Since there is a range of options available to members covering the main assets classes and different levels of risk, the Trustees are comfortable that they have met their objective of providing a range of investments suitable for meeting members' long and short-term investment objectives. The investment review proposed some changes, but the Trustees recognise that these will be addressed by the new Master Trust provider.

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2. ***The aim of the Default Fund - Lifestyle Strategy is to provide higher levels of growth during the accumulation phase of retirement savings for members who have delegated their investment decisions to the Trustees.***

During the course of the year the Trustees receive quarterly monitoring reports from WTW and Scottish Widows. Both provide information regarding the short and long-term performance of all the funds offered to members. The default fund in the accumulation phase is an equal mix of Global Equity and Diversified Growth. The objective of the Global Equity Fund is to track its benchmark and the expectation is that over the long-term returns are significantly higher than lower risk assets. Over the course of the year, the equity fund met its objective of tracking the benchmark. The objective of the Diversified Growth Fund is to provide long-term investment growth through exposure to a diversified range of asset classes and the expectation is that over the long-term returns are higher than lower risk assets. Over the course of the year the Diversified Growth Fund did not meet this objective. The benchmark in place for the Diversified Growth Fund is linked to global equity performance. Given the strong equity performance over the last 3 to 5 years, the Diversified Growth Fund, which invests in a broad range of asset classes, lagged the long-term target / benchmark. The Trustees, with the support of the PIC, continue to review performance on a quarterly basis

3. ***Risk management and Investment Options review***

The Trustees have highlighted several potential risks such as market fluctuations, ESG, inflation, and manager underperformance, which they have taken account of in designing and offering funds for members to invest in. The Trustees reviewed these risks as part of the investment strategy review along with the considerations from their advisers within the default investment option (the Default Fund - Lifestyle Strategy).

A review of the Default Fund and the investment options took place in December 2021. As highlighted above, a number of changes were proposed to the Default Fund, and Self-Select options, but implementation was delayed until the review of the Master Trust proposals was completed. The Trustees reviewed the costs and communication exercise required to make the proposed changes. It was agreed that these transaction costs should not be incurred so close to a possible transfer to a Master Trust.

4. ***Responsible Investing***

The Plan documentation sets out the Trustees' objectives, the main one being acting in the best financial interest of the Plan and its beneficiaries. The Trustees also take in to account the ESG factors that may arise when seeking the best risk/return investment options for their members. The Trustees recognise that, due to the nature of the investments they hold, there is limited scope to actively incorporate ESG considerations into the fund options. However, the Trustees keep this under review and considered opportunities to add more ESG friendly options to the fund range as part of the investment strategy review that took place during the year.

5. ***Monitoring and Reviewing Investment Adviser***

The Trustees carry out informal ongoing reviews of the Plan’s Investment Advisor and conducted a formal review in December 2020. Following this exercise, the Trustees agreed to replace Aon with Willis Towers Watson as the Plan’s Investment Advisor. This change took effect in November 2021.

Stewardship Policy

As part of their delegated responsibilities, the Trustees expect the Plan's investment managers to:

- Where appropriate, engage with investee companies with the aim to protect and enhance the value of assets; and
- exercise the Trustees' voting rights in relation to the Plan's assets.

The Trustees regularly reviews the continuing suitability of the appointed managers and takes advice from the WTW regarding any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

Scottish Widows has a six-step approach to stewardship:

1. Be responsible for assets held;
2. Influence companies they are invested in to drive positive changes;
3. Exercise strong governance over asset managers they partner with;
4. Joining collaborative actions with other industry stakeholders to address systematic risks to the future of well- functioning markets;
5. Escalating activity where company engagements do not progress; and
6. Reporting annually on how the broader Scottish Widows' stewardship policy has been implemented.

More information on Scottish Widows' Stewardship Policy can be found here: https://adviser.scottishwidows.co.uk/assets/literature/docs/60209.pdf

Voting and Engagement Policy: Equity

The Plan was invested in the following equity funds with Blackrock during the year ended 30 June 2022:

- BlackRock Aquila Connect 30:70 Currency Hedged Global Equity Index Fund
- BlackRock Aquila Connect UK Equity Fund

The Plan also has equity exposure through the LGIM Diversified Fund.

BlackRock General Voting Policy

BlackRock has a voting and engagement policy that is consistent across both equity funds used by the Plan.

Through their specialist team, BlackRock Investment Stewardship ("BIS"), BlackRock engages with thousands of companies across 55 markets on behalf their clients. This year, the BIS team continued their intensive, year-round engagement program, reaching a record-level 3,690 engagement meetings (3,650 last year) with 2,460 unique investee companies (2,340 last year).

BlackRock continue to focus their engagement on a consistent set of five priorities that they believe are essential to the long-term financial performance of their clients' investments:

1. board quality and effectiveness;
2. strategy, purpose, and financial resilience;

3. incentives aligned with value creation;
4. climate and natural capital;
5. and company impacts on people.

In their work engaging with companies, and casting proxy votes, BlackRock's work on climate-related issues remains unchanged in focusing on the material risks and opportunities that the energy transition poses.

BlackRock expect to continue to take a measured approach to their stewardship activities on behalf of clients. They continuously receive feedback from companies and clients as they engage over the proxy year, and these insights will help them refine their global principles and voting guidelines. BlackRock do not anticipate significant changes in these or in our engagement priorities.

