



LPP

Local Pensions Partnership
Investments

Stewardship Report 2024–25

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Key to disclosure labels

The list below highlights how we fulfil each of the 12 Stewardship Code Principles, with specific content addressing each principle clearly indicated throughout the document.

- 1 Purpose strategy**
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Welcome by our Chief Executive Officer



Chris Rule
Chief Executive Officer

This report marks LPPI's fourth and final year reporting under the 2020 UK Stewardship Code. Over that period our stewardship approach has evolved, becoming more systematic and embedded throughout the organisation and our reporting had grown to reflect this. We welcome the upcoming format changes introduced by the 2026 Code, which better reflect industry feedback on reporting efficacy and enhance relevance for diverse stakeholder needs.

Over the past 12 months (1 April 2024 – 31 March 2025), stewardship has taken place against a shifting landscape. In particular, rising pushback against ESG initiatives, most notably originating in the US, has prompted some high-profile investor withdrawals from collaborations. Whether this signals a fundamental retreat or a broadening spectrum of political perspectives, LPPI remains committed to rigorous stewardship grounded in detailed due diligence. We evaluate substance through close scrutiny of investment fundamentals, both in our selection of delegated managers and through transparent disclosure practices, enabling our stakeholders to regularly “look under the bonnet” of LPPI's stewardship.

This period also saw active engagement with consultations on pooling consolidation, which herald significant change for pension funds and pools within the Local Government Pension Scheme (LGPS). LPPI's fiduciary management approach is well aligned with the MHCLG's Fit for the Future model, positioning us to effectively support a broader range of collaborating pension funds as the landscape evolves.

At LPPI, we hold the conviction that ESG factors are integral to assessing the long-term outlook and impact-driven value of our investments. The evolving nature of sustainability standards challenges us but also sharpens our ability to refine underwriting, asset management, and engagement practices toward better outcomes.

Through continued ESG integration across our processes, guided by global frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Principles for Responsible Investment (PRI), we act as accountable stewards of our partner funds' assets. Our commitment is reflected in maintaining signatory status to the UK Stewardship Code for four successive editions of this report.

Highlights from the year include:

- Publishing our first comprehensive TCFD reports at entity, product, and partner fund portfolio levels, alongside Climate Risk Analytics Reports (CRARs) to monitor net zero targets and required climate metrics.
- Strengthening active ownership via initiatives such as the Net Zero Engagement Initiative for public markets and signing the Global Investor Statement to Governments on the Climate Crisis 2024, advocating for policy action aligned with the 2015 Paris Agreement.
- Preparing for the launch of the LPPI Environmental Opportunities Fund to invest in private market assets that support climate mitigation, adaptation, and natural capital stewardship.

Active engagement on material ESG issues remains core to LPPI's approach and underpins our ongoing stewardship efforts. We extend our sincere thanks to each team member for the dedication reflected in this report, and we hope you find the insights here informative and inspiring.

We hope you enjoy the read.

LPPI overview



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About us

Who we are

LPPI is a fiduciary manager working on behalf of public sector pension funds. We provide both advisory and investment management services to our partner funds¹, working with them to invest their assets diligently, cost effectively and responsibly.

We were formed in 2016 as a collaboration between two Local Government Pension Scheme (LGPS) funds seeking joint benefits from dedicated, cost-effective advisory, investment management, and asset pooling capabilities. Our purpose, culture and strategy are driven by this heritage and the strong fiduciary responsibilities imparted by our founding shareholders.

We are currently working on behalf of three Local Government Pension Scheme (LGPS), managing some £26 billion in assets². Our approach follows a Whole Scheme Management (WSM) model, which encompasses investment advice and investment implementation via pooled investment vehicles – some of which are managed inhouse, and some externally.

Our two other business partnerships

Firstly, we are the Alternative Investment Fund Manager for GLIL Infrastructure. This venture was set up in 2015 by two LGPS funds. GLIL now has six member funds, including three additional LGPS funds and Nest, the government-established defined contribution workplace pension scheme, with £4.1billion³ in committed capital. GLIL currently invests across renewable energy, water and ports, trains, hospitals and schools.

Secondly, we are the investment manager for The London Fund. This was launched in 2020 as a collaboration between LPPI and the London-based pool, London LGPS CIV. The goal is to invest in assets, such as infrastructure and housing, that deliver both financial value and social and environmental benefits to Londoners.

Alignment between LPPI and our partner funds is embodied in our core values of partnership and collaboration, and in our focus on long-term sustainability⁴. We think as an asset owner in acting as an asset manager and this dual focus informs how, where and what we invest in, on behalf of client pension funds, and how we act as responsible stewards.

¹ We refer to our clients as 'partner funds'.

² As of 31st March 2025.

³ As of 31st March 2025.

⁴ The use of the term sustainably/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.

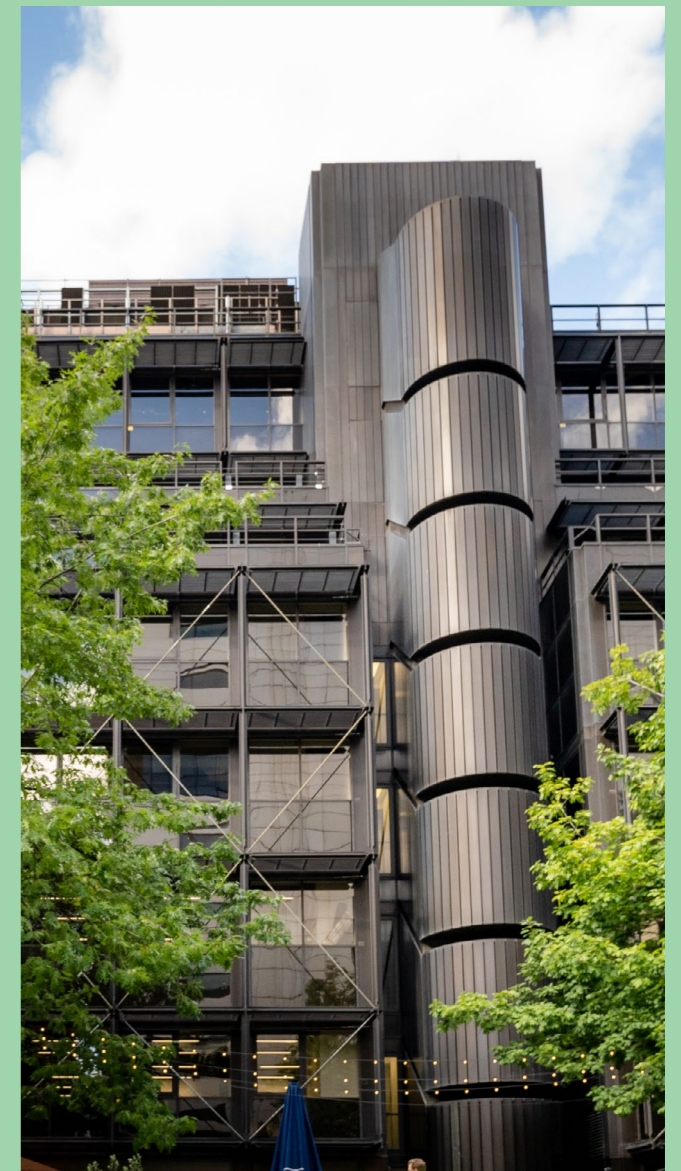
LPPI at a glance

£26.5 bn
Assets under management

£251 m
Cumulative net cost savings since inception

7
Major asset classes

76
Investment professionals



1

Our purpose

Our purpose is encapsulated in the following statement:

We deliver first class, value for money, investment outcomes aligned to clients' interests.

