Global Equities Fund TCFD Product Report

For the period 01 January to 31 December 2025

LPPI *Together*, let's do more

Fund details

LEI	213800RGZ7261IAZEZS12
ISIN	GB00BDCD1D70
Fund Size	£12.2 billion
Date	31 December 2025

Contents

Introduction

This TCFD product report has been produced by LPPI as the manager of the LPPI Global Equities Fund ("GEF" or "the Fund") to inform and assist investors in the Fund with their climate-related financial disclosures.

Overview of the Fund

The Fund seeks to achieve long term capital growth predominantly through investment in global equity markets.

The Fund will invest across global equity markets in a benchmark agnostic manner. Investment is through a combination of direct investments managed internally by LPPI as the ACS manager and by one or more delegated Investment Managers or Investment Advisors and other collective investment schemes. The ACS manager selects the Investment Managers or Investment Advisors and determine allocations and investment parameters for each. These may change throughout the life of the Fund.

The Fund is a sub-fund of the LPPI Asset Pooling Authorised Contractual Scheme (ACS), authorised by the Financial Conduct Authority (FCA). LPPI is the ACS manager who is incorporated in England and Wales and is authorised and regulated by the FCA. More information on the LPPI Asset Pooling ACS can be found on our website.

Background to TCFD product reports

The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established a globally recognised framework for how organisations disclose climate-related financial risks and opportunities. The TCFD structure is organised around four thematic pillars that reflect core aspects of organisational management: Governance, Strategy, Risk Management, and Metrics and Targets.

In the UK, TCFD-aligned disclosures form part of the FCA's climate-related disclosure requirements and now underpin the UK's transition toward disclosures aligned with the International Sustainability Standards Board (ISSB) standards, including IFRS S1 and IFRS S2, under the Sustainability Disclosure Requirements (SDR) regime.

LPPI is required to produce climate-related disclosures at a fund level for certain authorised products. This document constitutes the climate-related product disclosure for the LPPI Global Equities Fund and provides information specific to the Fund, prepared with reference to the TCFD structure as required by the FCA.

Our approach with respect to Governance, Strategy, and Risk Management for the Fund does not deviate materially from LPPI's overarching approach. Information on this is available in our LPPI TCFD Entity Report, available at www.lppi.co.uk.

Bristol, Somerset

Pendle Hill, Lancashire

Strategy

Introduction

Our approach to assessing and managing the risks and opportunities posed by climate change reflects the following framing:

Climate-related risks include the adverse impact on the value of assets or income streams arising from transition risk and physical risk.

Transition risk is the risk of adverse changes in the value of assets or income streams arising from the nature and speed of mitigation and adaptation to climate change resulting from policies and requirements by governments, influential global bodies, and regulators.

Physical risk is the risk of adverse changes in the value of assets or income streams because of severe weather events, such as flooding, directly on physical assets or indirectly through business disruption, resource availability, and disruption to supply chains or service providers. Physical risks can be acute, which are event driven, and chronic, which are longer-term shifts in climate patterns.

We have set out the broader climate-related risks and opportunities in our TCFD entity report. Our approach for the identification of these risks and opportunities was based on the categories defined by the TCFD Recommendations and Recommended Disclosures.

Our climate-related risk assessment considers short-, medium- and long-term time horizons, reflecting the timeframes over which climate risks and opportunities are expected to crystallise for LPPI's business model, investment portfolio and stakeholders.

The short-term horizon covers a three-year period, aligned with LPPI's business planning cycle and the triennial actuarial valuations of our partner funds. This timeframe captures near-term transition risks, regulatory developments and acute physical risks that could affect operations, investment management activities and near-term financial performance.

The medium-term horizon looks forward up to 10 years. This reflects typical investment holding periods, asset lifecycles and the timeframe over which climate transition risks are expected to materially affect asset values, capital allocation and portfolio construction. This period also encompasses key climate transition milestones and LPPI's interim net zero investment commitments.

The long-term horizon extends to 2050, consistent with the target net zero timeframe adopted by the Fund. This horizon is used to assess longer-term structural changes, chronic physical climate risks and the resilience of the portfolio under different climate outcomes, recognising the higher degree of uncertainty inherent in long-term climate pathways.

Fund Strategy

The framing below informs how climate-related risks and opportunities are incorporated into our stewardship of assets and considered as part of investment and asset allocation decisions, and portfolio monitoring activities.

The Fund is managed with an active fundamental investment approach that seeks to benefit from the ability of LPPI and its partner funds to take a truly long-term investment horizon. The Fund currently has six allocations to different investment mandates, two managed internally by LPPI and four managed externally by third parties. There are differences in style across the mandates, but they all share common characteristics that are aligned with the philosophy that underpins management of the aggregated portfolio.

These include:

- Fundamental investment selection based on deep qualitative and quantitative analysis.
- Consideration of the quality of business models across individual companies and industries.
- Long-term owners of companies rather than short term traders of shares.
- Environmental, Social, and Governance (ESG) integration within the investment process to identify material climate-related opportunities and risks.

Climate-related risks and opportunities are typically highly company specific, yet there are certain systematic risks and opportunities that need to be considered across investee companies.

Many of these risks can be relevant to the short, medium, and long-term time horizons. These risks have been identified to support investment decision-making, and we continue our efforts to integrate this activity more fully into our decision-making and our regular risk management activity, as described in the Risk Management section of the LPPI Entity report.

Analysis of individual companies and the associated climate-related risks and opportunities is conducted by our delegated managers who each have their own framework and process on a range of ESG issues.

Delegated Managers

Our External Managers team is responsible for the oversight of and dialogue with each delegated manager. Our expectations for delegated managers are clearly communicated to them and documented, where appropriate. Specific issues relating to investee companies within the portfolio are discussed during regular monitoring meetings with the delegated managers. The delegated managers also provide us with reports regarding company specific engagements undertaken. These include conversations about ESG issues as well as a broader range of strategic business topics.

Although the analysis of the Fund's aggregate portfolios and the resulting climate-related issues rests solely with us, the approach to engagement activity differs between our internal team versus our delegate managers. The Internal team conducts direct engagement activity with investee companies, including engaging on the topic of climate change. As part of this, the team has also participated in several climate change-focused investor collaborations, such as the Institutional Investors Group on Climate Change's Net Zero Engagement Initiative and Nature Action 100. In contrast, the delegated managers are responsible for their own engagement priorities and activities (with exceptions around areas such as net zero, where the Fund has set expectations consistent with our stewardship priorities). Later in this report we highlight some of the specific metrics used to monitor the Fund's climate exposures.

