Fixed Income Fund TCFD Product Report

For the period 01 January to 31 December 2025

LPPI *Together,* let's do more

Fund details

LEI	213800LGLDNX2MGUFQ09
ISIN	GB00BFMC1D84
Fund Size	£1.15 billion
Date	31 December 2025

Contents

Introduction

This TCFD product report has been produced by LPPI as the manager of the LPPI Fixed Income Fund ("FIF" 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 provide investors with income and capital preservation. The Fund will invest in the Fixed Income Asset Class which includes fixed coupon bonds, floating rate bonds and index linked bonds, money market instruments, asset backed securities and interest rate swaps. A minimum of 50% of these assets will have a credit rating of AA- or above (for long-term instruments) or A-1+ or above (for short-term instruments), based on Standard & Poor's or the equivalent rating for the relevant lending institution, and will be highly liquid with a focus on cash preservation. It is currently comprised of two delegated mandates, selected to maintain different investment styles.

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.

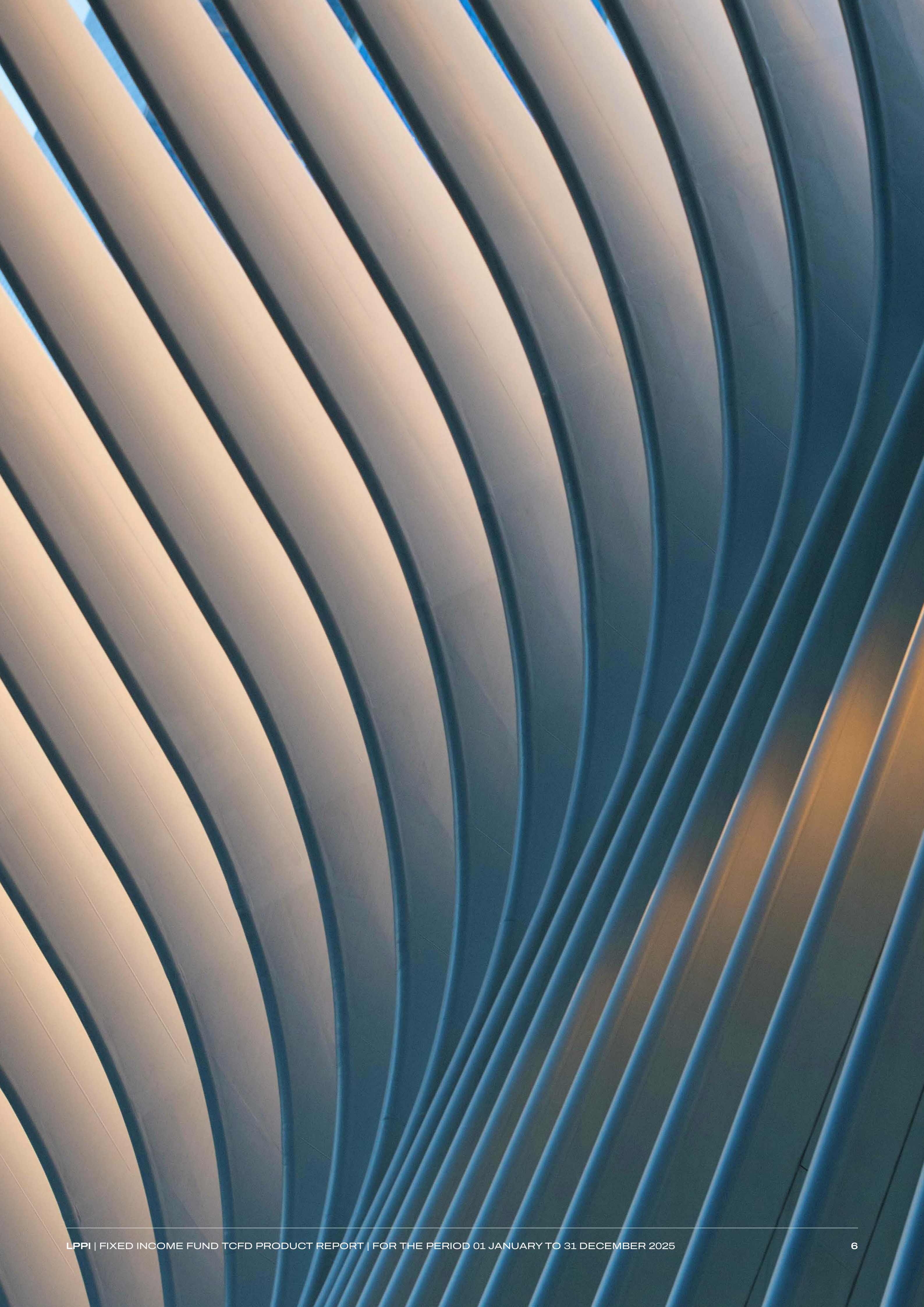
Background to TCFD product reports

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 Fixed Income 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.



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 change is incorporated into our stewardship of assets and considered as part of asset allocation decisions and portfolio monitoring activities.

Currently, we monitor climate-related risks and opportunities for the corporate fixed income holdings managed by our delegated managers, representing 28.8% of the assets of the Fund, focusing our dialogue on exposure to carbon intensive sectors.

Our definition of corporate fixed income includes certain securitised bonds, e.g. covered bonds issued by banks (securitised) and certain government related bonds, e.g. government owned corporates.

Delegated Managers

The Fund allocates to two investment mandates each managed externally by third parties.