More information on BlackRock's approach to sustainability, including their annual stewardship reports and are available here:

https://www.blackrock.com/corporate/literature/publication/2022-investment-stewardship-voting-spotlight.pdf

BlackRock General Voting Policy

Summary Voting Statistics - BlackRock Aquila Connect 30:70 Currency Hedged Global Equity Index Fund

	1 July 2021 – 30 June 2022
% resolutions voted with management	91%
% of resolutions voted against management	8%
% resolutions abstained	2%

BlackRock voted in 97% of resolutions through the reporting year within the Aquila Connect 30:70 Currency Hedged Global Equity Index Fund. 8% of these were voted against management, reflecting the BlackRock policy outlined previously.

Of the 3,423 companies held in the portfolio, BlackRock conducted 2,404 engagements with 1,403 individual companies. They held multiple engagements with 42% of the individual companies engaged.

Summary Voting Statistics - BlackRock Aquila Connect UK Equity Fund

	1 July 2021 – 30 June 2022
% resolutions voted with management	95%
% of resolutions voted against management	4%
% resolutions abstained	0%

BlackRock voted in 99% of resolutions through the reporting year within the Aquila Connect UK Equity Fund. 4% of these were voted against management, reflecting the BlackRock policy outlined previously. BlackRock state they do not believe they have significant votes to report regarding this fund for the period in question. However, we have provided commentary below on a voting example from the portfolio.

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Of the 6,710 companies held in the portfolio, BlackRock conducted 3,070 engagements with 1,920 individual companies. They held multiple engagements with 36% of the individual companies engaged.

Voting and Engagement Policy: Multi-Asset

The Plan was invested in the following multi-asset funds with Legal & General Investment Management ("LGIM") over the year to 30 June 2022:

- LGIM Diversified Fund

All voting decisions are made by LGIM's Investment Stewardship team in accordance with their relevant Corporate Governance, Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually.

Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same

individuals who engage with the relevant company. This ensures their stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the voting decision process, thereby sending consistent messages to companies.

LGIM uses Institutional Shareholder Services' ("ISS") 'Proxy Exchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and their use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The LGIM Investment Stewardship team also uses the research reports of Institutional Voting Information Services ("IVIS") to supplement the research reports received from ISS for UK companies when making specific voting decisions

LGIM have a six-step approach to their investment stewardship engagement activities, broadly these are:

1. Identify the most material ESG issues
2. Formulate the engagement strategy
3. Enhance the power of engagement
4. Public Policy and collaborative engagement
5. Voting
6. Report to stakeholders on activity.

More information can be found on LGIM's engagement policy here:

https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf

LGIM's top five engagement topics with companies are on climate change, remuneration, diversity, board composition and strategy.

Summary Voting Statistics – LGIM Diversified Fund

	1 July 2021 – 30 June 2022
% resolutions voted with management	77%
% of resolutions voted against management	22%
% resolutions abstained	1%

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LGIM voted in 99.6% of resolutions through the reporting year within the LGIM Diversified Fund. 22% of these were voted against management, reflecting the LGIM policy outlined previously.

LGIM has provided information on 609 votes that they consider to be significant over the year to 30 June 2022.

Voting and Engagement Policy: Fixed income

The Plan holds fixed income investments through the following funds:

- BlackRock ICS Sterling Liquidity (short-term money market instruments)
- SW Dynamic Annuity Purchase (gilts and corporate bonds)

There are also some fixed income holdings in the LGIM Diversified Fund which is a multi-asset fund – engagement with debt issuers through the LGIM Diversified Fund is subject to the same LGIM wide policy laid out above.

The Trustees acknowledge that the concept of stewardship may be less applicable with respect to its fixed income investments, particularly for short-term money market instruments (as per the BlackRock ICS Sterling Liquidity Fund) and gilt investments (the SW Dynamic Annity Purchase).

All managers have provided information about their over-arching stewardship processes and examples of engagement where relevant, albeit on a manager level in some cases. Information on BlackRock's approach to stewardship is laid out in the above equity section and further information on Scottish Widows' approach is covered in the Stewardship Policy section.

Scottish Widows' engagement priorities for 2020-23 include adhering to the Paris agreement on climate change and carbon emissions including a particular focus on companies which have the highest CO_2 emissions and board diversity.

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Summary

Overall, the Trustees are satisfied at present with the stewardship carried out on their behalf by the Plan's investment managers and Scottish Widows. In addition, the Trustees have worked in line with their policies and objectives set out in the SIP during the year.

The Trustees acknowledge that stewardship may be less applicable to certain asset classes, but generally would still expect to see Responsible Investment type policies and processes formalised and developed over time.

The Trustees will continue to use their influence to drive positive behaviour and change among the investment managers that they have employed to invest the assets of the Plan, and with other third parties that the Trustees receive advice from. The Trustees will, as appropriate, set increasingly higher standards for these parties in future, and will monitor, assess, and ultimately hold them to account to ensure that the assets of the Plan are appropriately invested.

Signed:

Name: Nicolaas S Cronje

Date: 30 January 2023

Authorised for and on behalf of the Trustees of the Plan

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