

IMPLEMENTATION STATEMENT FOR THE FIRMIN COATES RETIREMENT BENEFITS SCHEME

1. Introduction

This is the Implementation Statement for the Firmin Coates Limited Retirement Benefits Scheme ('the Scheme') and reflects the position at 1st October 2025. This Implementation Statement should be read in conjunction with the Statement of Investment Principles (SIP).

The SIP was last reviewed and updated in November 2023 and reflects the Trustees' policies relating to responsible investment, including both financial and non-financial matters that the Trustees considered. This included Environmental, Social and Governance (ESG) considerations. Stewardship was also considered, i.e. voting and engagement, together with the ability of the Trustees to influence the actions of their investment managers.

The selection of investment managers is considered, including their objectives, fees and basis of charging, as well as ensuring there are no conflicts of interest.

As a part of the investment review the sponsoring Employer was consulted on the content of the SIP and the investment strategy.

2. Investment Objective

This is effectively outlined in the SIP.

3. Investment Strategy

The Trustees continue to implement the strategy as outlined in the SIP and as updated from time to time.

4. Setting the Investment Arrangements

In managing the assets of the Scheme, the Trustees own a policy of assurance. As the Grantee of the policy the Trustees have the benefit of the protection offered under the Financial Services Compensation Scheme (FSCS) and the terms of the specific policy of assurance.

Mobius Life

The Trustees hold a long term insurance policy with Mobius Life accessing appropriate pooled pension funds. Mobius Life is a specialist insurance company operating an investment platform that the Trustees of a Scheme such as this may access. It provides many advantages and facilitates access to best of breed fund managements services and associated reporting designed specifically for trust based pension schemes. As Grantee under the policy the Trustees may pay premium to Mobius Life who will allocate units to the policy. The allocation of units is notional and references to both units and funds are solely for the purpose of calculating benefits under the policy. Neither the Grantee (which is the Trustees) nor any other person has any right or interest in the Units, the funds or any other specific assets or income of Mobius Life by virtue of the policy.

The wide range of asset classes available to the Trustees is considered as is the ease of access to institutional style investment management funds at an acceptable annual management charge. During the past 12 months the Trustees have received information on how to achieve their objectives and how to access appropriate investment funds in a secure way.

5. Implementation of the Investment Arrangements

The arrangements are assessed on an ongoing basis at Trustee meetings.

The Trustees are aware of the need to consider the impact of costs on the long-term performance of the investments in the pooled funds. In an effort to reduce costs and the risks associated with 'active' fund management, the Trustees

have invested most of the Scheme's assets in passive or index funds.

The funds are accessed via the Mobius Life investment platform using a Trustee Investment Plan which is technically a policy of assurance. This route of access can benefit from aggregation discounts on annual management charges. Reporting is coordinated and this represents a significant benefit to the Scheme.

6. Realisation of Investments

Investments are reviewed on a regular basis in the light of net cash flow requirements. The pooled funds may be accessed on a daily basis and the Trustees believe that this supplies adequate liquidity for the Scheme.

7. Investment Governance and Financially Material Considerations

The matter of investment and investment governance is taken seriously by those who manage the Scheme (The Trustees). To this end the Scheme has a Statement of Investment Principles (SIP), which is reviewed periodically as appropriate.

The current SIP was agreed in 2023 and that followed consideration of the environmental, social and governance requirements, considering both financial and non-financial aspects, in respect to the asset types as required in the long term for the Scheme. The Scheme is investing appropriately against this background and there has not been any need to make further amendments.

Those that manage the Scheme collectively have the necessary experience appropriate to a Scheme of this size. They meet regularly as required by the business of the Scheme. Investment matters are on the agenda for all Trustee regular meetings. The Scheme has access to professional advisers as necessary including, but not limited, to Investment Adviser, Actuary, and Lawyer.

8. Approach to Non-Financial Matters

The Scheme invests in pooled pension funds. This is appropriate to a Scheme of this size, and the assets are covered by the Financial Services Compensation Scheme (FSCS).

The Scheme will always prefer an investment that is beneficial to society and the environment over one that is not. In making such a statement the managers of the Scheme are noting that by using pooled investment vehicles they are not the direct owners of the underlying assets. They do however have access (sometimes limited by availability of information) to a copy of the content of the underlying portfolios of the pooled investment managers.