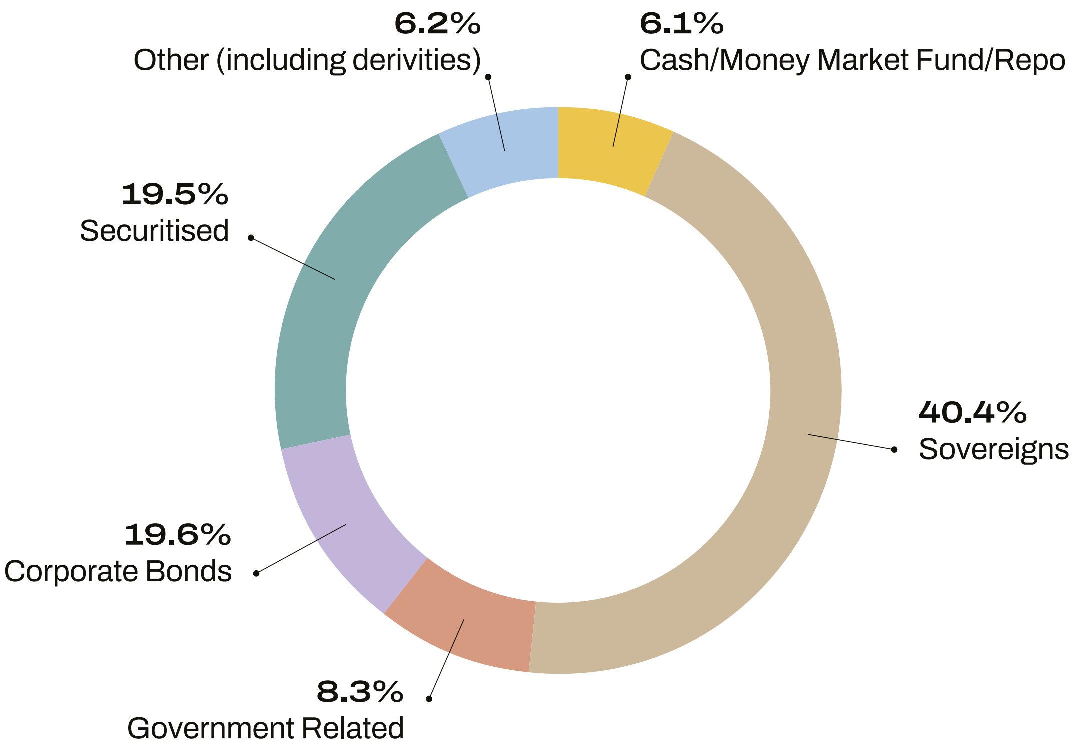
Later in this report we highlight some metrics used to monitor the Fund's climate-related risks for the corporate fixed income holdings. We are at present unable to monitor the climate-related risks and opportunities in the remaining portion of the Fund (including sovereign bonds, out of scope securitised, and derivatives) due to a lack of data availability and lack of market solutions and methodologies to do so. We continue to engage with our delegated managers to increase the proportion of reported data.

The long-term investment approach means that it is incumbent upon us and our delegated managers to think carefully about climate-related risks and opportunities. These are typically highly company-specific, yet there are certain systematic risks and opportunities that need to be considered across investee companies. 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.

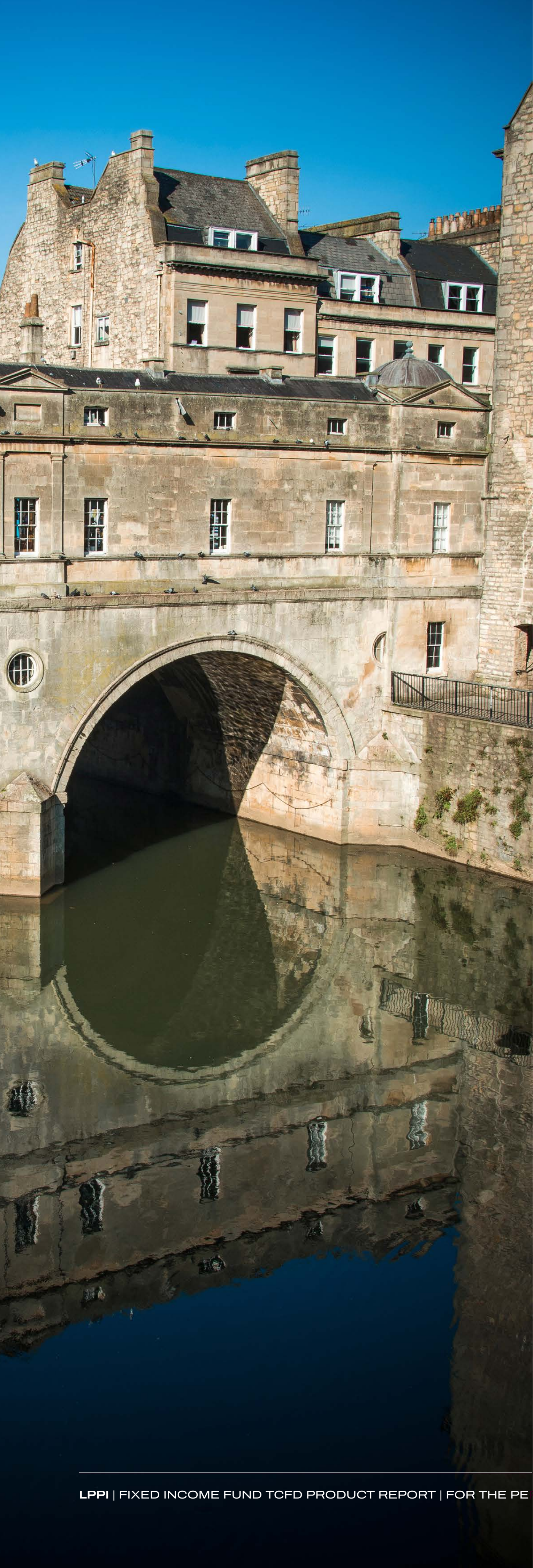
We are responsible for the oversight of and dialogue with each delegated manager. Our expectations for delegated managers are clearly communicated to them, wherever possible appropriately documented, and company specific issues are discussed during regular monitoring meetings. The delegated managers also provide us with reports regarding the engagement activity undertaken with companies.