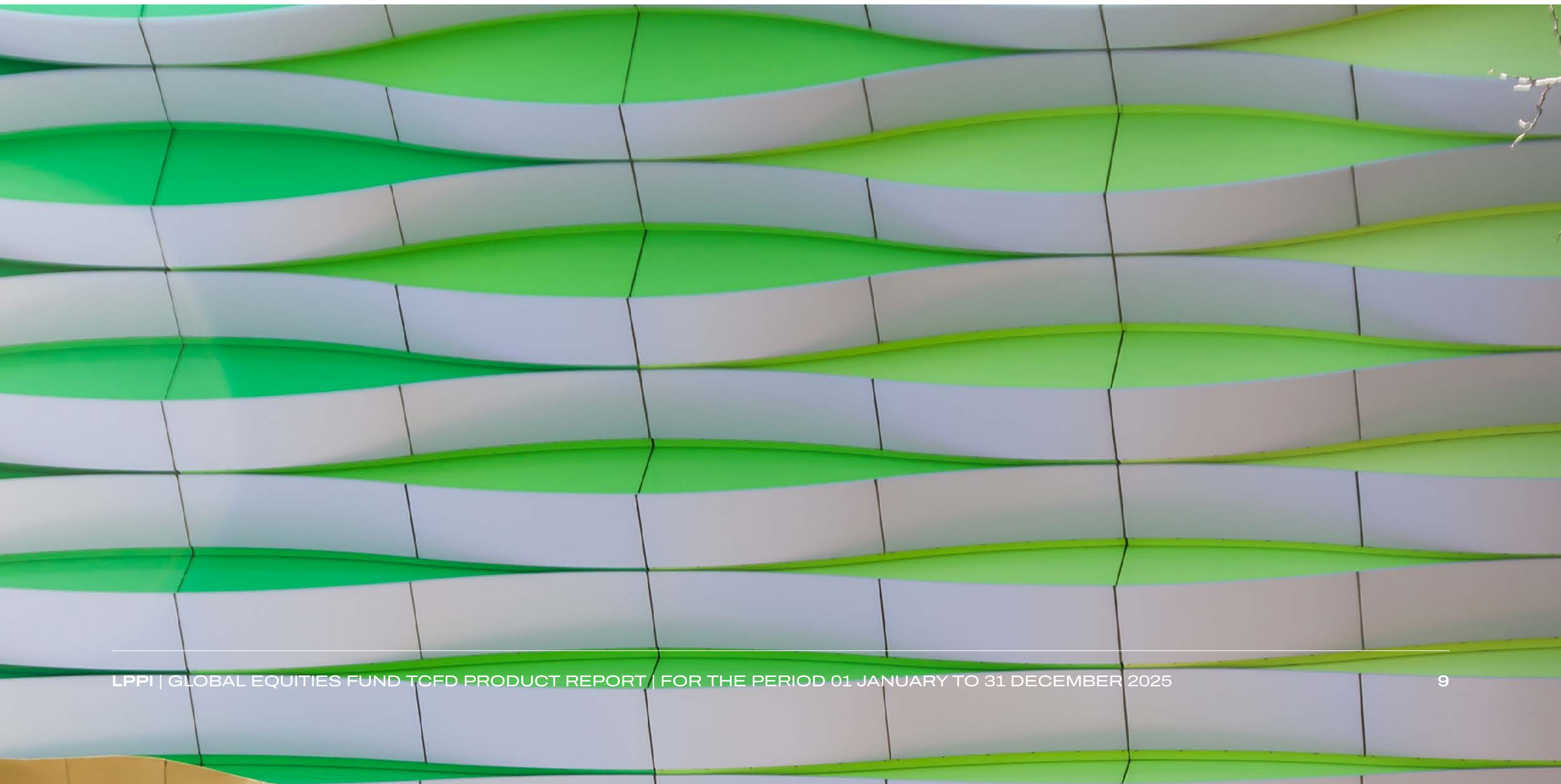
In addition to our Responsible Investment Policy, which requires exclusion of Thermal Coal investments, the Fund has additional fund specific exclusions within the Energy sector as defined by the Global Industry Classification Standard (GICS) system. Since the end of 2021, the Fund has prohibited investment in four GICS Energy subindustries.

These are:

1. Coal and Consumable Fuels (since 2019)
2. Oil and Gas Drilling
3. Integrated Oil and Gas
4. Oil and Gas Exploration and Production

The context for taking this step is given in our Annex on Climate Change which can be found here.

We retain the voting rights for all shares held by the Fund and our Shareholder Voting Guidelines identify climate change as a priority voting theme.



Metrics & Targets

We use a range of metrics to quantify and monitor climate-related considerations for the Fund. The majority of metrics focus on carbon emissions which provide an indication of the relative positioning of the Fund against transition risk.

The metrics presented in this section are the emissions intensity and portfolio alignment metrics for equities, where data is available, as of 31 December 2025.

Fig.1 shows the proportion of carbon emissions data for the Fund that is reported, estimated or where there is currently no data available.

FIG. 1: DATA AVAILABILITY BY AUM COVERED (%) AS AT 31 DECEMBER 2025

Global Equities Fund	Global Equities
AUM Covered (%)	100%
Of which	
Reported Data (%of AUM Covered)	84.38%
Estimated Data (% of AUM Covered)	13.84%
No Data (%)	1.78%

Carbon footprint of our investments

Considering the limitations implicit in the metrics and tools available (primarily data availability and scope of coverage), we currently rely on Scope 1 and Scope 2 greenhouse gas (GHG) emissions to inform investment decisions. While we consider Scope 3 emissions to identify actions, such as engaging companies on transition plans, the data quality and disclosure of this category is poor and less reliable for decision making. Scope 3 emissions are frequently estimated using modelled data and incomplete disclosures and may not be comparable across companies or sectors. These limitations mean that Scope 3 figures should be interpreted with caution and are not currently relied upon as a primary input into investment decision making.

Please refer to the appendix for key definitions and formulas used for calculating emissions metrics.

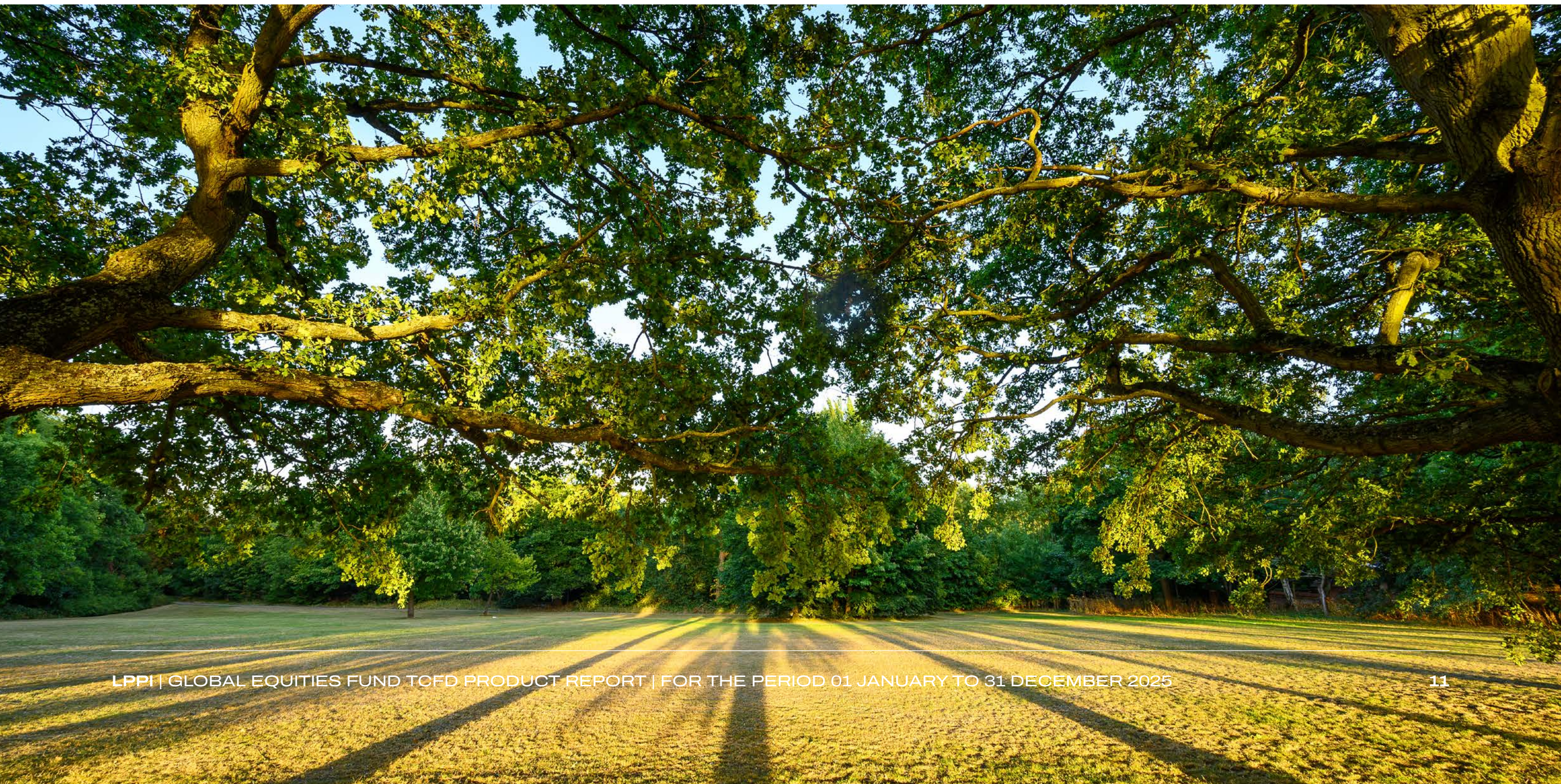
Fig.2 shows the key metrics for the Fund as of 31 December 2025.