9. Strategic Asset Allocation

During the past 12 months the Scheme has followed the allocation as outlined in the SIP. Where there has been any variation on the policies outlined in the SIP this has either been intentional or as an indirect consequence of the use of pooled funds. One such variation has been a recent derisking strategy, advised by the Investment Adviser and agreed by the Trustees and Principal Employer. This strategy has been instigated and is in the process of being completed. A change in investment strategy means the Statement of Investment Principles will need to be updated and this will follow. Those that manage the Scheme continue to consider that the asset allocation is appropriate and have considered this at their meetings in the year.

10. Mandate Parameters

The Scheme has selected pooled pension funds with specific objectives. Each of the pooled funds that the Scheme is invested in has its own specific objective and in selecting these funds the managers of the Scheme have considered their merits including fees and past performance, as well as consulting a financial adviser of appropriate standing.

When reviewing the investments during the year it was noted that the pooled funds were being managed to their objectives and that the results were as the Scheme expected. Further the financial standing of the managers of the pooled funds has been considered and noted that it continues to be appropriate. The managers of the pooled funds that the Scheme participates in are required to report to the Prudential Regulatory Authority (PRA) who in turn supervise the solvency of these managers on behalf of the Bank of England.

The Scheme has considered this position during the year and remains comfortable with the approach in place, including the capital structure and financial standing of the investment managers that the Scheme invests with. Specifically, the Trustees take considerable comfort at investing via a policy of assurance and the protections that brings.

11. Voting Rights and Description of Voting Behaviour during the Year

Participants in pooled investment funds do not generally acquire rights over the underlying holdings of the pool. There is no direct relationship between the Scheme and the companies whose shares are held within the pooled investment funds that we are using. In effect this means that the manager of the pool exercises voting rights on our behalf (as a participant in the pool) but without any obligation to consult with us. The Scheme does not use a proxy voting service, in practice it does not have the right to exercise votes at the general meetings of companies held within the pooled investment funds. Generally, other than for matters of financial reconstruction, holders of gilts, bonds, cash, property and other alternative investments may not have voting rights.

Where the Scheme holds units of investment in pooled equity funds the Scheme is able to see how the manager has voted in the summary stewardship reports that the manager may produce for information. These matters are currently only reported at overall manager level and not in a specific way in respect to the funds that we invest in. This may change in the future and the Scheme is aware that there are many initiatives in the investment markets generally to improve access information and reporting in this area.

It is challenging for the Scheme to influence the manager of a pooled fund on matters of voting for individual companies. The Scheme does however take its responsibilities seriously in this area and notes that it always has the option to divest from the manager if, in the view of the Scheme, expressed by those who manage it, this was deemed appropriate. Set against this is an overall fiduciary responsibility of the Trustees as to management of the Scheme assets.

In future years we are expecting our manager to provide us with further summary stewardship reports that highlight key voting issues, particularly around matters of diversity and the environment as regards the underlying holdings in the relevant pooled fund portfolio. Such reports are available for example from Legal and General and Blackrock at a high level by accessing:

https://prod-epi.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf

12. The Trustees

At each of their annual meetings, the Trustees receive an investment update on the strategy that they are pursuing and the pooled funds that they participate in.

The Trustee group includes experienced individuals with relevant qualifications and practical working experience of investment matters and governance. This method of operation facilitates an excellent understanding at Scheme level of the requirements when exercising 'good governance'.

13. Trustee Knowledge and Understanding

The Trustees meet regularly and in their individual capacity also undertake specialist knowledge and understanding training. A number of the Trustees act in a like capacity on other schemes and as such benefit from wider exposure to industry best practice and developments.

14. Processes around Managing Scheme Investments

Having set up a strategic asset allocation this process has revolved mainly around managing cash flow during the year. In this respect, where funds have been required for additional cashflow, retirements or member transfers, the Trustees have taken appropriate advice and sold investments to provide the necessary liquidity.

15. Holding Advisers and Managers to Account

The Scheme is managed by the Trustees and they in turn take advice where required. Those that act as advisers to the Scheme have objectives to deliver service as required and the Trustee group consider the success of this on an ongoing basis.

No action has been taken during this year in respect of shortcomings of advisers or service providers to the Scheme. The Trustees note that the management of a Scheme such as this can be a challenging matter, and that in particular budgets must be appropriate. These matters are regularly considered with assistance from the Principal Employer and the Trustees consider that overall the Scheme functions well, achieving good value from its service providers.

16. Manager Selection, Review and Monitoring

The Scheme has made no change in its holding of pooled funds during the year except when to help capture the high long-dated Gilt yields. This is intentional. Change can be relatively expensive due to implicit dealing costs in the underlying assets and although not fully transparent such costs are apparent in the wholesale rearrangement of assets. The Trustees seek to avoid such costs.

