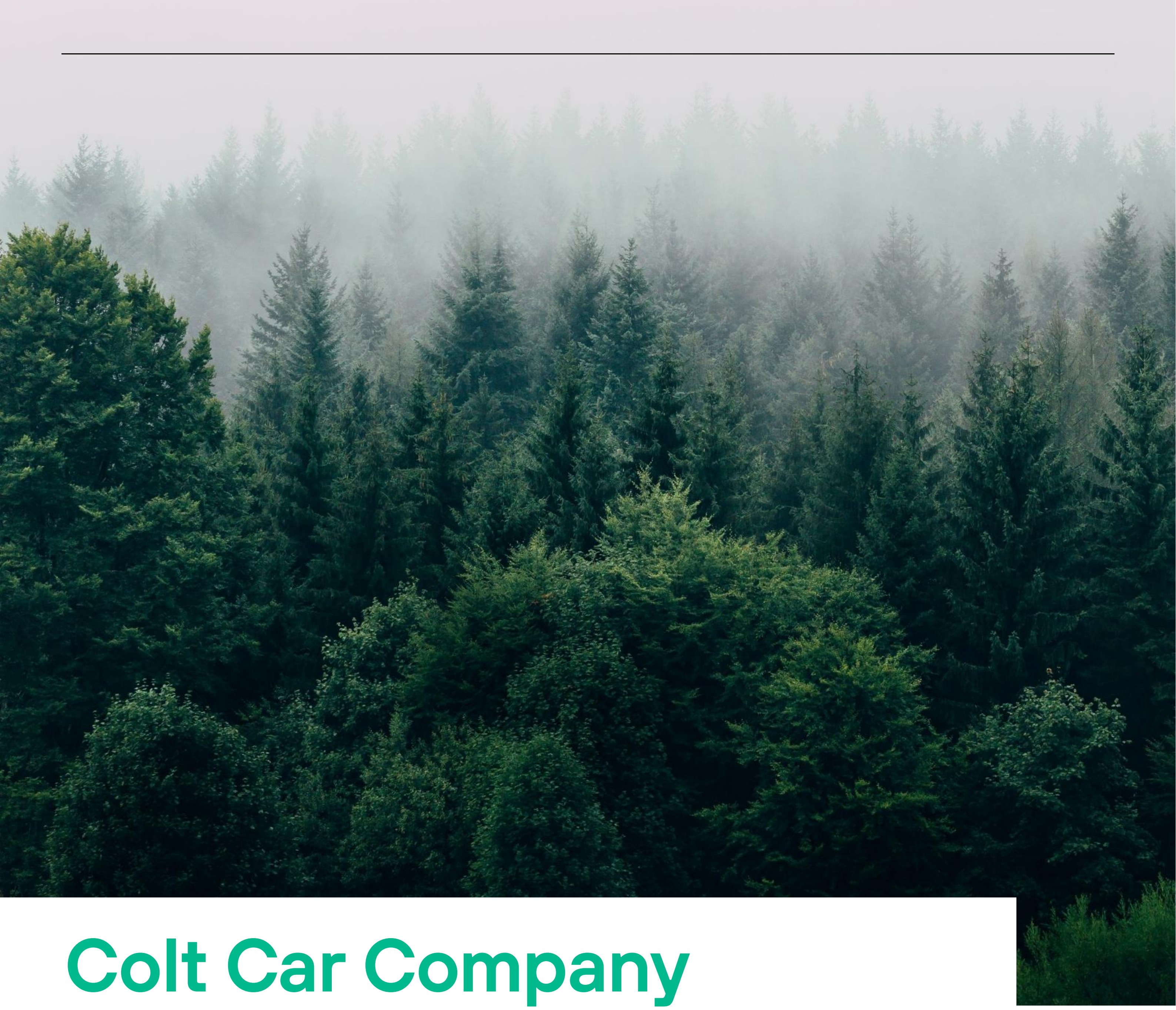

Colt Car Company Limited Retirement Benefits Scheme Implementation Report

June 2026

Document classification: Public

Background and Implementation Statement

Background

The Department for Work and Pensions ('DWP') is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance ('ESG') factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their statement of investment principles ('SIP') and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles

The SIP can be found online at this web address.

There were no changes to the SIP over the reporting year.

Implementation Report

This implementation report provides evidence that the Trustee of the Colt Car Company Limited Retirement Benefits Scheme ('the Scheme') continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustee has taken to manage financially material risks and implement the key policies in the SIP
- the current policy and approach with regards to ESG
- the extent to which the Trustee has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 March 2026 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

- Over the reporting period, the Trustee agreed to disinvest entirely from the Cash Fund managed by Legal and General ("L&G") and move all the proceeds to the Trustee Bank Account ("TBA"). This ensured that member benefits could be paid efficiently while the Scheme prepared for buy-out. L&G were subsequently terminated as the investment manager with the final disinvestment proceeds paid to the Scheme's TBA on 10 November 2025.

Implementation Statement

This report demonstrates that the Colt Car Company Limited Retirement Benefits Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed:

Position:

Date:

Managing risks and policy actions

Risk	Definition	Policy	Action
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength.	The Trustee considered this risk when deciding which insurer to use to transact the buy-in policy.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	Funding risk is considered as part of the investment strategy review and the actuarial valuation.	The Trustee has fully insured the Scheme's liabilities via buy-in policies.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	The nature of the buy-in policies largely mitigates against the impact of a change in the Sponsor covenant; however, reliance will only be removed entirely when the Scheme transitions to buy-out.	
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	Mitigated by insuring member benefits via buy-in policies.	
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	Mitigated by insuring member benefits via buy-in policies.	Residual assets were transferred from the Cash Fund and are now held in the TBA to meet future benefit payments.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	Mitigated by insuring member benefits via buy-in policies.	
Credit	Default on payments due as part of a financial security contract.	Mitigated by insuring member benefits via buy-in policies.	
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Mitigated by insuring member benefits via buy-in policies.	

Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	No longer applicable given the liabilities are insured via the buy-in policies.

Current ESG policy and approach

ESG as a financially material risk

The Trustee considers investment risk to include ESG factors and climate change. These risks could negatively impact the Scheme's investments.

The Trustee has fully insured the Scheme's liabilities via insurance policies.

The Trustee expects the insurers to:

- Where relevant, assess the integration of ESG factors in the investment process; and
- Use its influence to engage to ensure the Scheme's assets are not exposed to undue risk.

Engagement & Voting

L&G were terminated as the investment manager with the final disinvestment proceeds paid to the Scheme's TBA on 10 November 2025; therefore, the engagement and voting as at 31 March 2026 are not reported.