The Fund adheres to our entity level policies and exclusions outlined in our Responsible Investment Policy Annex on Climate Change. This includes the exclusion of Thermal Coal Investments. A copy of our Annex on Climate Change can be found here.

FIG. 1 highlights the exposure to the various asset classes held within the Fund. The Fund's corporate fixed income holdings account for 28.8% of the total Fund AUM.



Source: LPPI, Delegated Managers



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 physical and transition risk.

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

Refer to the “Metrics and data limitations” in the appendix for further information.

Fig. 2 shows the proportion of carbon emissions data for the Fund that is reported, estimated or where there is currently no data available.

FIG. 2: DATA AVAILABILITY BY AUM COVERED (%) AS AT 31 DECEMBER 2025

Fixed Income Fund	Fixed Income
AUM Covered (%)	28.8%
Of which	
Reported Data (%of AUM Covered)	79.3%
Estimated Data (% of AUM Covered)	6.1%
No Data (%)	14.7%

Carbon footprint of our investments

Considering the limitations implicit in the metrics and tools available (primarily data availability and scope of coverage), we currently refer to Scope 1 and Scope 2 greenhouse gas (GHG) emissions as part of our portfolio monitoring and risk management. While we monitor Scope 3 emissions, the data quality and disclosure of this category is poor and less reliable.

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

Fig.3 shows the key metrics for the corporate fixed income holdings in the Fund as of 31 December 2025 versus the Bloomberg Global Aggregate Corporate Index benchmark, used by us solely for the purposes of performance monitoring and not for portfolio construction. It is also the benchmark that we use to set our net zero targets for the Fund.

FIG. 3: CLIMATE METRICS AS AT 31 DECEMBER 2025

Climate Metrics	Unit of Measurement	FIF (Corporate Fixed Income)		Bloomberg Global Aggregate Corporate Index	
		31/12/24	31/12/25	31/12/24	31/12/25
Scope 1 and 2 emissions*	tCO2e	10,681	6,414	825,583	917,350
Scope 3 emissions*	tCO2e	56,432	71,462	3,268,284	4,699,106
Total carbon emissions*	tCO2e	67,114	77,877	4,093,868	5,616,456
Total carbon footprint (Scope 1 and 2) (EVIC)	tCO2e /$million invested	31.2	14.4	67.2	66.8
Weighted average carbon intensity (Scope 1 and 2)	tCO2e /$million revenue	76.5	29.3	194.1	201.0
Implied Temperature Rise	Degrees Celsius	2.50	2.20	2.40	2.50
Reported and estimated emissions data (%)	AUM (%)	89.2%	85.4%	94.4%	96.9%

Source: LPPI, MSCI

*financed emissions

As of 31 December 2025, the Fund's WACI (Scope 1 & 2, revenue) was 29.3 tCO_2e/\$m revenue, representing a 85.4% lower carbon intensity than the benchmark (201.0 tCO_2e/\$m). This relative improvement reflects a combination of sector positioning (lower exposure to high-intensity sectors) and security selection (holding relatively lower-intensity issuers within sectors).

Over 2025, the fund materially improved relative to the benchmark on carbon intensity and temperature alignment metrics (EVIC footprint, WACI, and ITR), while total absolute emissions increased due to higher Scope 3; the benchmark generally deteriorated on absolute emissions and WACI, with a higher implied temperature rise.

The Fund's lower WACI relative to the benchmark was driven primarily by underweights to high-emitting sectors, alongside selection of lower-intensity issuers within key sectors. Overall, sector allocation effects were the dominant contributor, reflecting strategic positioning away from carbon-intensive sectors, while security selection further enhanced the Fund's carbon efficiency relative to the benchmark.