We bring our expertise and spirit of collaboration together to help our clients invest sustainably⁵ in better futures.

We are an investment management firm supporting partnership and collaboration by public sector pension schemes who are serving the public sector employers and their hard-working employees.

⁵ The use of the term sustainably/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.



Our values and behaviours

Our values and ambitions are important as they shape the decisions we take, how we deploy our resources and how we bring to life the client and employee experience.

Our employees share a common purpose which we have articulated in values, behaviours and beliefs which form the framework for a common business planning and performance management approach which supports objective setting, employee development and training, remuneration and career progression.

Our values translate into eight behaviours which personalise what we are striving for as a business and as a community of colleagues. Each employee is reviewed against these behaviours as part of the performance review process.



Working together

- I will treat every person in the firm with the level of respect I would want to receive in return and view difference in others as an opportunity to learn.
- I will ensure that individuals have the right information to deliver their role successfully and give feedback in a timely manner with a positive intent.



Doing the right thing

- I will consciously consider whether each piece of work contributes towards the firm's strategic objectives and challenge where there appears to be misalignment.
- I will take personal responsibility to challenge behaviours in myself and others that do not reflect LPPI's values.



Committed to excellence

- I will take individual accountability for delivering 'the basics' in my role to the highest possible standard and actively seek feedback to measure success.
- I will always look to improve the client experience, whether internal or external, and keep things as clear and simple as possible.



Forward thinking

- I will bring in all the relevant colleagues as early as possible when planning new work and provide context, be clear on the outcomes and agree timelines.
- I will create processes that are fit for purpose over the medium term and avoid short-term fixes wherever I can.

Our Business Plan 2024-2027

Our business planning process addresses **seven strategic goals**:

1. First class investment outcomes
2. Client orientation
3. Responsible investment and building better futures
4. Industry leadership
5. Value for money
6. Proud to work at LPPI
7. Robust foundations

In March this year, we agreed our Business Plan 2025-2028 which updates our prior plan for the period 2024-2027.

The focus for this next phase is to build on strong foundations and prepare for growth, while maintaining investment performance, client alignment and strong stewardship. This reflects that we have made strong progress against last year's objectives, with highlights from the following areas:



- **Technology and Data Roadmap**

- Key achievements include the selection of a total portfolio system which will go-live in FY26 and has been supported by the creation of a data team within the Investment Operations team.
- We have also implemented a reconciliation tool for Operations, MyCompliance Office for Compliance, and a data integration service to supplement Investment Risk analysis.

- **Growth Plan Delivery**

- All the objectives of our 2030 Growth Plan have been met or transitioned to “business as usual” processes (BAU). *(Page 5 and 69 of this report)*
- Growth Plan Delivery remains a strategic objective for the coming year as we seek to respond to the Government's Fit For The Future consultation. *(Page 5 and 69 of this report)*

- **ESG Programme**

- Net Zero - Phase 3 targets have been agreed and moved to BAU. Phase 4 will focus on consolidating balance sheet items into existing targets and embedding the work of implementing these targets into BAU. *(Pages 60–61 of this report)*
 - A project has commenced with focus on preparation for LPPI's entity reporting under the Sustainability Disclosure Requirements (SDR) due in 2026.
 - Preparation for the launch of the LPPI Environmental Opportunities Fund, culminated in its launch in April 2025. *(Page 65 of this report)*
- **Client Reporting and Servicing**
 - Improvements have been made to regular client reports, most notably in combining Performance and Risk Reports as well as updates to our Responsible Investment dashboard based on client feedback. *(Pages 67–69 of this report)*
 - Work to determine the ‘future state’ of our partner funds servicing model is underway, with the aim of establishing an approach that delivers a seamless experience for existing partner funds whilst also laying the groundwork for future growth.

People and Culture

We undertook work to shape and articulate LPPI’s Employee Value Proposition (EVP) during the reporting year. The EVP is critical to employee retention as it addresses the psychological and monetary contract existing employees have with the organisation, while presenting an appealing proposition to prospective hires. Capturing the essence of what makes LPPI a great place to work and distilling that into an EVP was a specific target in the 2024-27 LPPI business plan under the “Proud to work at LPPI” goal.

Comprehensive work undertaken during the reporting year included workshops, desk-based research, focus groups and a dedicated management forum to make sure insights were authentic and values resonated with current colleagues. Through these efforts, Ambition, Growth, Purpose and Wellbeing were identified as our core pillars.



Ambition

This reflects our people and business’ purpose-led growth agenda, our focus on empowering our people to be decision-makers and our drive to maintain a market-leading position.



Growth

This reflects our people and business’ commitment to learning from each other’s expertise; exposure to complex and interesting work and commitment to providing lots of responsibility, right from the get-go.



Purpose

We offer long-term, sustainable work that can be aligned to personal values, built on a culture of trust, autonomy, respect and accountability and steered through transparent and accessible leadership.



Wellbeing

We recognise each other’s whole selves (as much as they want to share); are focused on our duty of care and are committed to a grown-up, flexible and understanding approach to maintaining work / life balance.

These pillars reflect the reality of the working environment, management style, culture and benefits of working here at LPPI and we’ve started bringing those pillars to life through the voices of our people.

Across LinkedIn, our website, and internal channels, colleagues have been sharing their own stories—about career journeys, bold moves, and personal growth. These stories aren’t just inspiring; they show what “growth” really means at LPPI.

Outcome of Great Place To Work Survey

To further complement the EVP, we ran the Great Place To Work survey and were proud to achieve official accreditation as a Great Place to Work—including special recognition for our commitment to learning and development and the Best Place To Work for Women category. The survey results highlighted justice, community and impartiality as some of the highest-scoring themes that resonated with our employees. Together, these steps reflect the progress made to date in building something powerful: a workplace where people can thrive, and a culture that will fuel LPPI as we continue our next exciting phase of growth.



Recognition

A sense of belonging as an employee is nurtured by feeling both recognised and appreciated for the value each of us add at our place of work. Our fourth round of Employee Recognition Awards took place in July. These awards are a peer-to-peer recognition scheme set up by and for employees to recognise one another’s achievements and contributions. Individuals nominate their colleagues across four different categories of awards listed below:

The Cape – recognises those who go above and beyond, who put in the effort to successfully deliver, who go the extra mile. It is about that person who gets a difficult project across the line, a superhero in our midst.

