

## The Coca-Cola Company Pension and Assurance Scheme Annual Engagement Policy Implementation Statement

### Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the year to 31 May 2022. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations and the guidance published by the Pensions Regulator.

### Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The investment objectives of the Scheme, as set out in the SIP, are as follows:

The Trustee's duty is to act in the Members' best interests. The Trustee's primary objective is to pay pensions to Members at retirement from the Scheme, therefore the maintenance of solvency and control of risk of insolvency at an appropriate level is an important objective.

The Trustee is responsible for ensuring that the investment strategy (i.e. mix of the Scheme's investments between the various asset classes) does not put the payment of promised benefits at undue risk.

In light of the above, the Trustee has purchased an insurance contract that covers the majority of accrued benefits. Although a significant proportion of the Scheme's assets are represented by this contract, the Trustee retains a small holding in index-linked gilts and cash (together the "investable assets").

This Statement refers to the activity of the Trustee in respect of the investable assets only.

### Review of the SIP

In July 2021, the Trustee updated the SIP to reflect changes to the Scheme's cashflow management process.

### **Policy on ESG, Stewardship and Climate Change**

The Scheme's SIP includes the policy of the Trustee in respect of Environmental, Social and Governance ('ESG') factors, stewardship and sustainability (including climate risk) for the investable assets only. The Trustee developed these policies, in conjunction with its investment adviser, which were reaffirmed during July 2021.

The following work was undertaken during the year relating to the policy of the Trustee in these areas.

The Trustee requested that the Scheme's investment manager has confirmed compliance with the principles of the UK Stewardship Code. The Scheme's investment manager confirmed that they remain signatories to the UK Stewardship Code having been on the first list of signatories for the UK Stewardship Code 2020.

On an annual basis, the Trustee reviews the research ratings (both general and specific ESG) assigned by its investment adviser to the strategies held by the Scheme. At time of writing, the next review is scheduled to take place in late 2022/early 2023.

The Trustee met with its appointed investment manager during the year and its investment advisor noted that the investment manager was a market leader in terms of integrating ESG factors into its investment processes (and its business more generally).

As part of a training session in November 2021, the Trustee received training from its investment advisor around climate risk (focusing on how climate related risks could be assessed and monitored).

### **Voting Activity**

As the Scheme's investable assets are pooled investments, voting rights are exercised and engagement undertaken by the investment manager appointed by the Trustee in line with its stated policies.

Given that the Scheme did not hold any assets with voting rights over the year to 31 May 2022, the Trustee does not monitor the action of the investment manager in this area. If this situation were to change, the Trustee would monitor the voting and engagement activities of the investment manager on a periodic basis.

Prepared by the Trustee of the Coca-Cola Company Pension & Assurance Scheme in August 2022.