

Responsible Investment Policy

June 2026



LPPI

Together, let's do more

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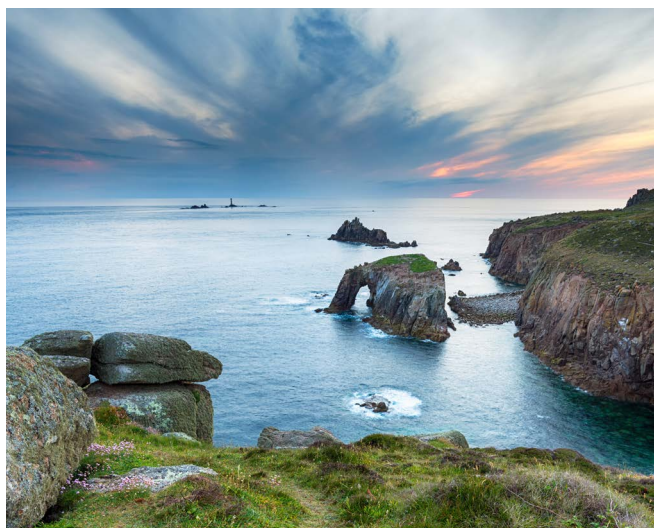
1. Introduction

1.1 Definitions

Abbreviation (A-Z)	Definition
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
ESG	Environmental, Social and Governance
LAPFF	Local Authority Pension Fund Forum
LPPI	Local Pensions Partnership Investments Ltd
PLSA	Pensions and Lifetime Savings Association
the Policy	Responsible Investment Policy

1.2 Summary of relevant regulations and legislation

There is no relevant regulation or legislation expected to affect the policy.



1.3 Purpose

Local Pensions Partnership Investments (LPPI) is committed to the long-term responsible investment of pension savings.

We are here to help our partner funds:

- Achieve strategic goals
- Manage assets and cash flows to meet future benefit payments
- Invest sustainably¹

Our Responsible Investment approach encompasses the beliefs, standards, procedures and activities through which we fulfil these responsibilities to our partner funds as an integral part of our stewardship of their assets.

This Responsible Investment Policy sets out our Responsible Investment Beliefs and explains how they are translated into stewardship practice.

¹ Throughout, use of the term sustainable is not a reference to specific social or environmental outcomes being targeted or achieved, but to the longevity of investment returns expected through the presence of durable sources of value.

2. Policy standards and criteria

2.1 Our Responsible Investment Beliefs

We believe that;

1. LPPI has a fiduciary duty to act in the best long-term interests of partner funds and their beneficiaries. Fulfilling this duty requires a governance structure, culture and investment approach collectively focused on adding value over the long term.
2. The objective of responsible investment is to secure optimum returns in the long term at an acceptable level of risk. Responsible investment originates from an investment strategy designed to enable partner funds to meet their obligations to pay pension benefits and is realised in practice through the quality of the business processes which collectively make up stewardship.
3. The primary focus of responsible investment is the effective management of investment risks and opportunities in order to achieve optimum risk-adjusted returns on a sustainable basis. The attainment of broader social outcomes is secondary to funding the pension benefits payable to members.
4. Environmental, Social and Governance (ESG) factors can have a direct financial impact on the value of individual investments and an influence on long-term investment performance. The consideration of ESG factors is relevant at every stage in the investment cycle - within investment strategy, investment selection, and within the stewardship of assets in ownership.
5. As providers of capital, investors have influence. Institutional investors should utilise their ownership powers to exert influence in circumstances where their intervention is warranted to protect the long-term financial interests of beneficiaries. Responsible asset owners should maintain oversight of the way in which the enterprises they invest in are managed consider and how they impact upon customers, clients, employees, stakeholders, the economy, the environment, and wider society.

2.2 Our beliefs translated into practice

Our responsible investment approach focuses on fulfilling the responsibilities connected with managing investments as a trusted long-term steward of the retirement savings invested within asset-backed pension funds.

Our Responsible Investment Policy applies to all assets under management, whether internally managed by LPPI or managed under delegation by external managers we have selected to work with us. On 1st April 2026, as an outcome of LGPS pooling consolidation under the UK government's Fit for the Future programme, LPPI commenced fiduciary management services for 6 additional LGPS Funds (partner funds). The transfer of these partner funds' existing portfolios into LPPI's pooled investment arrangements involves a process of transition and assimilation. Whilst this is underway, to the extent transitioning mandates do not already encompass equivalent approaches, minor variations in responsible investment practices may apply until mandates assimilate LPPI Responsible Investment Policy standards. This Policy articulates our substantive approach and guiding parameters both during and after the transition process.

2.2.1 We are responsive to partner fund needs

LPPI is a provider of investment management services to pension funds within the UK. We strive to be a responsible long-term investor via an investment approach which is driven by the circumstances of our partner funds and their specific investment needs.

Our clients are long-term investors with a duty to safeguard the cumulative pension savings of their members through the investment arrangements they put in place. Ensuring sufficient funds are available to pay retirement benefits as they fall due is a liability which stretches decades into the future, and which ultimately requires a cost-effective and sustainable investment approach.