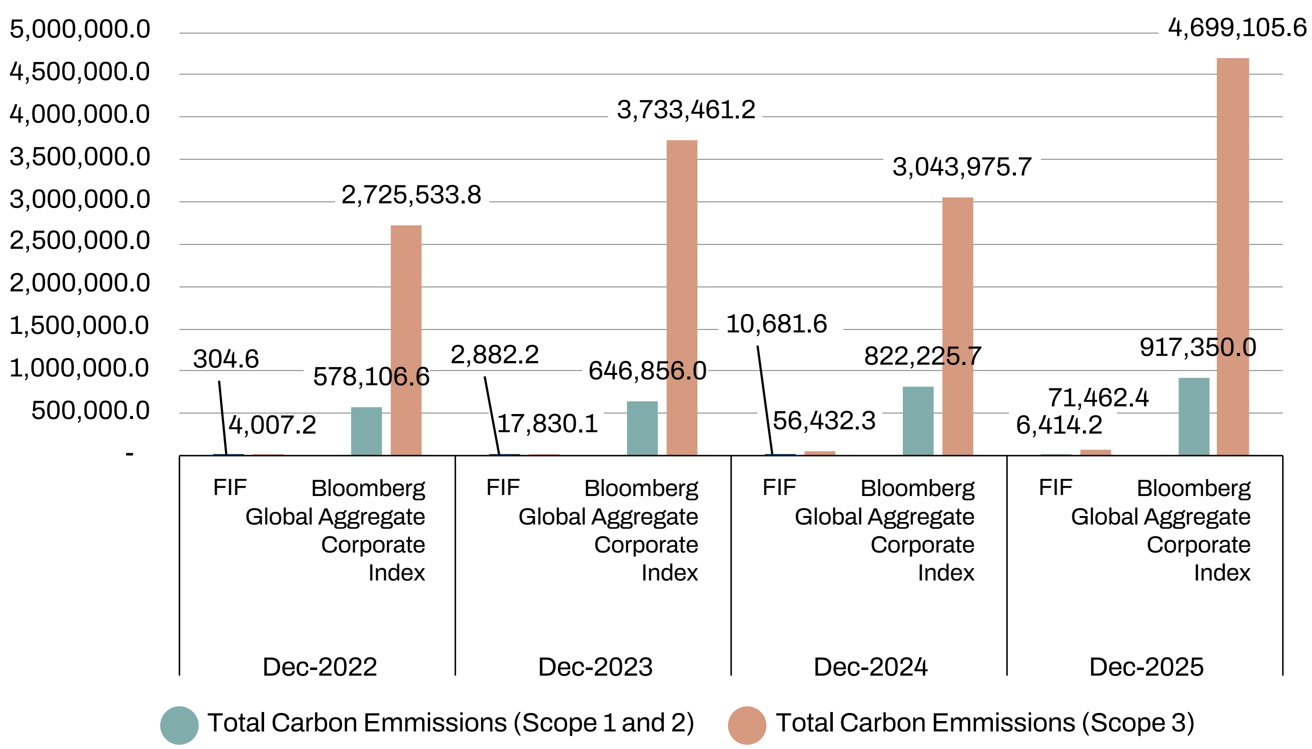
Sector allocation contributed to the Fund's lower WACI, driven largely by meaningful underweights to traditionally high-emissions sectors, most notably the substantial underweight to Utilities was the single largest driver of the Fund's lower portfolio WACI.

Total Carbon Emissions

The quantum of the Fund's gross carbon emissions versus the benchmark is an indicator of relative risk. Tracking movement in gross emissions over time offers insight into whether decarbonisation is an observable trend.

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. 4: TOTAL CARBON EMISSIONS (SCOPE 1 AND 2)



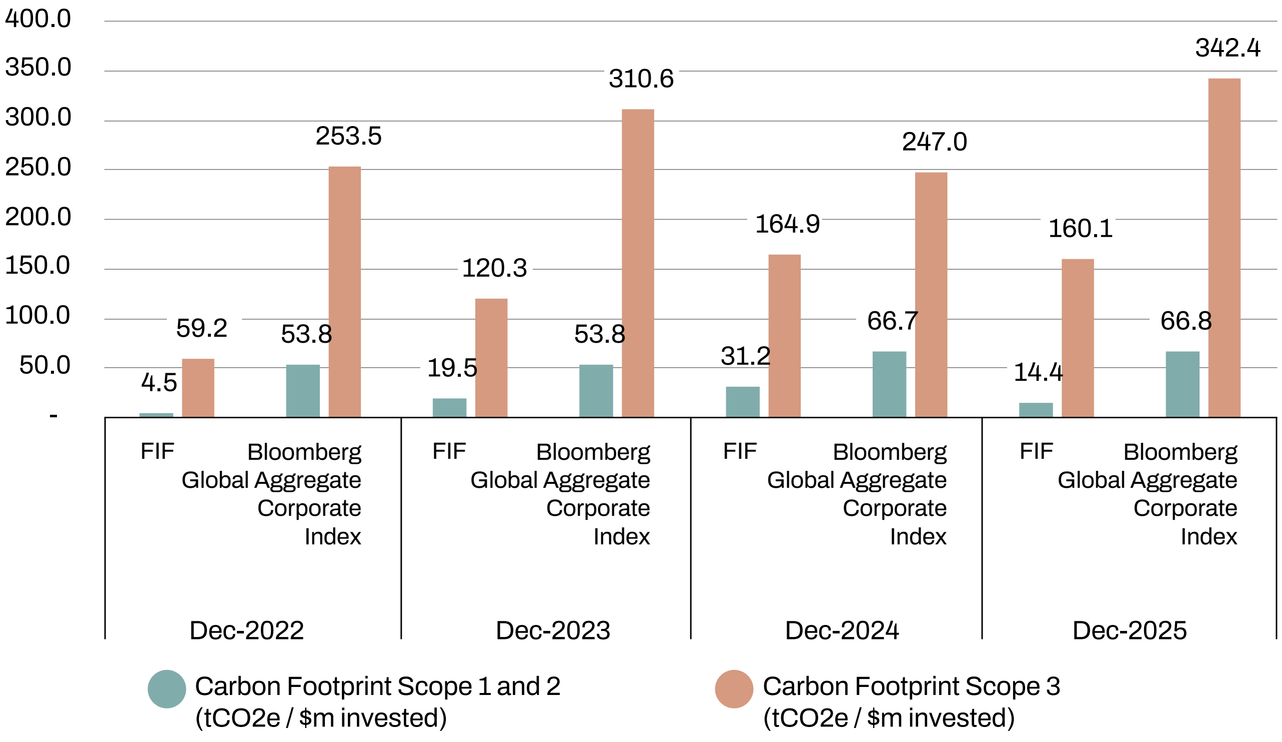
Source: LPPI, MSCI

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 Bloomberg Global Aggregate Corporate Index is presented below.