The Samaritan – recognises that person who supports their colleagues who is always there, a supporter, a cheerleader and a helping hand, practically and/or emotionally. This could be a shoulder to cry on, a wise mentor and advisor, or a practical pragmatic cheerful fixer of problems.

The Oracle – a new category introduced at the end of last year. This award identifies the person that we seek out to educate and advise us, that provides support outside of their role to make sure that colleagues have an increased knowledge and understanding.

The Ninja - recognises the unsung hero who tirelessly and quietly works behind the scenes, out of sight and not seeking attention or praise. This person is in the background, getting things done and making a real difference.

There is also a separate annual award called the **Team Award**. This is the only award that is decided by the Executive Committee and recognises those who have made a measurable contribution to the business. This may be by delivering a project that achieves a great outcome or who, as a team, have consistently done an excellent job. This could be a functional team, or a group assembled for a particular task or project who work across departmental borders. Winners will also have demonstrated and modelled the organisational values in their delivery.

Engagement with these awards has been consistently high, with the awards committee having reviewed 312 individual nominations covering 130 individuals since inception.

Learning and Development

Creating opportunities for employees at all levels of LPPI to grow continues to be a top priority. Managers are of course key in leading, coaching and developing their teams. Following the introduction of toolkits last year on self-learning themes such as onboarding, capability development, inclusive leadership and performance management, the People and Culture team have now turned their attention to recruitment. A one-day Interview Skills workshop has been introduced as a mandatory learning for all managers. The workshop focuses on ensuring an inclusive and fair process – looking at drafting the job description right through to the screening of CVs, interview shortlisting and selection of appropriate candidates.

In early 2024, LPPI launched a bespoke Women in Leadership programme led by an external facilitator and coach. This is a programme designed to recognise the specific challenges women can face in our industry and introduce techniques to mitigate these alongside building self-awareness and confidence, with the desired outcome of increasing representation at senior levels over the medium term.

The challenges unique to women stem from:

- the financial services industry having historically favoured masculine approaches; and
- individual (and often unconscious) beliefs about who she is.

These influence how women show up to work and hence a more customised and intuitive development framework is essential to give the best chance to accede to leadership positions and thrive.



Wellbeing

Physical and mental wellbeing remains a priority and an aspect of our culture where colleagues feel LPPI goes the extra mile. We offer employees all family private medical cover with AVIVA at the highest level available. Employees have two windows throughout the year to opt in, providing that much needed flexibility. The ability to buy and sell leave is rare in our sector, but it is something we see as key to our employees being able to plan their work effectively around their lives and offering two windows in the year in which they can do this provides maximum flexibility.

Our wellness events play an important part in prioritising our employee's wellbeing, encouraging them to take time away from the desk and fully immerse themselves in the games and activities available on the days.

We also continue to have a fantastic group of employee mental health first aiders, who are regularly accessed by colleagues for a chat and a point in the right direction to further support. Alongside this, LPPI have a dedicated Employee Assistance Programme (EAP) offered through WeCare. This EAP also provides Legal and Financial Advice and can be accessed not only by our employees but by others in their household.

Outcome of the 2024 All-Employee Survey

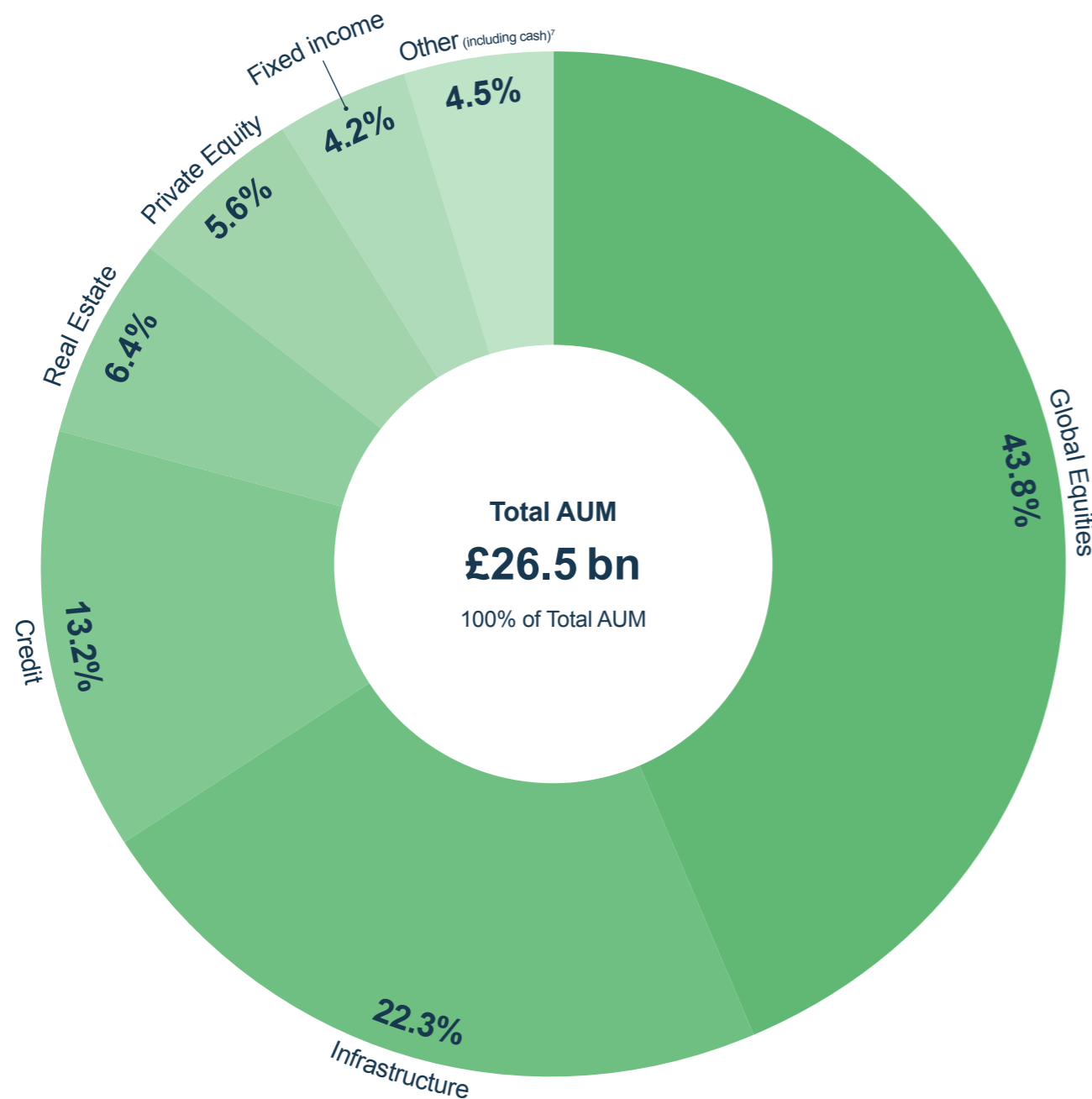
LPPI seeks feedback from employees via an engagement survey on the Peakon platform three times a year. Completion rates continue to be strong (typically over 80%) and a high volume of supporting commentary is provided against the individual scores given. The results are shared with the business at our periodic Business Update townhalls, together with the agreed actions to be taken forward.

