

The Colt Life Assurance & Retirement Scheme

Implementation Statement

Purpose of this statement

This Implementation Statement has been approved by the Trustees of the Colt Life Assurance & Retirement Scheme ("the Scheme") and sets out the following information over the year to 31 December 2023:

- How the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

Stewardship policy

The Trustees' stewardship policy was updated over the year to reflect the purchase of a bulk annuity policy (which took place at the end of 2022).

The Scheme's policy on environmental, social and governance ("ESG") and stewardship considerations as at 31 December 2023 is set out below.

- The Trustees believe that ESG factors (including, but not limited to, climate change) have the potential to be financially material and these factors were considered in their selection of the bulk annuity policy provider ("the policy provider"). In addition, the Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns.
- However, the policy provider has discretion over the assets underlying the bulk annuity policy and the Trustees have no ability to influence these decisions. As such, it is the Trustees' view that ESG and stewardship considerations cannot be meaningfully applied to this investment going forward.
- The extent to which the policy provider chooses to exercise rights (including voting rights) and undertake engagement activities in relation to the assets underlying the bulk annuity policy is at their discretion.
- The Scheme's investment consultant (Barnett Waddingham) is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustees confident that the recommendations they make are free from conflict of interest.
- The Trustees expect the policy provider to have a conflict-of-interest policy in relation to their ongoing operations. In doing so the Trustees believe they have appropriately managed the potential for conflicts of interest in the appointment of the policy provider.
- The Trustees will continue to review their policy on these matters (in a proportionate manner) in light of industry developments.

The Scheme's full policies on ESG and stewardship considerations, non-financial matters and arrangements with asset managers are set out in the Statement of Investment Principles, which has been made available online here:

<https://www.colinfo.co.uk/legal-notice.html>

Given the purchase of the bulk annuity policy in December 2022, the Trustees' view is that there is limited scope for stewardship policies to have a meaningful impact in relation to the Scheme. As a result, the Trustees have resolved not to set stewardship priorities.

How voting and engagement policies have been followed

The Trustees believe that the Scheme's policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in a bulk annuity policy, which has no voting rights attached and presents limited ability to engage with key stakeholders given the nature of the mandate. The responsibility for carrying out voting and engagement activities in relation to the assets underlying the bulk annuity policy lies with the policy provider. The Trustees have no ability to influence these decisions.
- Given the nature of the Scheme's current holdings, the Trustees have determined to review their policy on ESG and stewardship matters (in a proportionate manner) in light of industry developments.
- ESG factors were considered in the selection of the policy provider.

Having reviewed the above in accordance with their policies, the Trustees are comfortable that the Scheme's stewardship policies have been met over the year to 31 December 2023.

**Approved by the Trustees of The Colt Life Assurance & Retirement Scheme
February 2024**