FIG. 5: CARBON FOOTPRINT (TCO2E/$M INVESTED)

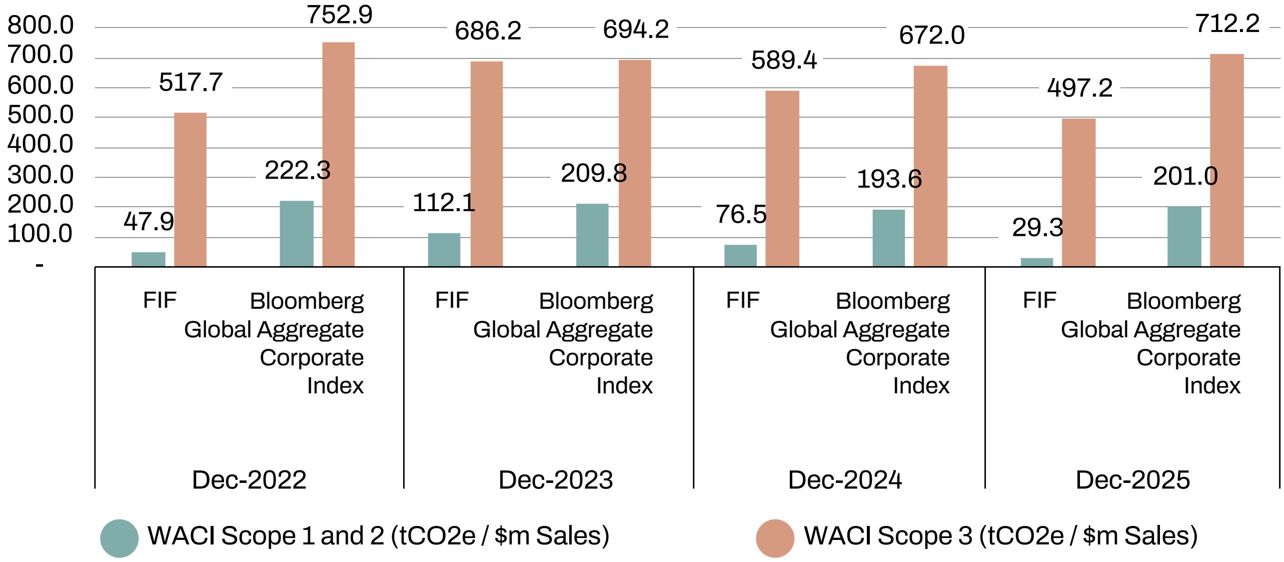


Source: LPPI, MSCI

Weighted Average Carbon Intensity (WACI)

The WACI for the corporate fixed income holdings in the Fund was 29.3 in December 2025, down from 76.5 in December 2024. It remains below the Fund's net zero decarbonisation target and is lower than the WACI of the Bloomberg Global Aggregate Corporate Index. The relative WACI of -171.7 is mainly driven by our delegated managers' security selection and to a lesser extent sector allocation.

FIG. 6: WEIGHTED AVERAGE CARBON INTENSITY



Source: LPPI, MSCI

Implied Temperature Rise

We have begun to review the Fund's Implied Temperature Rise (ITR) which is a metric calculated by our data provider MSCI but currently question its usefulness as a measure of climate-related risk. As of 31 December 2025, the Fund had an ITR of 2.2°C (Bloomberg Global Aggregate Corporate Index 2.5°C, portfolio coverage: 86.81%).

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.

We consider ITR alongside CVaR and other metrics currently available through our data provider, MSCI. We continue to engage with the industry, including our delegated managers and data providers, to increase the availability of other useful metrics.

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 corporate fixed income holdings of the Fund have concentrated or high exposure to carbon intensive sectors for the purposes of determining whether further 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 corporate fixed income holdings in the Fund, we break emissions down by sector using the GICS system, and measure all GHG emissions, not just carbon. GICS is widely used by finance firms and covers 11 economic sectors.

The following table provides the weight within the corporate fixed income holdings to carbon intensive GICS sectors and their contribution to its overall carbon intensity.

Carbon Intensive Sectors	WACI (tCO2e /$m Revenue)	Contribution to Portfolio WACI (%)	Portfolio Value 31/12/2025 ($m)	Exposure in FIF Corporate Fixed Income (%)
Utilities	229.2	15.1%	6.9	1.6%
Energy	82.6	8.6%	11.0	2.5%
Industrials	31.5	1.1%	3.7	0.8%
Materials	677.6	40.6%	6.3	1.4%

Source: LPPI, MSCI

We have determined that, in the reporting period, the Fund did not have a high or concentrated exposure to these respective carbon intensive sectors. Financials represent the largest single sector exposure within the Fund's corporate fixed income holdings which has significantly lower emission intensity. In the table above, we have disclosed our exposure to the three carbon intensive sectors of Energy, Utilities and Materials. They are a small part of the investable universe for the Fund but represent a large share of the total carbon emissions for corporate bonds.

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

The Fund has 3.19% in green revenue (corporate) fixed income which aim to incentivise and/ or directly support investment to reduce emissions of the issuer. We recognise the emergence of new sectors and products may expand the investable universe as an opportunity for the Fund. Please refer to the appendix for further information on green revenue metric.

River Severn, Bristol, Somerset

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.