17. Transparency

The assets held by the Scheme are transparent and it is anticipated that in future years all transaction costs on the underlying assets of the pooled funds that the Scheme owns assets in will be available for general publication. For monetary instruments such as gilts and fixed interest holdings such costs are implicit in the purchase price of the underlying asset and so are unlikely to be available. The Trustees are aware that the investment industry is considering how to report on such matters and look for more information in this area. Under the policy of assurance that the Trustees own there is presently no right to require such information and the investment managers are not yet supplying such information.

18. Conclusion

The Scheme has managed its assets successfully throughout the period under review. This Implementation Statement should be read in conjunction with the SIP and is supported by ESG and voting information as supplied to the Investment Adviser for the Scheme by the managers of the pooled funds that the Scheme participates in.

19. Further Information

If further information is required or you wish to comment on any of the matters covered in the Scheme's annual Implementation Statement please contact the Trustees administrator, the Chair of the Trustees or the Principal Employer.

October 2025

APPENDIX

Note, these relate to the fund management group and not to any holdings of the Trustees.

Company name	Deere & Company
ISIN	244199105
Market Cap	US\$127.4 billion (source: ISS, 03 April 2025)
Sector	Industrials: capital goods, machinery
Issue identified	We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. Studies demonstrate that a good level of diversity can improve business resilience and decision-making, minimise risks, and improve the sustainability of profit growth which can maximise long-term returns for investors. Our approach to diversity and expectations of companies are set out in our diversity policy.
Resolution Summary	Resolution 4 – Report on Statistical Differences in Hiring Across Race and Gender Resolution 5 – Report on Effectiveness of Efforts to Create a Meritocratic Workplace Resolution 7 – Report on a Civil Rights Audit AGM, 26 February 2025
How LGIM Voted	Against resolutions 4 and 5 (in line with management recommendations) For resolution 7 (against management recommendation)
Rational	<p>We voted against resolution 4 because the company already discloses data that breaks down its workforce based on race and gender. Furthermore, the code of conduct ensures that all employees are treated fairly and that its workforce should represent the communities they serve. Investors can determine hiring practices from the data the company already provides. Therefore, we considered the proposal request as unnecessary.</p> <p>We instructed a vote against resolution 5 but please note, as explained below, this resolution was withdrawn. We engaged with the company and were informed that they have not walked back from their policies on equal opportunities, which are reinforced by their code of conduct. In addition, the company's 2024 sustainability disclosures and metrics document provide information on its hiring practices and mentoring programmes for different types of workers, along with workforce data and retention rates. Finally, the company's engagement score shows an improvement in employee sentiment towards the company.</p> <p>We voted in favour of resolution 7 because we believe such an audit to be a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company. This is also consistent with our previous voting stance on this topic.</p>
Outcome	Resolution 4 – 97.5% voted against Resolution 5 was withdrawn at a late stage by the proponent, following their own engagement with the company, which they felt reconfirmed the company's commitment to the issues being raised. Our vote rationale above (which would have been applied had the resolution stood) expresses similar findings. Resolution 7 – 29.1% voted in favour
Significant Votes	These votes are considered significant due to their relation to our longstanding engagement and published policy positions and expectations regarding diversity.
Company name	easyJet Plc
ISIN	GB00B7KR2P84
Market Cap	US\$4.6 billion (source: ISS, 04 April 2025)
Sector	Industrials: transportation, passenger airlines
Issue identified	We expect company boards to ensure executive directors' pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business. In line with our long-term investment horizon, we expect executive directors' pay to reflect financial performance, operational and strategic measures and to be achieved within a long-term, sustainable framework. Our expectations regarding executive pay at UK companies are published on our website.
Resolution Summary	Resolution 2 – Approve remuneration policy AGM, 13 February 2025
How LGIM voted	Against resolution 2 (against management recommendation)
Rationale	After internal discussions and correspondence with the company, we voted against the remuneration policy based on the following rationale: Shareholder alignment: A vote against was applied because a sufficient proportion of the bonus is not deferred into shares for a period of time. The new Policy allows for bonus deferral to be reduced, including to zero, once directors have achieved their shareholding guidelines. Given management is new and have yet to build up a substantial holding, with shareholding guidelines in line with normal market practice, we did not consider the company's rationale to be compelling, nor is the need apparent within this policy cycle.
Outcome	8.4% voted against
Significant votes	This vote is significant as it relates both to an increasing are of interest in terms of UK remuneration structures and competitiveness, and to our expectations on remuneration , as published in our UK remuneration policy.