Summary Funding Statement
The Co-operative Pension Scheme (Pace) – Co-op Section

Purpose of this Statement

This statement provides an update from the Trustee to all members with a benefit entitlement on the funding position of the Co-op Section of Pace (the "Scheme") and information on its financial security. The Trustee is responsible for looking after the Scheme on behalf of all members and beneficiaries.

This statement is based on the actuarial valuation of the Scheme as at 5 April 2025, which was carried out under the scheme funding requirements of the Pensions Act 2004. No further update on the funding position has been received since that valuation.

Funding position at 5 April 2025

Assets	£4,826m
Liabilities (Technical Provisions)	£4,646m
Surplus	£180m
Funding Level	104%

How the funding position has changed

In the previous Summary Funding Statement, based on the actuarial valuation as at 5 April 2022, the Scheme had assets of £8,785 million and liabilities of £7,408 million, giving a surplus of £1,377 million and a funding level of 119%.

The actuarial valuation as at 5 April 2025 showed assets of £4,826 million and liabilities of £4,646 million, giving a surplus of £180 million and a funding level of 104%.

The overall size of assets and liabilities has reduced, primarily reflecting the interaction between the value placed on liabilities (and assets) and the interest rates available on UK Government Bonds. As these rates have increased, this has led to a corresponding reduction in the value placed on assets and liabilities, this is as expected. The Trustee invests scheme assets to match the liabilities they cover; therefore, assets and liabilities will tend to move in line with each other.

The reported surplus has reduced since the previous valuation, this mainly reflects the Trustee securing members' benefits through further insurance transactions, including the purchase of an additional bulk annuity policy. Member liabilities are now covered by insurance policies and the Trustee's objective remains to finalise the process to secure all benefits by arranging for members to have a direct relationship with the insurer and to complete the wind-up of the Scheme as soon as reasonably practicable.

August 2026

Contributions to the Defined Benefit ("DB") Section

The actuarial valuation showed that the Scheme had a surplus and therefore no additional employer contributions are required in respect of DB liabilities.

If the Scheme had wound up

The Scheme Actuary estimated that, if all benefits had been secured with an insurance company at 5 April 2025, the Scheme would have had assets of £4,822 million and liabilities of £4,638 million. This represented a surplus of approximately £184 million and a funding level of 104% on a buyout basis.

Climate Change Reporting

The Trustee's most recent Climate Change Report, covering the reporting period to 5 April 2025, is available on the Co-op Section website at coop.pacepensions.co.uk. The report can be found in the "Useful Information" section of the website, under "Library" and then "Investment documents". A paper copy will be provided free of charge on request using the email address below.

Pension Protection Fund

The Pension Protection Fund (PPF) may provide compensation if an eligible defined benefit pension scheme cannot secure benefits following employer insolvency. Further information is available at www.ppf.co.uk.

Additional Information

- No recovery plan is currently in force because the Scheme was fully funded on the Technical Provisions basis at the 2025 actuarial valuation.
- The Pensions Regulator has not used any of its powers under section 231 of the Pensions Act 2004 in relation to the Scheme since the previous Summary Funding Statement.
- No payment has been made from the Scheme to the Employer since the previous Summary Funding Statement.

More information

Copies of the actuarial valuation, Statement of Funding Principles, Schedule of Contributions and annual report and accounts are available on request.

If you have any other questions, or would like any more information, contact us via email at staffpensions@coop.co.uk.