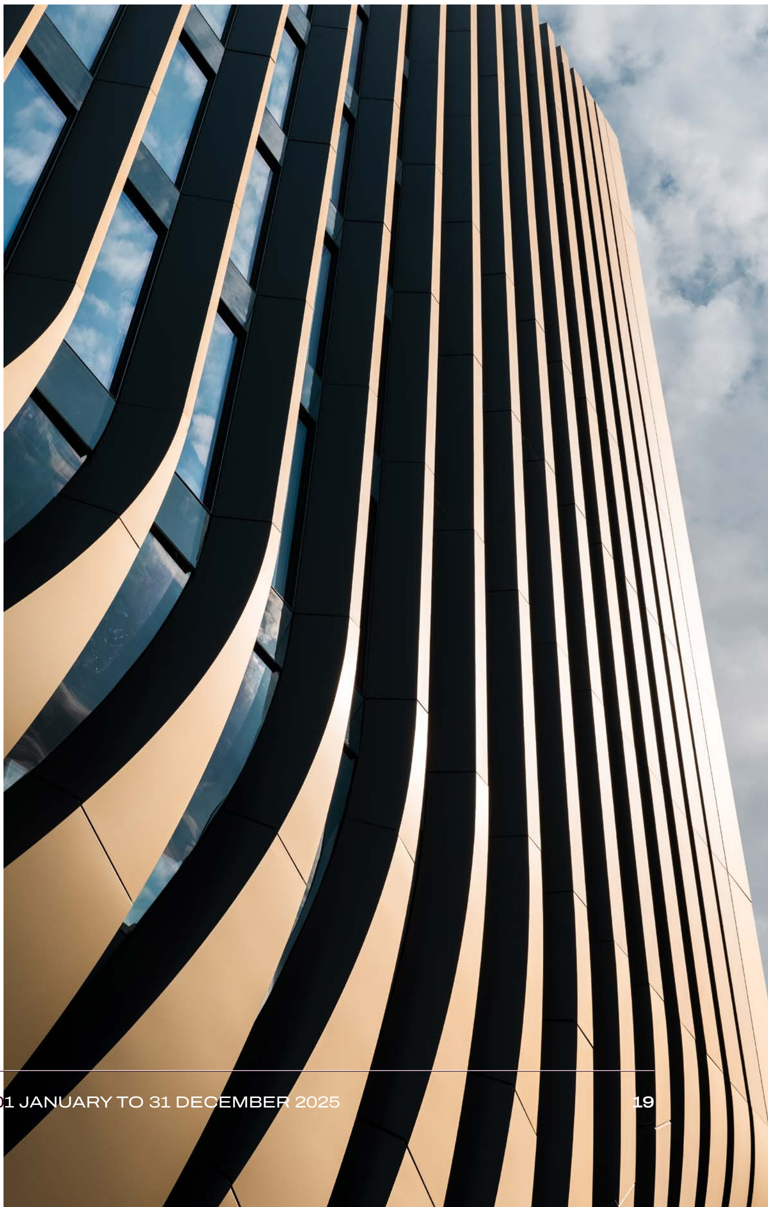
We believe that incorporating climate scenarios into our decision making may assist us in understanding the impact of climate change, with a view to better managing our outcomes and those of our partner funds.

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 real-world 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 fluctuations due to climate events).

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



Our Net Zero Targets

LPPI has 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 latest net zero targets for the corporate fixed income holdings of the Fund were set in 2023 in the areas of decarbonisation, alignment (in the sense of alignment to net zero) and company engagement.

The climate metrics reported in this document may differ from those reported in the 2024 TCFD Report. These differences are primarily due to increased data availability and improved data quality, including enhanced company disclosures and more comprehensive climate monitoring.

Decarbonisation Reference Objective

Target: For the corporate fixed income holdings of the Fund, we aim to achieve a 50% reduction in emissions intensity (WACI) by 2030 (December 2029) relative to the Bloomberg Global Aggregate Corporate Index in December 2019. This means we aim to achieve a WACI of 120.9 tCO_2e/$M revenue by 2030.

From December 2019 to December 2025, the Fund's WACI for corporate fixed income decreased from 77.9 to 29.3. Over the last 12 months to December 2025, the Fund's WACI declined from 76.5 to 29.3.