LPPI's overall engagement score hovers around the threshold of the top quartile, as measured against a financial services peer group. This result is testament to our efforts in the areas highlighted above and is once again evidence that the Employee Value Proposition is experienced by colleagues in their daily working life and that they truly feel they have a voice that is heard.

Overall attrition continues to trend well below industry averages.

Our assets under management

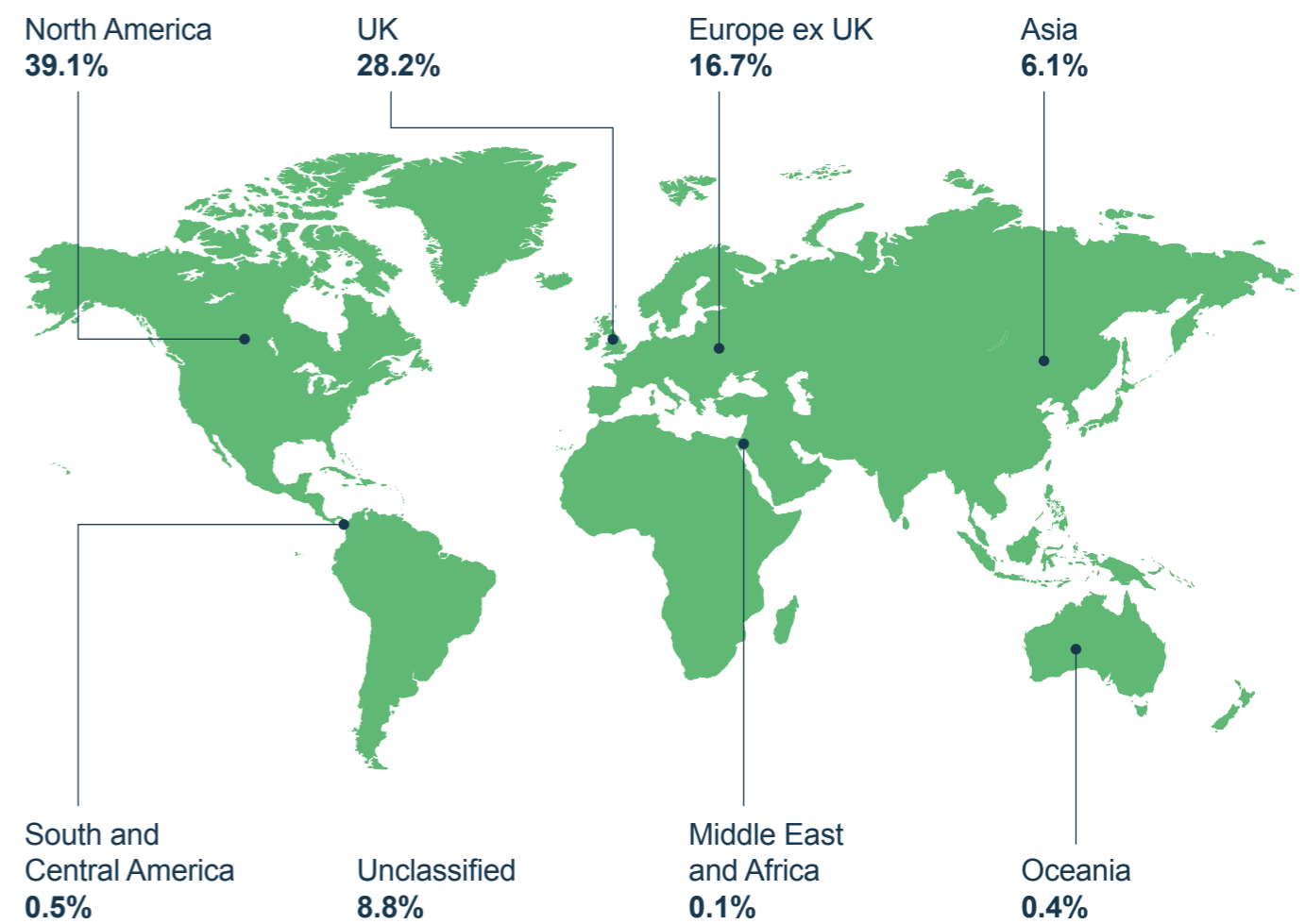
Fig 1: Total assets under management⁶



⁶ As of 31 March 2025.

⁷ This includes cash from our listed equity and infrastructure portfolios, alongside combined legacy assets and cash from the balance sheet of our three partner funds.

Fig 2: Assets under management by geography



Figures present an aggregated summary for the asset classes comprising LPPI's assets under management.

8.8% of assets are in instruments not readily identifiable with a specific geography and are shown as unclassified on this basis.