Although the Fund invests across global equity markets in a benchmark agnostic manner, we provide a comparison against the MSCI All Country World Net of Dividends Index (MSCI ACWI) benchmark which is used by us solely for the purposes of performance monitoring and not for portfolio construction. The Fund currently exhibits a significantly lower carbon footprint and carbon intensity than the benchmark. However, it is important to highlight that this position is an outcome of the integrated investment process where climate-related risks and opportunities are not the only factors.

FIG.2: CLIMATE METRICS AS AT 31 DECEMBER 2025

Climate Metrics	Unit of Measurement	GEF		MSCI ACWI	
		31/12/2024	31/12/2025	31/12/2024	31/12/2025
Scope 1 and 2 emissions	tCO2e	158,989	157,777	5,550,427	5,134,908
Scope 3 emissions	tCO2e	2,084,280	1,673,834	35,292,308	33,554,579
Total carbon emissions	tCO2e	2,243,269	1,831,611	40,842,735	38,689,486
Total carbon footprint (Scope 1 and 2)	tCOe / $US million invested	10.4	9.7	76.3	55.1
Total carbon footprint (Scope 3)	tCOe / $US million invested	136.6	102.4	345.9	360.3
Weighted average carbon intensity (Scope 1 and 2)	tCOe /$US million revenue	26.1	42.5	117.7	111.2
Implied Temperature Rise	Degrees Celsius	2.2	2.3	2.5	2.7
Reported and estimated emissions data (%)	AUM (%)	98.1%	98.2%	100%	100%

Source: LPPI, MSCI



Burnham-on-Sea, Somerset

We believe that the Fund's relative position is primarily driven by the fact that a quality bias often limits investment in sectors such as Materials and Energy, due to the fact their constituent companies typically operate in commoditised areas that require significant capital outlays, and therefore often struggle to generate sustainable high returns on capital. For example, the carbon intensive steel manufacturing process typically requires significant amounts of capital, and it is difficult for a steel producer to differentiate its final product from that of a competitor – therefore capping average returns for the industry at or below the cost of capital.

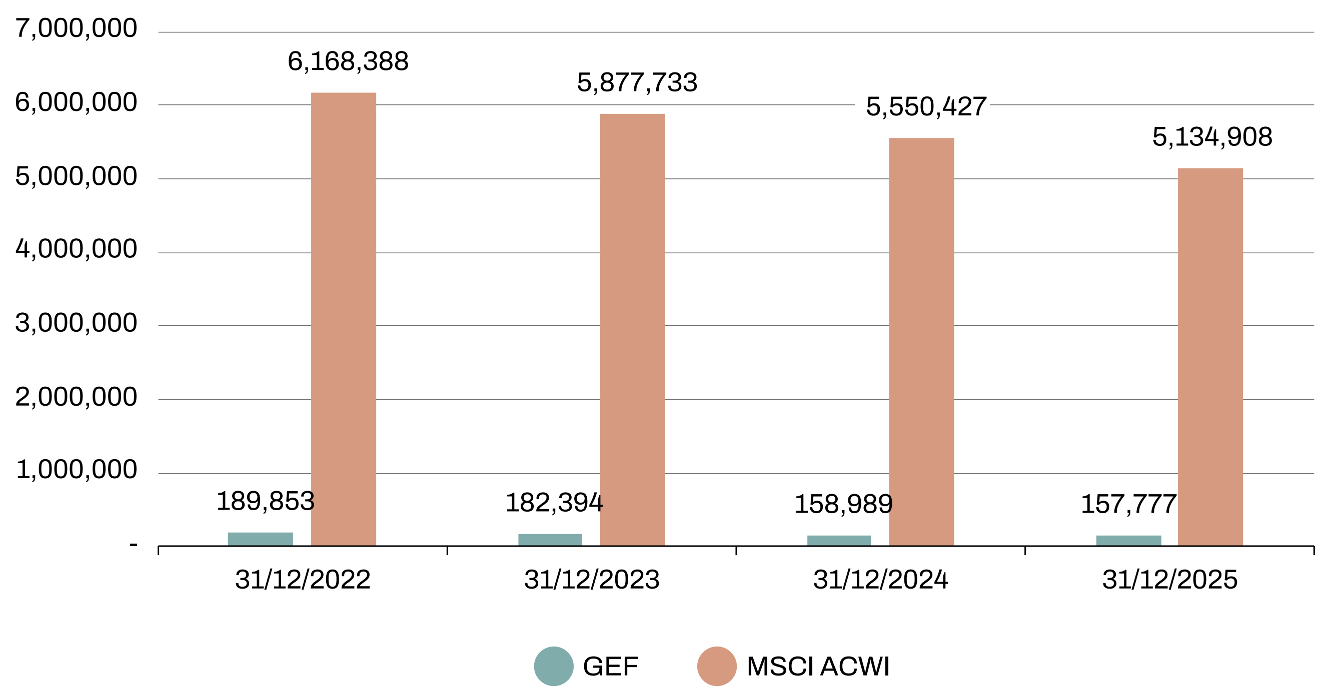
Conversely, the quality bias often leads us to invest in businesses with low capital intensities or intangible assets (such as brands, patents, or licenses), which often result in these companies possessing a lower carbon footprint. Good examples of this include the likes of Accenture, Alphabet and Microsoft. A quality bias also means that most investee companies possess solid balance sheets and tend to be highly cash generative, which should better allow them to finance the investments needed to combat climate change or mitigate the carbon emissions and intensity of their operations.