2. Policy standards and criteria *continued*

LPPI provides investment management services which fulfil the fiduciary duties owed by trustees to fund members, employer organisations and wider stakeholders. Our investment approach and the business processes which put it into operation prioritise high standards of stewardship, clear accountability, striving for best practice and compliance with regulatory standards.

LPPI is regulated by the Financial Conduct Authority, our services are fully aligned with the principles of the UK Stewardship Code and our approach to responsible investment is designed to deliver against our commitments as a signatory to the Principles for Responsible Investment.

2.2.2 We are commercial and sustainable

Protecting and enhancing the value of our partner funds' investments involves selecting and managing assets in order to generate superior returns which build value over the long term.

LPPI takes a resolutely commercial approach to asset selection and ongoing asset ownership. Our approach is built around the detailed analysis of investment risks and opportunities and an up-to-date understanding of context. We seek not to artificially narrow the breadth of the investment universe from which we consider potential investments. Opportunities are identified and evaluated on their individual merits and on the strength of their contribution to the investment strategy for each asset class (including their role in providing investment return and diversification benefits).

We ensure that investment risks (including those surrounding controversial business sectors) are routinely evaluated within our investment decision-making and ongoing portfolio management activities which consider risk within a long-term investment horizon. The assessment of investments based on their relative ranking against core requirements is an effective alternative to applying exclusionary screening.

Where we identify issues warranting specific consideration or exceptional treatment, we develop appropriate policy to accommodate this and publish details in dedicated Annexes to our Responsible Investment Policy. For example, we recognise that climate change poses a systemic risk and we have explained our approach to understanding and managing the risks and opportunities climate change presents for the portfolios we manage on behalf of partner funds within an Annex on Climate Change.

2.2.3 We are diligent in asset selection

We believe that incorporating sustainability considerations into underwriting and oversight drives improved outcomes.

The acquisition of suitable assets on appropriate terms is a critical investment discipline. Sourcing suitable investments involves in-depth insight from investment managers with expert knowledge across different sectors. Finding opportunities which fit our partner funds' investment strategies and meet core investment objectives involves a robust and detailed process of ongoing research and evaluation.

Our due diligence process systematically incorporates the consideration of relevant ESG factors.² Matters identified as likely to impact the value or sustainability of an investment within its prospective period of ownership are considered within investment decision-making as risks or opportunities with potential consequences for value growth.

Our in-house standards for investment due diligence extend to the external managers we select to work with us. We consider, among other factors, existing experience, ESG risk management processes and the strength of commitment to responsible investment practices as part of manager selection and within our ongoing monitoring of activity and performance.

We share further information on how we incorporate ESG considerations into our investment decision-making and asset management in a dedicated Annex on ESG integration which explains the definitions, tools and frameworks which underpin our approach.

2. Policy standards and criteria *continued*

2.2.4 We are active in ownership

A long-term investment horizon and the expectation of an extended period of asset ownership incentivises active ownership as a continuing route for protecting and adding value for investors. LPPI actively exercises the ownership rights conveyed by the assets under its management on behalf of partner funds as beneficial owners.

LPPI seeks to encourage high standards of corporate governance in the enterprises we invest in and to exert a positive influence in favour of transparent and sustainable management behaviour in the long-term best interests of investors.

Routes for exercising ownership influence vary according to the asset class and the investment context. Our activities routinely include direct representation on company boards, shareholder voting and engagement, representation on investor and advisory committees and participation in partnerships and collaborations with other investors. The objective of our ownership activities is to encourage circumstances which support long-term value creation and promote the identification and management of the risks faced by LPPI as an investor.

In the case of our investments in listed equities, LPPI exercises shareholder voting rights to promote sustainable well-run companies and aims to vote at every shareholder meeting we are entitled to participate in globally. Our Shareholder Voting Policy and accompanying Guidelines explain our approach in more detail and are available from our website where we also disclose full details of our voting activity on a quarterly basis.

Our voting approach seeks a consistent stance on a number of core themes which reflect the importance of;

- Investors having access to comprehensive, up to date and accessible information which gives them clear insights into a company, its culture and the way it does business;

- A sufficiently diverse board with adequate representation from independent non-executive members;
- Executive remuneration arrangements which incentivise strong performance over the long-term by applying measures of value creation aligned with shareholder interests;
- A sustainable long-term business model supported by effective internal controls and strong risk management capabilities; and
- Recognition, evaluation and adaptation to risks and opportunities flowing from systemic challenges including (but not limited to) climate change and to changes in normative standards or public perception which could impact profitability.

2.2.5 We are committed to collaboration

LPPI is active within a range of wider organisations which represent the collective interests of investors.

We seek to actively support initiatives which magnify the voice and strengthen the positive influence of investors through assisting them to identify common concerns, share resources, work together and achieve more through co-ordinated collective effort.