Fig 3: Internally managed assets under management

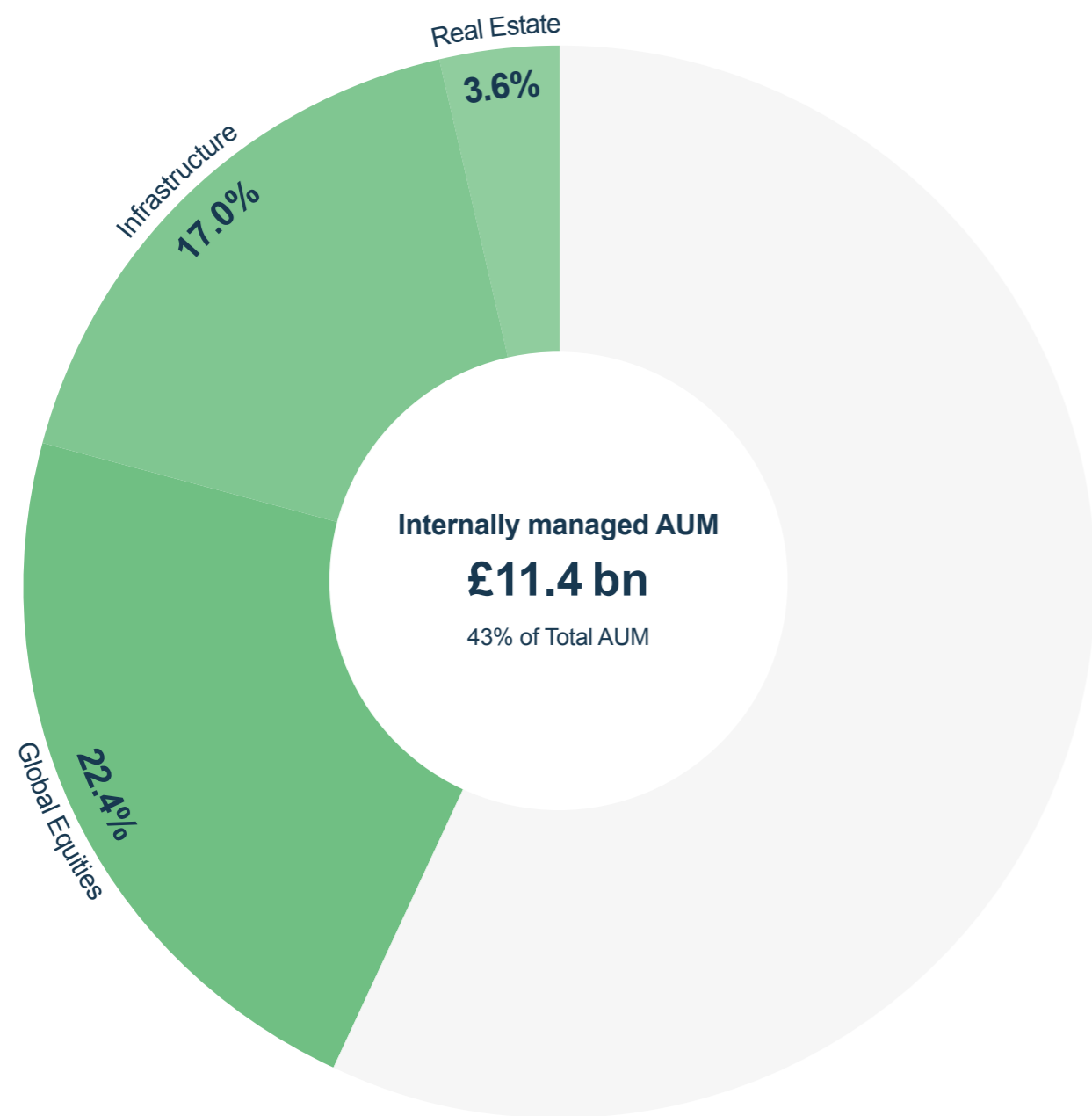
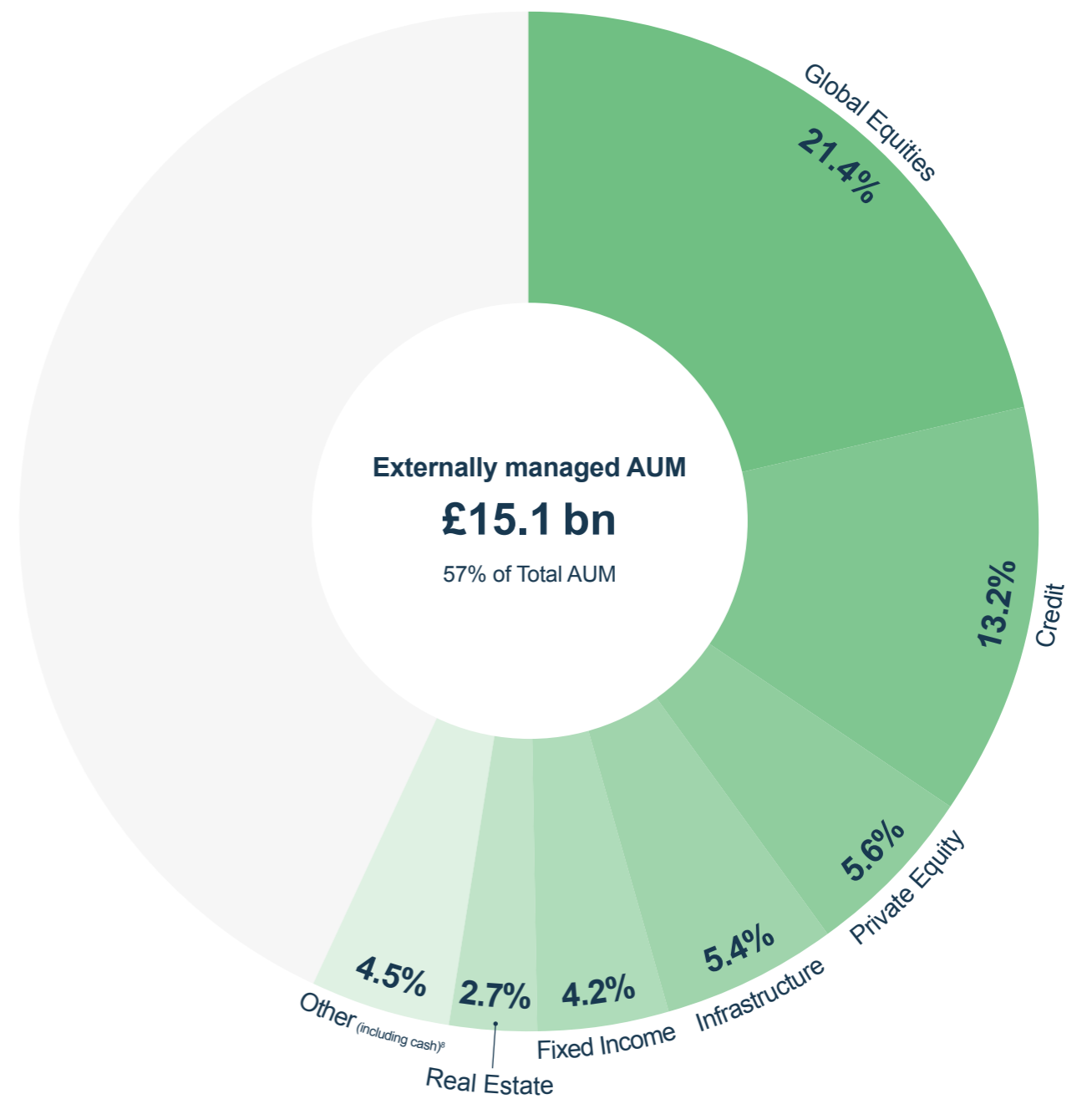


Fig 4: Externally managed assets under management



^a This includes cash from our listed equity and infrastructure portfolios, alongside combined legacy assets and cash from the balance sheet of our three partner funds.

Governance

Effective governance

Our governance, risk management and internal control frameworks have been designed and implemented in proportion to the nature, scale and complexity of our business. Our Board, committees and senior management operate within these frameworks which have a strong stakeholder focus and ensure compliance with FCA regulation, helping to safeguard client assets and objectives. The LPP Group has agreed to follow the Wates Principles.

The LPPI Board sets the overall direction and culture of LPPI and maintains oversight of risks and opportunities. It approves the business plan, which includes key strategic initiatives such as our ESG Programme, and then oversees LPPI's performance against it. The Board receives status updates on the progress of all strategic initiatives at its quarterly meetings, with additional updates in the interim periods as necessary or appropriate. It also receives quarterly updates from its committees and sub-committees (including the Stewardship Committee) from each committee's chair.