Total Carbon Emissions

The quantum of the Fund's gross carbon emissions relative to the benchmark provides an indicator of the Fund's relative exposure to climate transition risks, including potential impacts from carbon pricing, regulatory developments, and structural shifts in the real economy. Portfolios with higher financed emissions are typically more exposed to these risks. Tracking movements in gross emissions over time provides insight into whether portfolio decarbonisation is progressing. While this metric provides a useful proxy for transition risk exposure, it does not capture differences in company transition strategies, forward-looking alignment, or sector-specific decarbonisation pathways.

Movement in the Fund's Total Carbon Emissions metric (a Financed Emissions metric expressed in in tCO2e) for both Scope 1 & 2 is presented below and shows a decrease between December 2022 and December 2025.

FIG. 3: TOTAL CARBON EMISSIONS (SCOPE 1 AND 2)



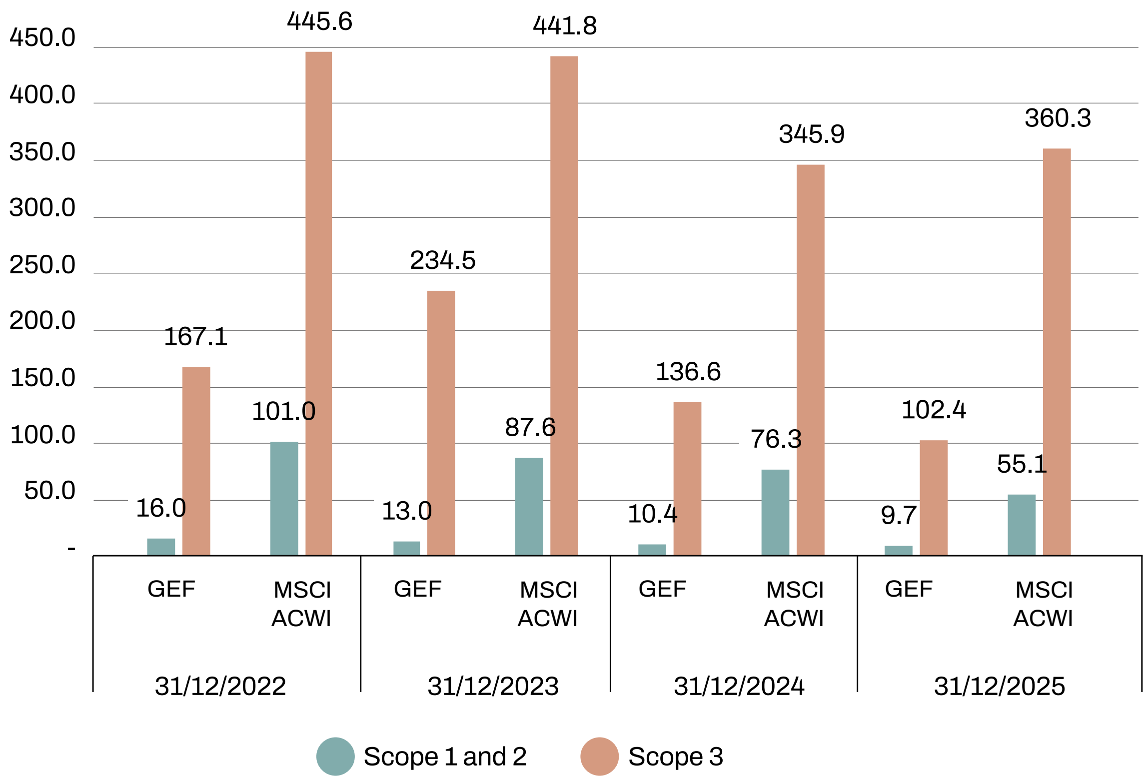
Source: LPPI, MSCI

Total Carbon Footprint

The Fund's carbon footprint relates the amount of emissions produced by investee companies to the economic value of the same companies and is a measure of efficiency. A reducing footprint indicates that value growth has exceeded emissions growth in aggregate.

The ideal is for investee companies to reduce their emissions whilst simultaneously growing in value. Movement in the Total Carbon Footprint metric, expressed as total carbon emissions normalised by market value of the portfolio (tCO2e/$M invested), for the Fund and MSCI ACWI is presented below. The metrics show a decline between December 2022 and December 2025.

FIG. 4: CARBON FOOTPRINT (TCO2E/$M INVESTED)



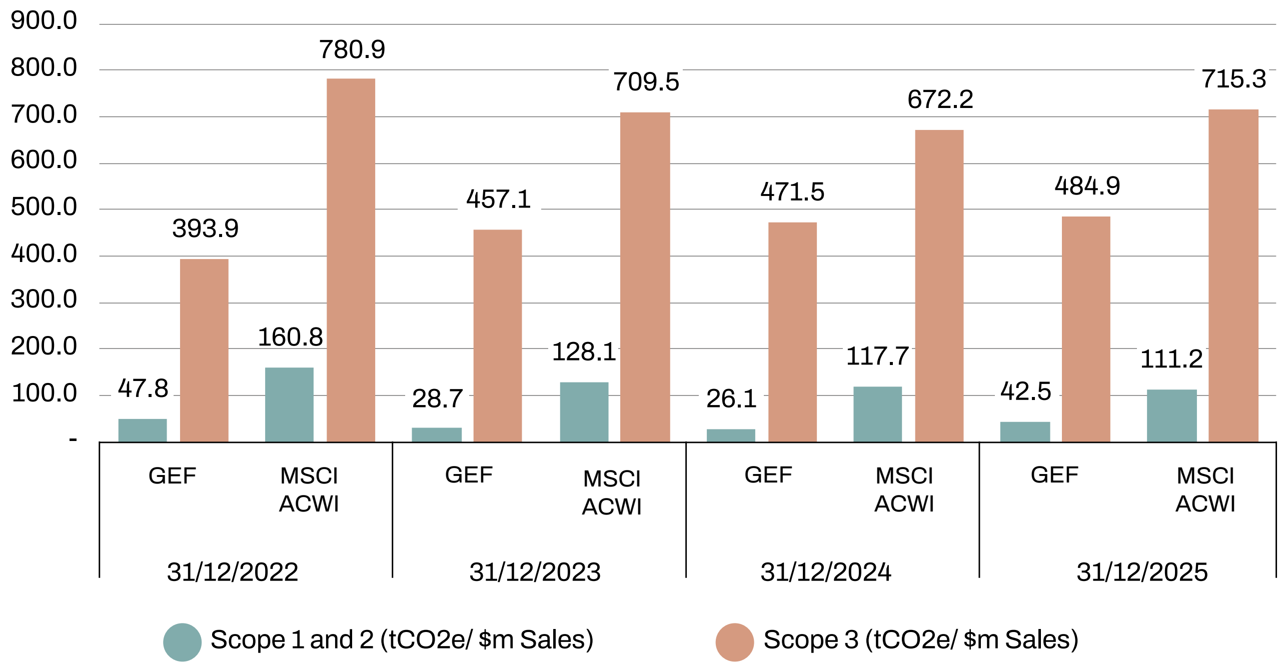
Source: LPPI, MSCI

Weighted Average Carbon Intensity (WACI)

The WACI for the Fund was 42.5 in December 2025, down from 47.8 in December 2022. It remains well within the Fund's net zero decarbonisation target and is significantly lower than the WACI of the Fund's emissions benchmark (MSCI ACWI), which was 111.2 in December 2025. The relative WACI (Scope 1 and 2) differential between GEF and ACWI) of -68.96 is primarily explained by sector allocation (-51.96) relative to MSCI ACWI, with the Fund's underweight allocation to Utilities, Materials, Real Estate and Energy sectors. The relative WACI contribution is positive for Financials and Consumer Staples because of the Fund's overweight allocation. At sector level, the Fund's positions have materially lower emission intensity in most of the sectors.