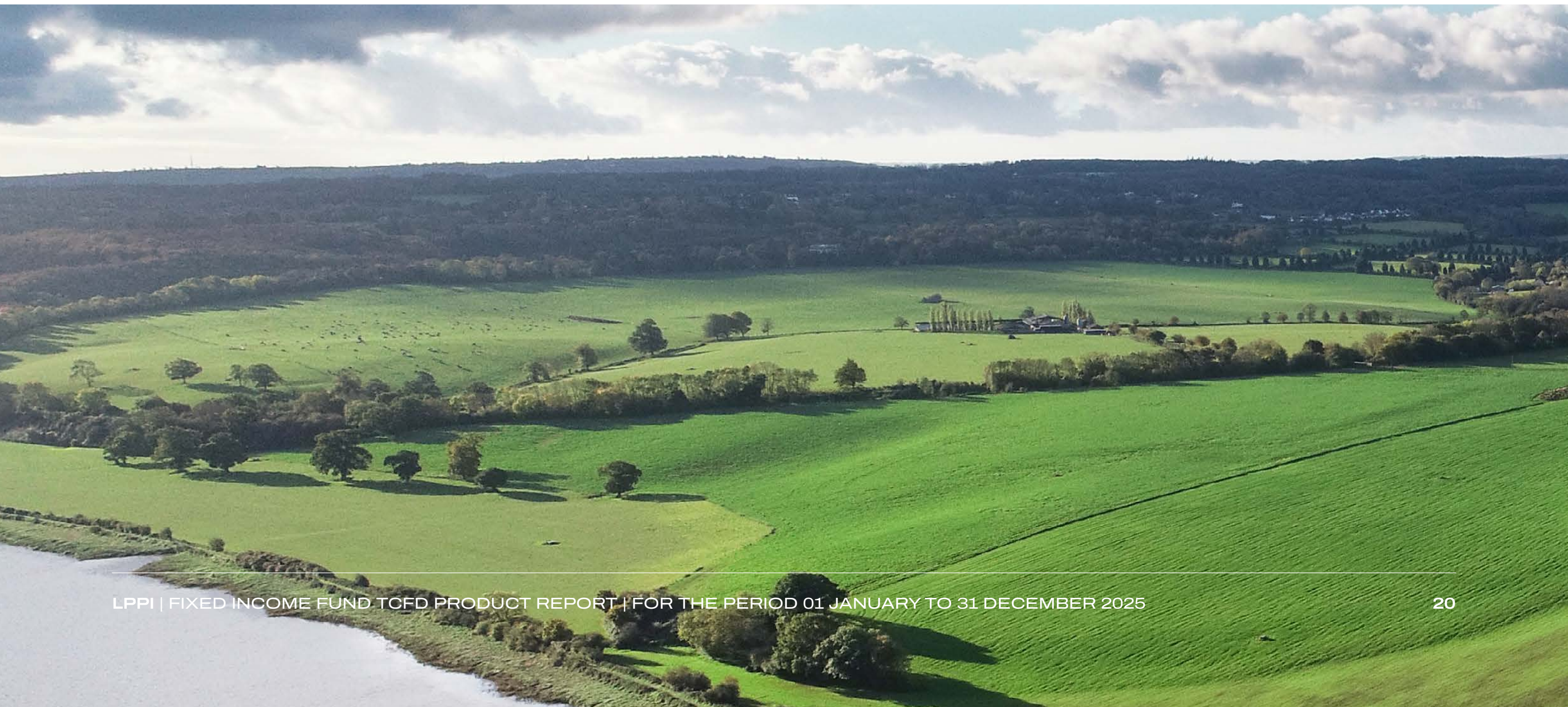
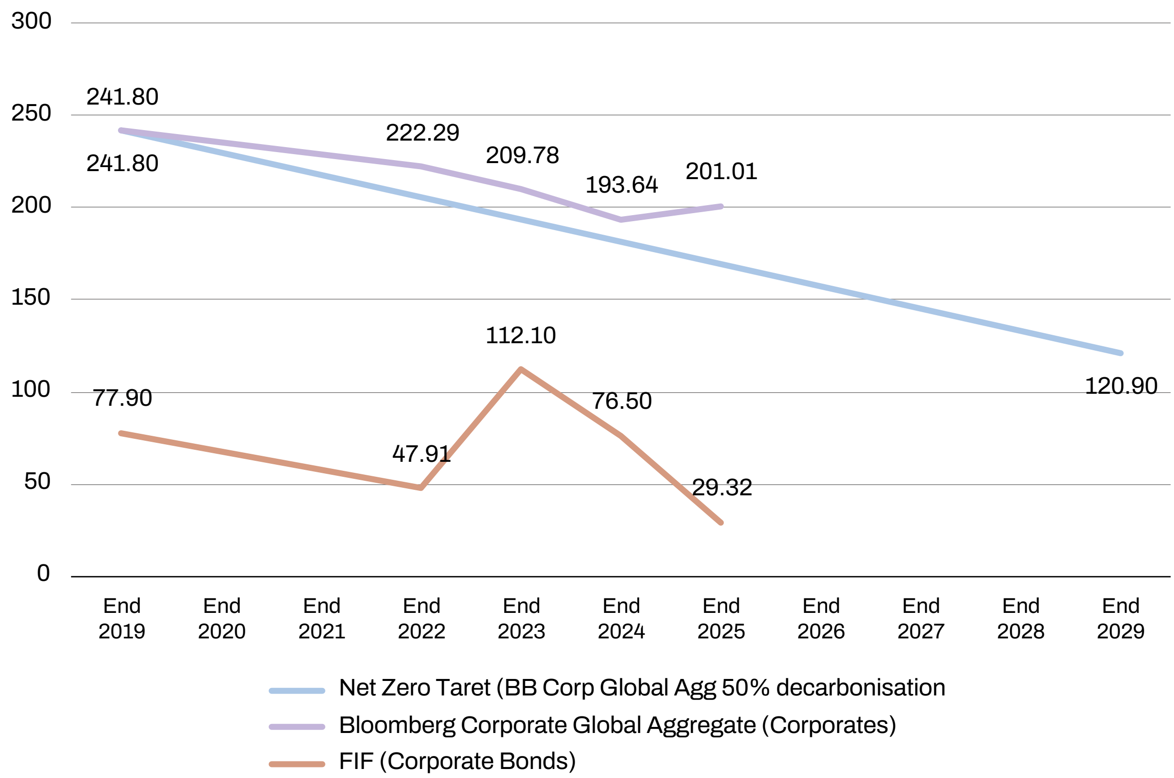


FIG. 7: WEIGHTED AVERAGE CARBON INTENSITY (WACI) SCOPE 1 AND 2 (TCO2E/$M SALES)