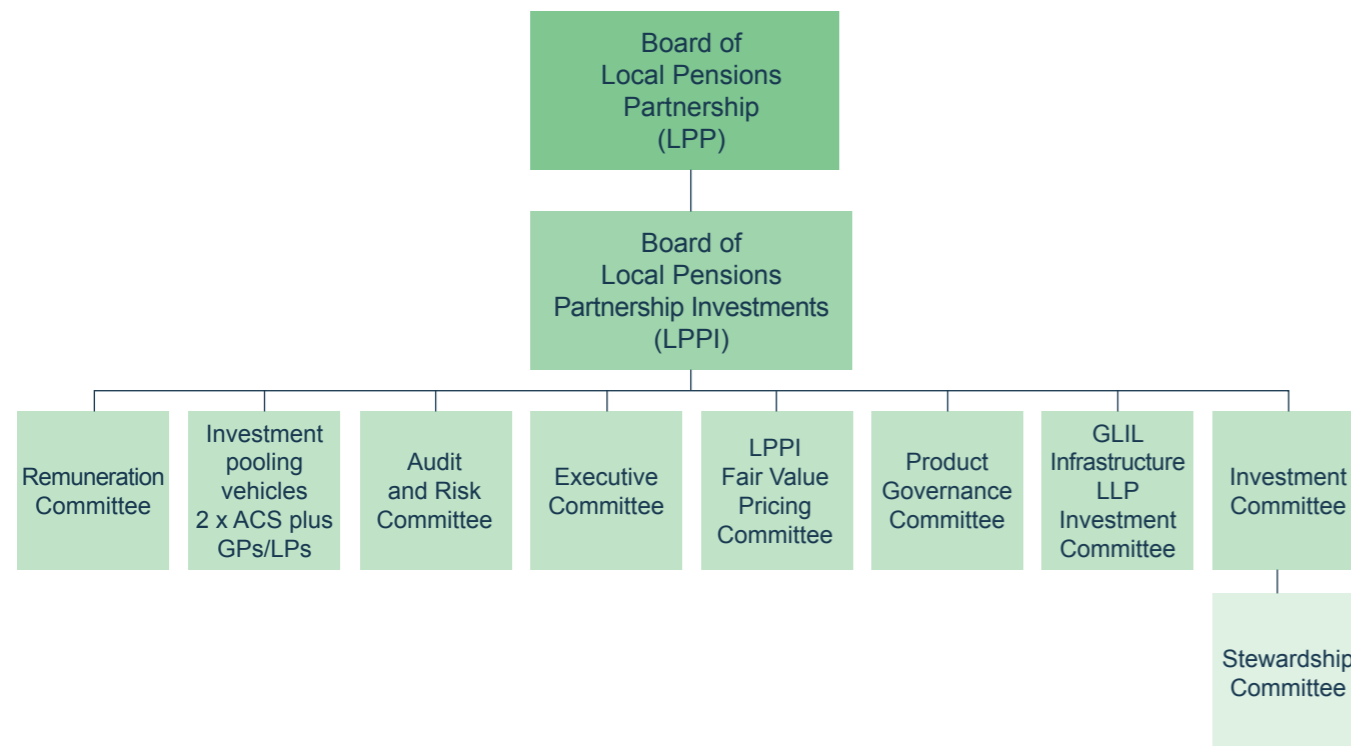
Our Stewardship Committee

We are committed to the highest standard of corporate governance. The LPPI Board reports on a quarterly basis to the LPP Group Board, which is in turn responsible to its shareholders for the overall direction, supervision and management of LPP and its subsidiaries.

The day-to-day running of the business is delegated to the CEO and the Executive Committee, whose members during the 2024-25 reporting year were:

- Chief Executive Officer
- Chief Investment Officer
- Chief Legal and Compliance Officer
- Chief Business Development Officer
- Chief Operating Officer
- Chief People and Culture Officer
- Chief Risk Officer

The chart below shows our governance structure, which details the Stewardship Committee's role in providing effective oversight of and accountability for stewardship and lists the participants to stewardship during the reporting year.



Our Stewardship Committee is a sub-committee of our Investment Committee and helps enable oversight and accountability for effective stewardship across LPPI.

The Committee's role is to consider stewardship from a business-wide perspective with a strategic lens. The committee oversees LPPI's status in relation to external standards of good practice based on review which includes 3Ds:

- Sufficiency of our processes – 'doing'
- Efficiency of evidencing/recording activities and outcomes – 'demonstration'
- Quality of stewardship reporting – 'disclosure'

The Committee's main duties are to:

- Monitor our positioning against applicable external standards of stewardship good practice, including compliance with the requirements of the UK Stewardship Code
- Identify gaps or shortcomings detrimental to our attaining or retaining good standing (re philosophy, policy, strategy, implementation, data collection, measurement, transparency, reporting etc) and brief the Investment Committee/ notify responsible parties as appropriate
- Ensure work to address material shortcomings is given appropriate priority internally by department or process owners (BAU) or our change management process
- Deliver work commissioned from it or delegated to it by the Investment Committee (discuss/engage/ consult/ survey/research/analyse/ compile data/identify options/provide recommendations on a specific topic etc)

Our stewardship participants during the 2024–25 reporting period

Formal governance bodies

LPPI Board	Members: Non-Executive Chair and four other Non-Executive Directors; Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Investment Officer (CIO). Regular attendees: Members of the Executive Committee and the Company Secretary.
Audit and Risk Committee	Members: Four Non-Executive Directors. Regular attendees: Non-Executive Chair, CRO, CEO, Chief Legal and Compliance Officer (CLCO), Head of Finance, COO, Company Secretary.
Executive Committee	Members: CEO, CIO, CRO, COO, CLCO, Chief Business Development Officer (CBDO) and Chief People and Culture Officer.
Investment Committee	Members: CEO, CIO, CRO, Deputy CIO, Head of Internal Equities, Head of Investments – GLIL Infrastructure and Head of Investment Strategy. Additional Members: Heads of each asset class from the Investment Team and a Compliance representative. Regular attendees: CLCO, Investment Team members, as appropriate.
Stewardship Committee	Members: CIO, CRO, CLCO, Head of Client Management, Head of Responsible Investment, Responsible Investment Team Manager.

Other participants

Heads of Service (Investment Team)	CIO, Head of Real Estate and Indirect Infrastructure, Head of Investments – GLIL Infrastructure, Chief of Staff, Head of Investment Strategy, Head of Operational Due Diligence, Head of Responsible Investment, Head of Asset Management.
Asset class teams	Analysts, senior analysts, deputy portfolio managers, portfolio managers, Head of Asset Management.
Regulatory Change Working Group	Compliance (chair) with representatives from Investments, Investment and Fund Operations, Finance, Investment Performance and Analytics, Business Change, Legal, Investments Tax, Enterprise Risk, Investment Risk and Responsible Investment.
Responsible Investment Team	Head of Responsible Investment, Responsible Investment Team Manager, Senior Responsible Investment Analyst and ESG Analyst.
External (asset) managers	Delegate asset managers selected and overseen by LPPI.
External providers	Companies selected by LPPI to provide specific services including proxy voting and Engagement.



