

Coats UK Pension Scheme – Implementation Statement for the Scheme year 1 April 2025 to 31 March 2026

Introduction

This Implementation Statement has been prepared by the Trustee of the Coats UK Pension Scheme (“the Trustee”) and relates to the Coats UK Pension Scheme (“the Scheme”).

The Trustee is required to produce an annual Implementation Statement setting out how the policies described in the Scheme’s Statement of Investment Principles (“the SIP”) have been followed. This statement covers the period 1 April 2025 to 31 March 2026, the Scheme year-end.

The statement aims to set out how, and the extent to which, in the opinion of the Trustee, the SIP policies have been followed during this year. In addition, the document explains any changes made to the SIP during the year and describes the voting behaviour on behalf of the Trustee (including the most significant votes cast) during the year.

Changes to the SIP over the period

The SIP was updated during the reporting period to reflect changes in voting rights as well as the removal of the obsolete Investment Implementation Policy Document. The updated SIP became effective as of 19 December 2025.

The latest SIP can be found here at the following web address:

https://www.coatsspensions.co.uk/forms_factsheets/CUKPS_SIP_2025.pdf

Overview of Trustee’s Actions

Summary of how investment decisions are taken

The Trustee is responsible for the governance and investment of the Scheme’s assets. The Trustee continues to make the important decisions on investment policy, while delegating the day-to-day aspects to the Asset Managers as appropriate.

Whilst the Trustee is responsible for decision making on strategic investment items, a Joint Working Group comprising of a subset of the Trustee and Company representatives was set up to undertake additional monitoring of investment-related matters.

The Company is consulted on investment strategy decisions and a representative of the Company regularly attends parts of the Trustee meetings when required.

Investment Objectives and Strategy

No changes were made to the Scheme’s investment strategy over the period.

The Scheme entered a bulk annuity contract with Pension Insurance Corporation (“PIC”) in September 2024, which contains a deferred premium, allowing time for the Scheme to realise the value of the illiquid investments. The intention is therefore to continue to use the proceeds of the investments to pay the deferred premium.

The Trustee relies on investment managers for the day-to-day management of the Scheme’s assets but retains control over the Scheme’s investment strategy. The Trustee continues to review and monitor the Scheme’s Asset Managers as per the policies outlined in SIP.

Investment Objectives and Strategy (continued)

The objectives and policies in the SIP are followed by the Trustee in various ways. The Trustee's principal objective to invest Scheme assets to meet liabilities has been followed through the second bulk annuity contract with PIC. The monitoring of risk and activities of asset managers (including ESG and stewardship) have been followed through regular monitoring and reporting from the Investment Adviser. At the year-end, the Scheme had equity exposure within one of its remaining illiquid assets. However, due to the nature of this exposure (i.e. arising from deal-specific restructuring, recapitalisation, and/or enforcement outcomes), the manager did not cast any votes during the period. As such, this statement does not include any manager engagement or voting disclosures. The Investment adviser provides advice on the Additional Voluntary Contributions (AVCs) and the Corah Defined Contribution Section as required.

Concluding Remarks

The Trustee is comfortable the policies set out in the SIP have been appropriately followed over the year to 31 March 2026.