The WACI attribution analyses of the Fund versus its comparative benchmark (MSCI ACWI) is presented below:

FIG. 5: WEIGHTED AVERAGE CARBON INTENSITY



Source: LPPI, MSCI

Implied Temperature Rise

We have initiated a review of the Fund's Implied Temperature Rise (ITR), which is a metric provided by MSCI, and are assessing its usefulness as a measure of climate risk.

As of 31 December 2025, the Fund has an ITR of 2.50°C (MSCI ACWI: 2.70°C, portfolio coverage: 100.00%).

ITR calculates a given portfolio's implied temperature rise (the warming it is contributing to) based on whether individual investee companies exceed their "fair share" of global emissions (portion of the total emissions budget for planet earth to remain below 2°C of warming). All companies exceeding their "fair share" contribute to a portfolio being "over budget" in aggregate, which converts to an ITR above 2°C. Please note there is significant uncertainty related to this temperature estimate, and outputs differ amongst different data vendors as methodologies continue to evolve and mature.

Carbon Sector Exposure

We are required to disclose additional details for funds that have 'concentrated exposures or high exposures to carbon intensive sectors. The term 'carbon intensive' or the identification of sectors with 'concentrated exposures' to carbon does not have an industry-wide, standard definition.

We have assessed whether the Fund has concentrated or high exposure to carbon intensive sectors for the purposes of determining whether qualitative or quantitative scenario analysis could be informative. For the purposes of this assessment Energy, Utilities, and Materials are designated carbon intensive sectors, and a concentrated or high exposure is when the Fund has an exposure exceeding 15% for that respective sector.

For the Fund, we break emissions down by sector using the GICS system, and measure all greenhouse gas (GHG) emissions, not just carbon. GICS is widely used by financial firms and covers 11 economic sectors.

The following table provides the Fund's portfolio weight within the carbon intensive GICS sectors and its overall contribution to portfolio carbon intensity.

We have determined that, in the reporting period, the Fund did not have a high and concentrated exposure to these respective carbon intensive sectors. As shown in the table below, although the Fund has a high weighting to Industrials, the WACI is relatively low. This is because the GICS sector definition for Industrials includes a variety of sub-industries that have a range of carbon intensities some of which are low. For example, professional services companies fall under the Industrials sector, but they do not have high carbon intensity.

The exposure to these sectors is liable to change at any time and at short notice depending on market outlook. It is not a structural feature of the Fund. If the positioning were to be reversed with the Fund taking an overweight position in the high impact sectors for investment reasons, then the Fund's carbon metrics could be substantially higher than the benchmark.

We consider the GICS Level 1 categories for Utilities, Materials, and Energy as carbon intensive sectors across all of our funds and have provided an attribution of the Fund's exposure to these sectors in the table below.

In addition, we have also included Industrials specifically for the Fund due to its weight within the portfolio and relative contribution to portfolio carbon intensity. Our security and allocation has resulted in the Fund's underweighted exposure, relative to the benchmark, to these sectors, except for the overweighted allocation to Industrials.

Attribution by Sector	Utilities	Materials	Energy	Industrials
Portfolio Weight	0.6%	1.5%	0.6%	14.3%
Benchmark Weight	2.5%	3.6%	3.4%	10.6%
Relative Weight	-1.9%	-2.2%	-2.7%	-3.7%
Portfolio Emissions Intensity (WACI)	246.8	553.4	80.5	55.0
Benchmark Emissions Intensity (WACI)	1522.2	750.0	475.7	80.6
Security Selection	-8.3	-3.0	-2.7	-3.7
Security Allocation	-28.8	-16.1	-12.9	3.0

Source: LPPI, MSCI

Scenario Analysis

To provide long-term resilience to the transition to a low-carbon economy, we recognise that weather and climate projections can support our investment decision-making.

We believe that incorporating climate scenarios into our decision making may assist us in understanding the impact of climate change, with a view to better managing our outcomes and those of our partner funds.

We have undertaken initial scenario modelling using our asset-liability modelling tool which uses the Network for Greening the Financial System (NGFS) scenarios in line with the FCA and TCFD requirements. These give us three scenarios to consider alongside our baseline. We have started to assess asset class risks from NGFS scenarios using MSCI ESG's Regional Model of Investment and Development (REMIND) model. We also receive the "Climate Value at Risk (CVaR)" metric from MSCI ESG as part of a range of inputs for assessing climate risk in the portfolio.

MSCI's Climate Value-at-Risk (CVaR) is a forward-looking risk metric designed to assess climate-related risks and opportunities in an investment portfolio.

CVaR provides a return-based valuation assessment. It considers both transition risk (related to the transition to a low-carbon economy) and physical risk (impacts of climate change on assets). CVaR reflects the change in value of a company, a security, or portfolio in different scenarios. For instance, if the CVaR is -2%, it implies a potential -2% loss in portfolio value due to climate-related risks under a hypothetical scenario.

While we calculate portfolio CVaR internally and recognise its potential for framing our views on climate-related risks, it is not without limitations. For instance, CVaR relies on assumptions about future climate scenarios and their impact on asset valuations. If these assumptions prove to be inaccurate, this will almost certainly misrepresent risk. Additionally, CVaR primarily considers long-term climate risks creating misalignment with investor needs for insights over shorter horizons (i.e. market impacts due to climate-related events).

We have chosen not to disclose this metric until we have fully assessed the usefulness of this metric to us and our partner funds and will consider its disclosure in our future reports.