Our Responsible Investment Team and internal resources

Our resourcing approach recognises that stewardship and responsible investment are a universal responsibility and hence a firm-wide matter at LPPI. Our focus on systematic ESG integration (sESGi) has increased the demands on investment teams in terms of research, due diligence, monitoring and reporting. We continue to embed resourcing for responsible investment activity within a broader range of teams.

The reporting year saw LPPI recruit to a new ESG Analyst role focused on the development of internal ESG integration frameworks plus provision of thematic research and analysis .

We also initiated the recruitment process for two Stewardship Manager positions, focused on corporate and real asset stewardship respectively. These are reflective of increased regulatory pressures (expanding requirements to disclose stewardship activity and portfolio sustainability measures) placing data-related reporting burdens on our asset class teams.

Formation of FAARRI Group

To meet our strategic objectives and strengthen our fiduciary management capabilities, inQ3 2024 we created FAARRI group. This acronym reflects activities encompassed by formally bringing together our Responsible Investment and Investment Strategy teams (Fiduciary, Advisory, Analytics, Research and Responsible Investment). The FAARRI group recognises the portfolio-wide Whole Scheme Management (WSM) model we follow. Its creation under the leadership of our Chief Investment Officer will facilitate more systematic consideration of partner fund investment objectives across what are frequently conjoined priorities for risk, return and real world outcomes.



The FAARRI group’s responsibilities transect the space from advising partner funds on investment strategy to the perimeter of core asset management (which is delegated to the Deputy Chief Investment Officer (DCIO) and the Portfolio Managers who are managing LPPI’s pooled funds). FAARRI will translate requirements from interaction with our partner funds, regulation, government and market signals into clear and workable stewardship parameters and processes alongside consistent and supportive dialogue with teams across the business.

Below is a summary of current roles with specific responsible investment duties⁹:

Job title	Team	Key responsibilities within reporting period
Head of Responsible Investment	Responsible Investment	Leading our approach to Responsible Investment across the business from the bottom up
Responsible Investment Team Manager	Responsible Investment	Management of Responsible Investment Team, driving net zero strategy and policy development for LPPI Environmental Opportunities Fund.
Senior Responsible Investment Analyst	Responsible Investment	RI data lead responsible for data and data systems management with a specific focus of climate analysis. Leading client reporting with a focus on implementing LPPI’s Net Zero strategy across the business. Dedicated SME support on ESG due diligence and monitoring for The London Fund.
ESG Analyst	Responsible Investment	Oversight of LPPI’s approach to ESG integration across core investment processes and asset classes, review of LPPI policies and ownership of corporate ESG tools and frameworks.
Deputy Portfolio Manager	Internal Global Equities	Responsible for analysing the environmental, social and governance (ESG) risks of existing and potential investments. Working alongside Senior Responsible Investment Analyst on shareholder voting process.
ESG Analyst	External Managers	Embedding ESG within selection, appointment and monitoring of our external managers with a particular focus on private equity and fixed income asset classes.
ESG Risk Manager	Investment Risk	Monitoring, assessment, and reporting of portfolio ESG and enterprise risks including alignment of investment strategies with net zero targets and broader sustainability goals. Risk team representative at asset class review meetings.
ESG Integration Programme Manager	Legal, Compliance and CoSec	ESG Programme project management (net zero/TCFD/SDR).

⁹ Some job titles and key responsibilities may have changed since 31st March 2025.

We supplement internal resourcing and expertise by working with experienced external partners as appropriate.



Chronos Sustainability

Chronos Sustainability are supporting the implementation of our net zero commitment through the provision of advice and focused subject matter expertise.



Robeco Active Ownership

Robeco Active Ownership provide additional resourcing for our stewardship of public market assets, which increases our internal engagement capacity in global equities and corporate fixed income. Additional experienced personnel physically located in key markets extends the reach of our engagement activities and has the benefit of access to specialist climate and human rights expertise.

Robeco undertakes engagement for us through two main categories: value engagement and enhanced engagement.

Value engagement is a proactive approach focusing on long-term, financially-material ESG opportunities and risks that can affect companies' ability to create value. This typically takes place through three-year structured engagements across themes determined by Robeco and their clients to be the most pertinent risks identified in the assets under engagement. Robeco seeks to improve ESG risk management across these areas, creating and protecting value across our investments. For more information on Robeco's engagement activity on our behalf, please see the 'Our public markets engagement partner – Robeco' section later in the report.



Review and assurance

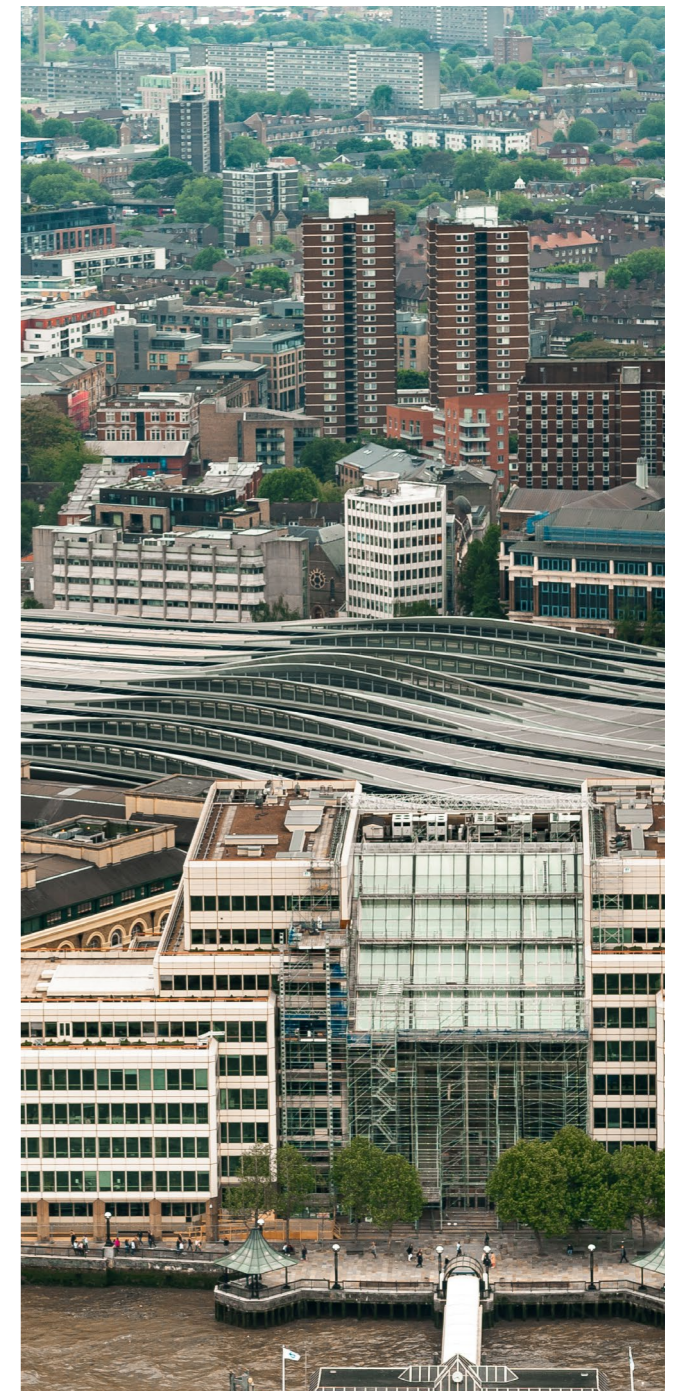
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Assessment against industry benchmarks

