

Colchester Environmental and Sustainability Policy

June 2022



Introduction

Colchester is committed to addressing environmental and climate-related risks through a comprehensive approach that encompasses all aspects of our business including investing responsibly and operating sustainably. Colchester's core values of **focus, integrity and trust, perspective, service, humility, teamwork and devolved leadership, and innovation and constant improvement**, were all originally written with Colchester's approach to investment management in mind. However, Colchester can now apply the majority of these values to its approach to the environment.

Colchester's approach to waste reduction, recycling and the usage of water is reviewed on at least an annual basis. The approach is applied across Colchester's global offices and is spearheaded by Senior Management. Colchester's aim is to heighten awareness among our employees and encourage them to reduce the environmental impact of our business by shrinking our carbon footprint. To help achieve this, Colchester has appointed a team of Environmental and Sustainability Champions from Colchester's offices. These Champions play an essential role in supporting our sustainability values, goals and strategies by identifying ways that both Colchester and its staff can become more environmentally and sustainability focused.

Monitoring and Management

Colchester has implemented a program of estimating and monitoring greenhouse gas (GHG) emissions along the value chain of the company. This encompasses Scope 1 (direct), Scope 2 (indirect from purchased energy) and Scope 3 (indirect from operations) emissions. The scope of emissions estimation will be increased over time and a program is in place to ultimately estimate the emissions associated with investment activities. Ongoing management of GHG emissions encompasses some of the opportunities outlined in this document and will culminate in the setting of company-wide emissions reduction targets. Colchester is also measuring progress against programs in environmental sustainability by monitoring waste from offices, estimating water consumption and tracking the use of office consumables.

Waste Reduction and Recycling

Colchester constantly strives to improve its waste management and recycling practices with the aim of reducing waste and increasing recycling in order to minimise the amount of waste sent to landfill sites.

Reduce

Reduce waste by only procuring goods and materials to meet the needs of the business and maintaining them appropriately to extend their life span. Reduce the amount of paper used, with the aim of becoming as "paperless" as possible.

Examples of implemented actions:

- Limiting the purchase of spare IT equipment
- Drinking water taps installed in offices with kitchen facilities
- Colchester has not purchased plastic drink bottles since mid-2021 (except for milk bottles in London) and ceased to purchase Tetra Paks and cans of drink globally in September 2021.
- Colchester's dealing process became paperless in 2020.

Re-Use

Colchester aims to use reconditioned or recycled IT equipment, wherever possible. Colchester's move to the use of Microsoft Windows Virtual Desktops for all global staff moves processing from the local desktop to the Cloud. As processing is on the Cloud-based desktop, the local desktop does not need to be the latest and most powerful desktop available.

Examples of implemented actions:

- Only reconditioned desktop PCs purchased for home working.
- Reconditioned office desktops and laptops purchased where possible.
- Reusing packaging from parcels sent by couriers.

Recycle

Colchester works to identify and segregate materials for recycling and aims to appoint waste management contractors with a proven track record on recycling high volumes of waste. Colchester partners with First Mile for waste management in London, where Colchester's Head Office is located. Colchester received First Mile's "Gold Recycling Standard" certificate with a recycling rate of 82% in 2021. First Mile recycles batteries, printer toner cartridges, IT equipment, recyclable materials (plastic, paper, cardboard etc), confidential paper and food waste. The general waste (everything else) collected by First Mile is sorted further for recyclables and the remaining waste is safely incinerated. Electricity and heat are captured from the process. Electricity is sent to the UK's National Grid, while the heat is used to provide heating and hot water to over 100,000 homes. The ash by-products from this process are used in the construction industry. First Mile also use electric waste vehicles, meaning their waste collection has an even smaller environmental impact.

Examples of implemented actions:

- Waste management partners are identified.
- Colchester identifies and recycles wherever possible, examples include:
 - Plastic, paper, cardboard
 - Confidential waste
 - Food waste
 - Batteries
 - Toner cartridges

Emissions Reduction Initiatives

Colchester aims to do what it can to reduce emissions, wherever possible.

Travel Policy

Colchester is committed to reducing the environmental impact of travel. Where appropriate staff use video conferencing software, public transport or fly economy (given the large reduction of carbon emissions per mile by flying versus business class).

Cycle to Work Scheme

Colchester has introduced a Cycle to Work Scheme that is aimed at helping reduce congestion and emissions.

Suppliers

Colchester uses "Green Vans" wherever possible for purchase of groceries and supplies. Green vans are vans on routes that are more efficient in terms of fuel consumption, as they are already delivering in the area.

Energy Efficiency

Colchester aims to become as energy efficient as possible via energy efficient initiatives and purchasing energy efficient equipment.

Energy Providers

Colchester has transitioned to renewable energy electricity providers, where possible, in our global offices.

The Cloud

Colchester has moved its infrastructure to the Cloud, using Microsoft Azure, during the first half of 2021. Microsoft has been carbon neutral across the world since 2012 and commits to being carbon negative by 2030. Their goal is to promote sustainable development and low-carbon business practices globally through their sustainable business practices and cloud-enabled technologies. This move saves on the continual 3-5 year server refresh and will make Colchester more energy efficient.

Lighting

Colchester's lighting is equipped with sensors to ensure lights do not remain on unnecessarily. Colchester also uses energy efficient LED bulbs.

Hot Water Taps

Energy efficient taps have lighting sensors that put them into sleep mode at night, and also following two hours of inactivity during the day.

Desktop PCs, Monitors, Printers & Photocopiers

Staff are asked to shut down desktop PCs at night, but monitors, printers and photocopiers are equipped with power management settings.

Water Conservation

Colchester aims to reduce water wastage in its offices by using water-saving devices. These include hands-free sensor taps fitted in restrooms that prevent taps from being left running and the use of flow reduction valves.

Future work plan and actions

In support of global de-carbonisation efforts, Colchester plans to improve its sustainability performance, tracking metrics and targets in coming years.