Our Net Zero Targets

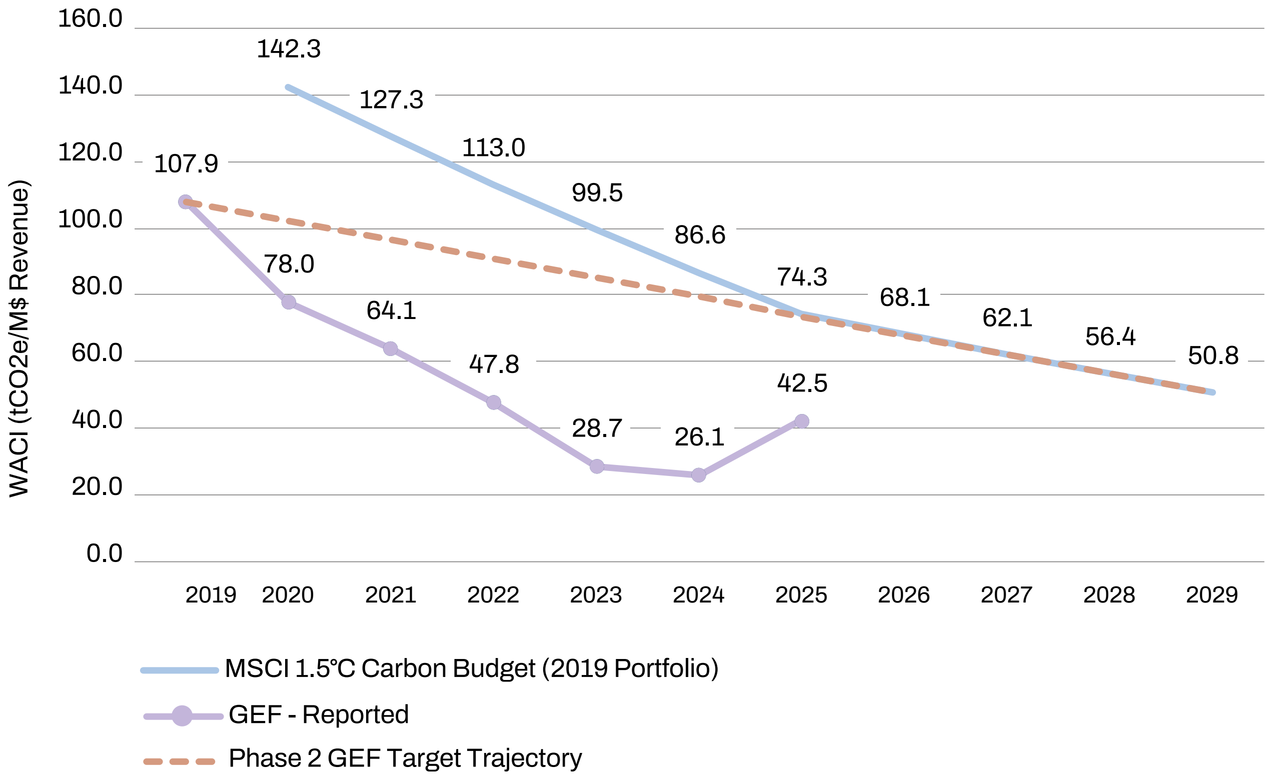
We have voluntarily made a public commitment to the goal of aligning our portfolio with net zero emissions by 2050 in line with the IIGCC Net Zero Asset Managers Commitment (NZAM) and the IIGCC Net Zero Investment Framework (NZIF). We use net zero targets to help identify climate-related risks and opportunities by assessing the exposure and vulnerability of different sectors, regions, and stakeholders to the transition risks of climate change and monitor their trajectory over time.

The original net zero targets for the Fund were set in 2022 in the areas of decarbonisation, alignment (in the sense of alignment to net zero) and company engagement. The decarbonisation objective was then revised and updated in 2023 to a methodology more tailored to the Fund's investments.

Decarbonisation Reference Objective

Target: The LPPI Global Equities Fund will achieve a 50.8% reduction in emissions intensity (WACI) by 2030 (December 2029) relative to the Fund's own baseline position in December 2019, in line with its 1.5C carbon budget pathway as determined by MSCI.

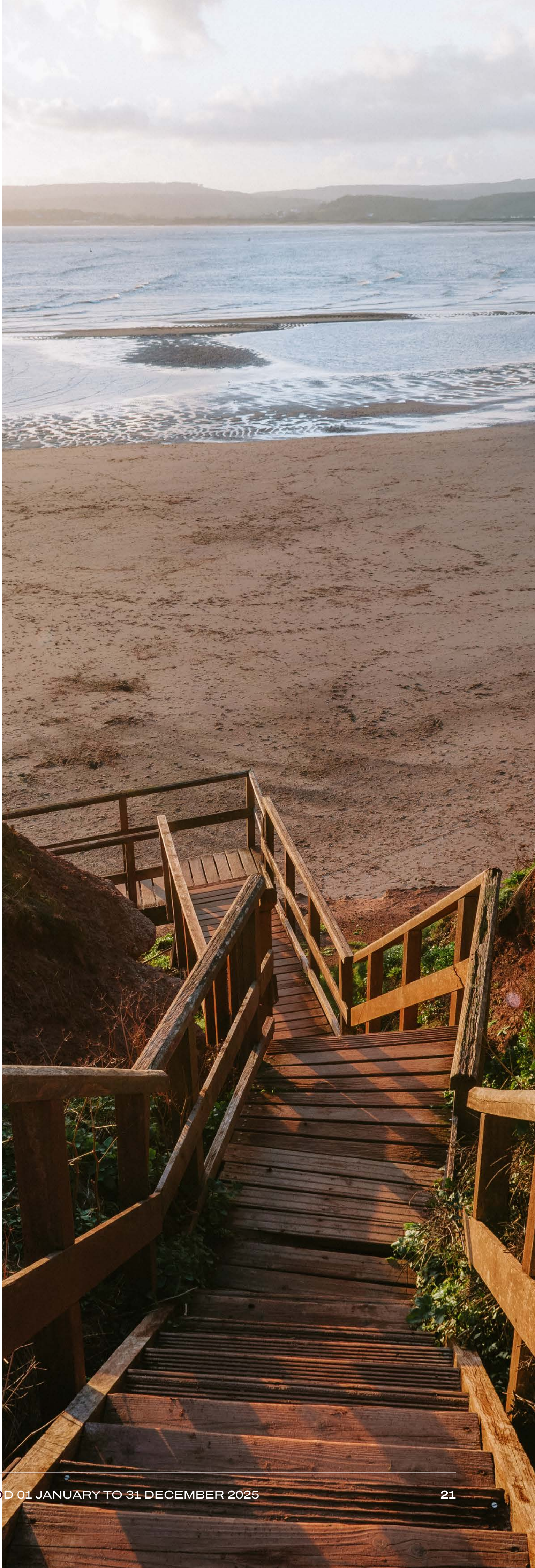
FIG. 6: GEF DECARBONISATION CARBON BUDGET TARGET WACI (TCO2E/$M SALES)



Source: LPPI, MSCI

Fund WACI, expressed in $tCO_2e/\$m$ revenue and covering Scope 1 and 2 emissions, is 42.5 in December 2025. It remains well within the Net Zero Target and is significantly lower compared to WACI of the MSCI 1.5-degree carbon budget.

The relative position is primarily driven by sector allocation, particularly an underweight to higher-emitting sectors, with additional benefit from lower emissions intensity at the holding level. The increase in WACI between 2024 and 2025 is primarily attributable to changes in portfolio composition. While the Fund continues to hold companies with lower emissions intensity than the benchmark on average, shifts in sector allocation and position sizing, including relatively higher exposure to more carbon-intensive sectors or holdings, have increased the weighted average. This should be viewed in the context of ongoing active management and does not indicate a deterioration in underlying engagement or decarbonisation progress.