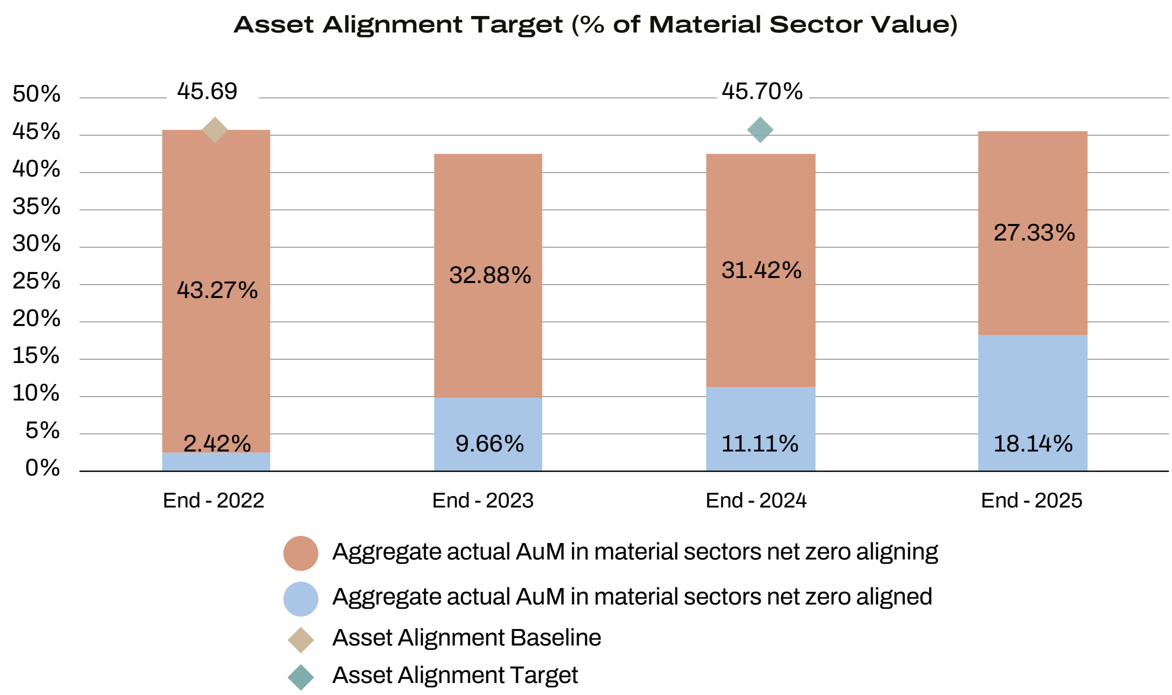


Source: LPPI, MSCI

Alignment target

Target: For the corporate fixed income holdings of the Fund, we aim to increase the percentage of AUM in companies within material sectors which are net zero, aligned or aligning by 2025. Our overall ambition is to achieve 100% of AUM in companies within material sectors that are net zero or aligned by 2040.

FIG. 8: ALIGNMENT AS PROPORTION OF MATERIAL SECTOR VALUE



Source: LPPI, Delegated Investment Manager

As of 31 December 2025, the Fund alignment as a proportion of material sector value was 45.47%, which was slightly below our 2025 target. Whilst the share of aligned holdings increased over that period, a commensurate increase did not happen for those categorised as aligning which resulted in the target being missed.

In 2026, we formally adopted new medium-term targets. As part of this process, we worked closely with the delegated managers to ensure that targets strike a balance between being achievable and being ambitious enough to progress us towards our longer-term targets. Please refer to appendix for commentary on alignment methodology.

Engagement target

Target: For the corporate fixed income holdings of the Fund, we aim to achieve an engagement threshold where at least 70% of financed emissions in material sectors are net zero, aligned, or under direct or collective engagement and stewardship actions by 2025. Our overall ambition is to increase the threshold to 90% by 2030.

The table below 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 31 December 2025 are outlined in the table below.

As of 31/12/2025, fund engagement was 77.7% which was substantially higher than the baseline position and above our 2025 target of 70% of financed emissions.

Engagement threshold – percentage of financed emissions – material sectors

Engagement	31/12/2024	31/12/2025
% financed emissions in material sectors net zero, aligned or under engagement	67.3%	77.7%

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 delegated managers on our behalf and is reported to us alongside the alignment data. We are undertaking further work with our Delegated Managers to obtain more granular data aligned with the IIGCC alignment framework which may result in a change in mapping methodology and therefore may result in re-baselining in future periods.

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.

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
Financed Emissions	Financed emissions are the greenhouse gas (GHG) emissions associated with the investments made by financial institutions. These emissions are attributed to the investors based on the amount of capital they provide to the assets generating the emissions. The total emissions of the portfolio represent the absolute GHG emissions from assets held, allocated on an ownership basis. This means a portfolio holding 1% of a company's stock would be attributed 1% of the company's emissions.
Scope 1 Greenhouse Gas Emissions (Metric Tonnes)	Direct GHG emissions that occur from sources owned or controlled by the reporting company—i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
Scope 2 Greenhouse Gas Emissions (Metric Tonnes)	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated.
Scope 3 Greenhouse Gas Emissions (Metric Tonnes)	All other indirect GHG emissions (not included in Scope 1 and 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions that occur in the supply chain (for example, from production or extraction of purchased materials) and downstream emissions that occur as a consequence of using the organisation's products or services.
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 invested.
Total Greenhouse Gas Emissions (Metric Tonnes)	Total of Scopes 1 and 2 and 3 emissions.
Weighted Average Carbon Intensity (WACI)	The Weighted Average Carbon Intensity (WACI) is a metric used to measure the carbon intensity of investment portfolios. It represents a portfolio's exposure to carbon-intensive companies, expressed in tons of CO2 equivalent per million dollars of revenue.

Source: GHG Protocol

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

Metric	Formula	Description
Carbon Intensity	$\dfrac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's \$M revenue}_i\right)}$	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	$\dfrac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\text{current portfolio value (\$M)}}$	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

Falmouth, Cornwall

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.
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	LPPI invests on behalf of its Partner Funds through a series of pooled investment vehicles (Investment Pool Vehicles or “IPVs”). These IPVs are predominantly structured as authorised contractual schemes (“ACSs”) established under UK law and regulated by the Financial Conduct Authority. Each ACS is an umbrella vehicle comprising sub-funds, with each sub-fund representing a distinct investment strategy or asset class.
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.
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.
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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LPPI *Together, let's do more*