Our involvement in representative organisations including the UK Pension Scheme Responsible Investment Roundtable and the Pensions and Lifetime Savings Association (PLSA) enables us to share ideas, learn from others and identify best practice as part of continuing to refine our approach, target our efforts and develop our capabilities over time.

2. Policy standards and criteria *continued*

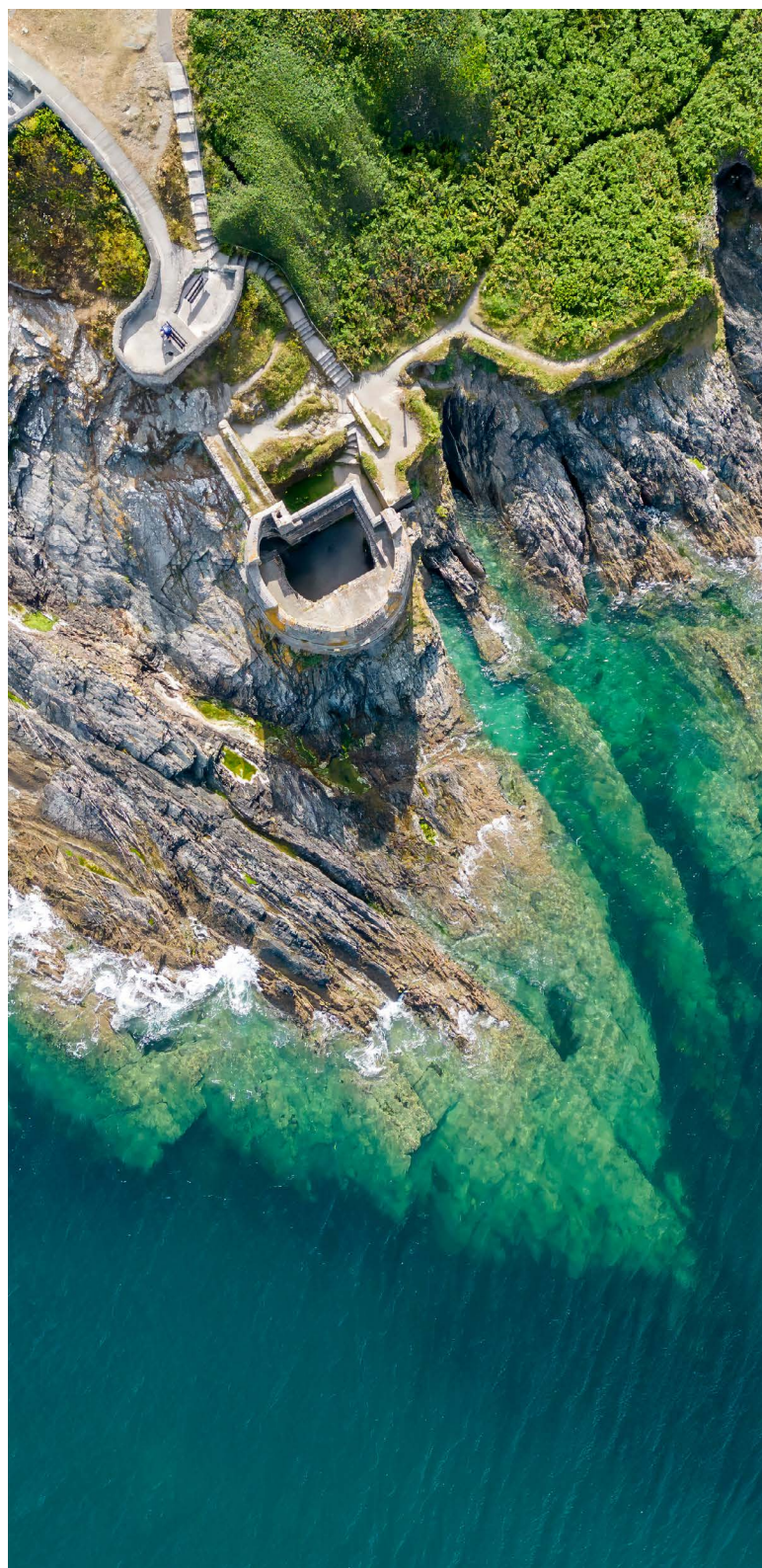
2.2.6 We are continuously reviewing and improving

We recognise that responsible investment is a discipline in a process of continual evolution. The local, national and international norms influencing what is desirable and acceptable are continuously changing in response to unfolding events.

Openness to new approaches and new standards, whether these flow from legislation or form part of self-regulation, are central to understanding and demonstrating best practice and maximising what can be achieved.

Our internal governance arrangements incorporate oversight from a Stewardship Committee chaired by the Chief Investment Officer which considers responsible investment matters from a corporate perspective, reviews and approves policy, and evaluates our stewardship approach and priorities in relation to applicable regulatory and best practice standards.

To ensure the continuing effectiveness of our approach to putting responsible investment beliefs into practice the Stewardship Committee will review this Responsible Investment Policy, the annexes to it, and the activities flowing from it on an annual basis.



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