Sidmouth Beach, Devon

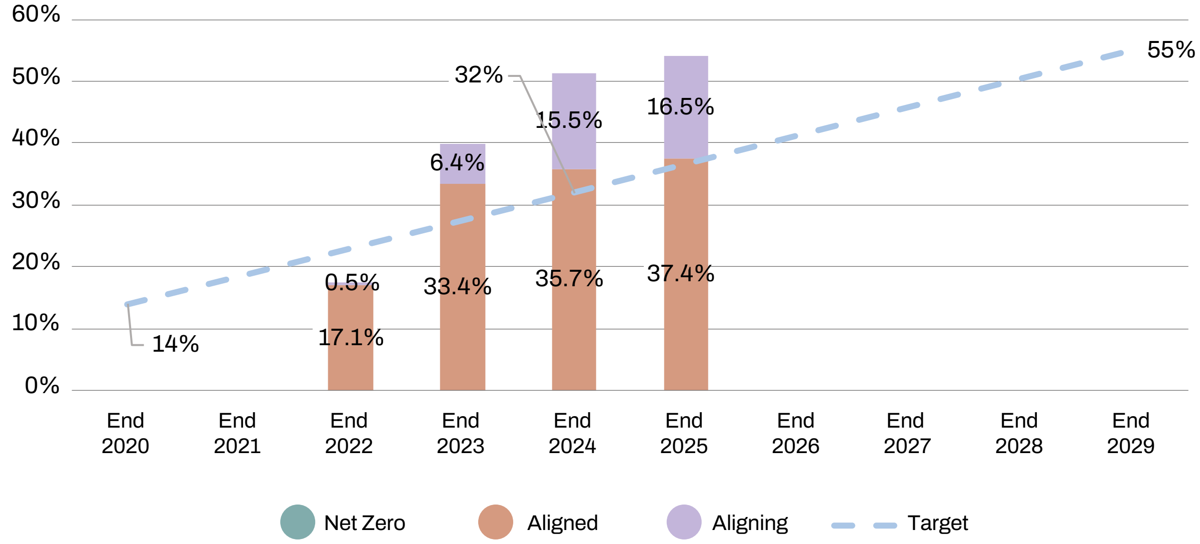
Alignment target

Target: Our alignment target is for 32% of AUM in material sectors to be considered net zero, aligned or aligning by 2025; 55% by 2030; 100% of AUM in material sectors to be considered net zero or aligned to net zero by 2040.

The alignment coverage metric, calculated as the aggregated % AUM of the Fund in material sectors that is Net Zero, Aligned or Aligning, is 54.04% in December 2025.

Please refer to the appendix for key definitions and formulas used for calculating emissions metrics and definition of material sectors.

FIG. 7: ALIGNMENT PROPORTION OF MATERIAL SECTOR VALUE



Source: LPPI, MSCI

Engagement target

Target: We have set a target for at least 70% of financed emissions in material sectors to be either be assessed as already net zero, aligned with a net zero pathway, or subject to direct or collective engagement and stewardship actions by end-2022: 90% by 2030.

Collective engagement covers engagements by Robeco, CA100+, CDP NDC and the IIGCC NZEI (Net Zero Engagement Initiative). Direct encompasses engagement via our Internal equities team and our delegated managers.

The following table illustrates progress against the engagement target. The % of financed emissions (the Total Carbon Emissions metric) in Material sectors that are Net Zero/Aligned/ under direct or collaborative engagement as of Dec-2025 total 69.5% of financed emissions.

Engagement for Global Equities was marginally below the 70% target for the period, at 69.5%. This was primarily driven by a reduction in exposure to certain higher-emitting holdings which reduced the level of financed emissions captured within the engagement metric. As a result, the decrease reflects a change in portfolio composition rather than a deterioration in underlying engagement activity.

Engagement threshold – percentage of financed emissions – material sectors

Engagement	31/12/2024	31/12/2025
% of financed emissions that are under engagement (if not already Net Zero or aligned)	63.8%	63.0%
% of financed emissions that are aligned (if not already Net Zero)	10.2%	6.5%
% of financed emissions that are Net Zero	0.0%	0.0%
Total	**74.1%**	**69.5%**

Source: LPPI, Delegated Managers

Alignment categories and definitions are outlined in the appendix.

Appendix

Metrics and Data Limitations

Alignment & Engagement Methodology

We are reliant on assessments of our holdings alignment status provided by our delegated managers and map delegated manager provided data to our own alignment framework as closely as practically possible. The engagement activity is carried out by our managers on our behalf and is reported to us alongside the alignment data.

Data Coverage and Quality

Accurate computation of climate-related metrics in investment portfolios requires high quality security-level data including GHG emissions for underlying investee companies. Many companies are measuring and publicly reporting their GHG emissions, which facilitates the type of high-quality data that investors need to effectively calculate climate-related portfolio metrics. However, many companies have not yet begun their emissions reporting journey.

Recognising that deferring measurement and reporting until 100% reported data is available would impede the progress, we could make in the near-term in providing transparency to stakeholders, estimates were used to fill data gaps, when necessary. Estimated data reduces the reliability of the metrics since estimated emissions may not accurately reflect the actual emissions of any given company. Over the period, updates to data coverage and quality for the fund and index have resulted in changes to metrics reported in last year's report.

Lagged Data

Climate-related data reporting by companies is often produced on a lag relative to financial data – as most climate-related data disclosure and reporting takes place on an annual basis and requires significant time to produce. In addition, there may be a lag between the time when data is disclosed by companies and when it is incorporated into the dataset produced by MSCI. While we sought to mitigate the impact of lagged data on the estimates by varying the holdings analysis date and the emissions effective date, emissions data included in the analysis for a given holding each year may reflect GHG emissions from prior year(s) for at least a subset of holdings included in the analysis.

Carbon emissions metrics explained

We use the following metrics to measure the collective carbon impact of the Fund's holdings, calculated according to TCFD standards, which in turn are based on the internationally accepted GHG Protocol:

Metric	TCFD definition, based on GHG Protocol
Scope 1 Greenhouse Gas Emissions (Metric Tonnes)	Direct GHG emissions that occur from sources that are owned or controlled by the company.
Scope 2 Greenhouse Gas Emissions (Metric Tonnes)	GHG emissions from the generation of purchased electricity consumed by the company.
Scope 3 Greenhouse Gas Emissions (Metric Tonnes)	GHG emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company.
Total Greenhouse Gas Emissions (Metric Tonnes)	Total of Scopes 1 and 2 and 3 emissions.
Total Carbon Footprint (Metric Tonnes per $1m AUM invested)	Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes tCO2e/$m [KG1.1]invested.
GHG Intensity by Capital Employed	Greenhouse Gas (GHG) Intensity by Capital Employed refers to the measurement of greenhouse gas emissions in relation to the capital invested or capital employed in an economic activity. It quantifies the environmental impact of a business or industry based on the amount of GHGs emitted per unit of capital invested.

Source: GHG Protocol

LPPI calculates the emissions performance of its investments through two metrics:

Metric	Formula	Description
Carbon Intensity	$\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{issuer's market capitalization}_i}\ \textit{*issuer's Scope 1 and Scope 2 GHG emissions}_i\right)$ $\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{issuer's market capitalization}_i}\ \textit{*issuer's \$M revenue}_i\right)$	Carbon emissions intensity measures the volume of carbon emissions per million dollars of revenue, also known as the carbon efficiency of a portfolio, expressed as tCO2e/$m revenue.
Carbon Footprint	$\frac{\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{issuer's market capitalization}_i}\ \textit{*issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\textit{current portfolio value (\$M)}}$	Portfolio carbon footprint total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tCO2e/$m invested.

Material Sectors

In line with IIGCC Net Zero Investment Framework (NZIF) 2.0 guidance, LPPI has identified NACE sections A–H and J–L as climate-material sectors that should be covered, at a minimum, by net zero targets. These sectors span agriculture and extractives, manufacturing and utilities, transport and construction, as well as real estate and selected services, reflecting their contribution to global emissions, transition risk and real-economy decarbonisation.

IIGCC NZIF 2.0 considers sectors covered by NACE codes A-H and J-L as material and should be covered at a minimum by net zero objectives and targets:

- A. Agriculture, forestry and fishing
- B. Mining and quarrying
- C. Manufacturing
- D. Electricity, gas, steam and air conditioning supply
- E. Water supply; sewerage; waste management and remediation activities
- F. Construction
- G. Wholesale and retail trade; repair of motor vehicles and motorcycles
- H. Transporting and storage
- J. nformation and communication
- K. Financial and insurance activities
- L. Real estate activities

Source: IIGCC NZIF 2.0

High Impact Material Sectors

Certain material sectors are deemed high impact based on GHG emissions in their value chain. Transition of high impact material sectors are critical to achieving net zero and are those linked to the company focus lists of Climate Action 100+ and TPI, plus banks, real estate, agriculture, forestry, and fishing. Currently these sectors equate to:

- Agriculture, forestry, and fishing
- Airlines
- Aluminium
- Automobiles
- Banking
- Cement
- Chemicals
- Consumer goods & services
- Coal and diversified mining
- Electric utilities
- Food producers
- Industrials
- Oil and gas (plus distribution)
- Paper
- Real estate
- Shipping
- Steel
- Transportation

Source: IIGCC NZIF 2.0

LPPI Alignment Framework, based on NZIF

Alignment category	Criteria for assessment
Committed	**Ambition:** A long-term net zero goal
Aligning (material but not high impact)	**Meet committed +** **Targets:** short- and medium-term emissions reduction target (Scope 1, Scope 2, and material Scope 3) **Disclosure:** Disclosure of Scope 1, 2, and material Scope 3 emissions.
Aligning (high impact)	**Meet committed +** **Targets:** Short- and medium-term emissions reduction target (Scope 1, Scope 2, and material Scope 3) **Disclosure:** Disclosure of Scope 1, 2 and material Scope 3 emissions. **Decarbonisation Strategy:** A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of revenues that are green and where relevant increases in green revenues.
Aligned (material but not high impact)	**Meet aligning +** **Emissions performance:** Current emissions intensity performance (Scope 1, Scope 2, and material Scope 3) relative to targets.
Aligned (high impact)	**Meeting aligning +** **Emissions performance:** Current emissions intensity performance (Scope 1, Scope 2, and material Scope 3) relative to targets. **Capital allocation alignment:** Clear demonstration that the capital expenditures of the company are consistent with achieving Net Zero emissions by 2050.
Net Zero	Achieving the emissions intensity required by the sector and regional pathway for 2050. Ongoing investment plan or business model will maintain net zero performance.

Source: IIGCC NZIF 2.0

Glossary

AUM	Assets under management.
Baselining	Establishing the starting point against which targets will be set and progress measured.
Benchmark-relative approach	Uses the emissions of a comparator benchmark at a point in time to reference an emissions reduction target against and measure progress.
CDP	CDP (previously the Carbon Disclosure Project). Please visit the website for more information.
CRREM	Carbon Risk Real Estate Monitor.
Climate Value at Risk (CVaR)	CVaR is MSCI's full quantitative scenario analysis solution, designed to provide a forward-looking and return-based valuation assessment of listed equity and debt securities in order to measure climate related risks and opportunities in an investment portfolio.
EVIC	Enterprise Value including Cash.
FCA	Financial Conduct Authority. Regulates financial services firms and financial markets in the UK.
Financed emissions	The emissions associated with our assets under management based on attributing a share of the total emissions produced by underlying companies in proportion to the size of the investment we hold.
GHG	Greenhouse Gas emissions.
Green Revenue Metric	Provides a point in time, current or historic, of the exposure of a company's activities to the green economy. It captures the revenues from products and services sold that are derived from climate solutions activities. As such, this metric is consistent with standard financial reporting but can be sensitive to price fluctuations.
IIGCC	Institutional Investors Group on Climate Change.
Investment universe	A selection of assets which reflect an investable universe, generally grouped based on the preferences of an investment strategy in terms of, for example, sector, industry, or regional exposure.
IPCC	Intergovernmental Panel on Climate Change IPCC Special Report on the impacts of global warming of 1.5°C.

ITR	Implied Temperature Rise.
IPV	In line with the Government's plan for LGPS funds to pool their assets, LPPI has created a range of in-house Investment Pooling Vehicles (IPVs), spanning Authorised Contractual Schemes (ACSs), unauthorised Alternative Investment Funds (AIFs) and unauthorised limited partnerships
Material Sectors	Material sectors have been defined by IIGCC for consistency in the IIGCC Net Zero Implementation Guide. They are the sectors whose activities make the largest contribution to total emissions globally and which will need to produce the materials, develop the critical technologies, and evolve the lower emitting, more energy efficient processes that achieving a sustainable global economy depends on.
MSCI All Country World Index (ACWI)	A stock index designed to track broad global equity market performance. The LPPI Global Equities Fund's comparator benchmark. The MSCI All Country World Index is a global equity index of large- and mid-cap stocks.
NACE	A statistical classification in use within the European Community.
Net Zero	Achieving an overall balance between man-made emissions (GHG) produced and those taken out of the atmosphere, in order to neutralise the impact of any source of residual emissions that remains unfeasible to be eliminated by permanently removing an equivalent amount of atmospheric carbon dioxide.
NZIF	Net Zero Investment Framework.
NZAM	Net Zero Asset Managers initiative. An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 Degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.
NGFS	Network for Greening the Financial System. A group of central banks and supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy.

Paris Agreement	United Nations agreement which includes commitments from all countries to reduce their emissions and work together to adapt to the impacts of climate change and calls on countries to strengthen their commitments over time. The Agreement provides a pathway for developed nations to assist developing nations in their climate mitigation and adaptation efforts while creating a framework for the transparent monitoring and reporting of countries' climate goals.
PCAF	The Partnerships for Carbon Accounting Financials.
Portfolio self-decarbonisation	Using portfolio emissions at a point in time to reference an emissions reduction target against and measure progress.
SBTi	The Science Based Targets initiative defines and promotes best practice in science- based target setting. Offering a range of target-setting resources and guidance, the SBTi independently assesses and approves companies' targets in line with its criteria.
Stewardship	The responsible allocation, management and oversight of capital to create long-term value for partner fund and beneficiaries leading to sustainable benefits for the economy, the environment and society (UK Stewardship Code 2020).
Total carbon emissions	The sum of all the emissions in the portfolio based on the investor's ownership share.
TPI	Transition Pathway Initiative. Please Visit the website for further information.
Scope 1, 2 and 3	Scope 1, 2 and 3 emissions are a way of categorising business emissions, accounting for both direct and indirect emitted GHGs. In more details: • Scope 1 emissions are GHGs released directly from owned or controlled sources of the company. • Scope 2 emissions are indirect GHGs released from the energy purchased by the company (generation of electricity, heat or steam purchased). • Scope 3 emissions are indirect GHGs released by the value chain of the company, excluding the Scope 1 and 2 emissions, for both upstream and downstream emissions.

Universal global benchmark	A benchmark stock index which is representative of the global economy, for example the MSCI All Country World Index.
Weighted Average Carbon Intensity (WACI)	Weighted Average Carbon Intensity is the measure of a portfolio's exposure to carbon- intensive companies, expressed as tCO_2e/\$m company revenue.

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