We are led by the requirements of our partner funds and recognise the importance of articulating our stewardship approach and demonstrating our stewardship standards to facilitate their oversight. For more information on our responsible investment policies and updates within the reporting year, please see 'Our approach to responsible investment' later in the report.

Objective external assessment gives our partner funds assurance we are acting as good stewards on their behalf and provides us with actionable feedback. We approach this in three ways:

- By adopting appropriate industry standards as benchmarks. The standards we apply include the Principles for Responsible Investment, the UK Stewardship Code, and the Task Force on Climate-Related Financial Disclosure. This ensures that we keep abreast of changes in industry best practices.
- By regularly reporting to our partner funds on what we are doing, being accountable, listening, and working on the areas they ask us to evolve.
- By auditing and undergoing external assessment of our stewardship processes, for example through our submissions as a signatory to the Principles for Responsible Investment (PRI) and the UK Stewardship Code.



Recognised best practice standards

The Principles for Responsible Investment and the UK Stewardship Code involve mandatory reporting. They encompass a commitment to regular detailed disclosure of stewardship arrangements, policies, activities, and outcomes. In both cases, disclosures are externally assessed to confirm they evidence effective stewardship and an approach to the integration of environmental, social and governance factors into our investment processes which meets the required standard.

We have chosen to report under the UK Stewardship Code because it sets a high bar for stewardship efforts in the asset management and pension fund industry within the UK. As a UK based asset manager with purely UK based partner funds, remaining a signatory alongside the associated reporting involved in this process provides evidence to our partner funds that we are a responsible steward of their assets and ensures we remain in good standing amongst our peers.

Our Responsible Investment and Stewardship Annual Report is submitted to the Financial Reporting Council each October and published on our website. It offers a comprehensive narrative that partner funds, stakeholders or indeed anyone with an interest in pensions or sustainability might benefit from and enjoy reading.

We elected to be a Principles for Responsible Investment (PRI) signatory and have maintained signatory status since 2018. Becoming an asset owner signatory meant our founding partner funds could place assurance on us rather than being signatories directly. Our responsible investment practices are externally assessed against the PRI's five-star rating framework. We reported against the core mandatory modules for long term signatories of the PRI for the 2024-25 year period and anticipate returning to full reporting from 2026 once the PRI's new framework is implemented.



We aim to align our responsible investment approach to appropriate best practice standards for specific topics or themes for our portfolio. Aligning our approach to portfolio climate change risk management with leading frameworks in this field such as the Institutional Investors Group on Climate Change (IIGCC) and CA100+ means we benefit from external benchmarks for climate change risk management, engagement and net zero stewardship.

Industry standards are “dynamic” which means they are regularly being updated to remain current and relevant. We make a point to feed into this evolution to encourage efficient and proportionate processes, which help us fulfil our commitment to continuous improvement (*see page 131 for our response to the IIGCC Consultation on Transition Finance and UK Green Taxonomy*).

Through their adoption and application outside of formal assessment frameworks, we frequently carry out internal benchmarking exercises and seek expert opinion on specific elements of our reporting, policies or processes. For instance, we internally benchmark our TCFD and responsible investment reporting against industry peers each year.

3

Identifying and managing conflicts of interest

We operate in a close and supportive partnership with a small number of partner funds, two of whom are also our owners. The expectation of enduring strong relationships with our partner funds creates a strong foundation for long-termism and aligned priorities which play out through our stewardship arrangements and activities.

During the execution of our role as an asset manager, there is the potential for conflicts of interest to arise. These could be between an asset manager and a partner fund, for example in the timing and nature of holding a given security. They could also occur between partner funds, who may share similar responsibilities, interests and concerns but also have individual local priorities and perspectives.

Our Conflicts of Interest Policy is now in its sixth version, most recently issued in October 2024 in accordance with our review process. The policy has received only minor changes over the 2024-2025 reporting period. The policy is owned by LPPI's Chief Legal and Compliance Officer and is reviewed and approved at board level. A copy is available to all internal staff on our intranet and to our partner funds and other external stakeholders on request. The conflicts of interest policy details 12 examples of possible conflicts – including the way they could arise and the measures, tools and processes we should use to combat, prevent or avoid them.

Our policy defines conflicts of interest as:

- *“...a situation where one or more persons or entities have competing interests which may (actually or potentially) damage the interests of a client.”*
- *“An interest is the source of any advantage, direct or indirect, of whatever nature, tangible or intangible, professional, commercial, financial, non-financial or personal. An advantage is not limited to making a gain, as it also includes the avoidance of a loss.”*

Overall, we seek to have appropriate measures in place that identify and manage conflicts to avoid any adverse impact on the interests of our partner funds:

Identification of conflicts

All employees are responsible for identifying and managing conflicts on an ongoing basis. Potential conflicts are documented in the Conflicts Register, maintained by our Compliance Team.

Employees are expected to assess potential impacts of the activities they undertake. Our Compliance Team also has the authority to investigate potential conflicts that have not been declared.

Recording of conflicts

Employees have a responsibility to raise potential conflicts with their manager and the Compliance Team. Employees must also provide relevant documentation.

Management of conflicts

Conflict management tools include (but are not limited to):

- using the organisational arrangements in place;
- refraining from taking an action or executing a transaction; and
- avoiding the service/activity giving rise to the conflict where it cannot be prevented or managed effectively.

Disclosure of conflicts

We share our policy with our partner funds before we start work with them. If in each situation there is any doubt about the likely success of us managing a potential conflict, we escalate it to the board. Any potential conflicts and associated mitigations are disclosed to the Audit and Risk Committee on a quarterly basis.

Conflicts of interest and responsible investment

In the stewardship area, it is acknowledged that conflicts may arise between LPPI, its employees and partner funds where we exercise voting rights (authorised by our partner funds, or in the collective interests of investors in a fund) in a manner that is not in the best interests of our partner funds. Although none were identified during the reporting year, this could potentially happen where LPPI:

- has a business relationship with the company subject to the vote;
- has staff who have personal relationships with individuals in the company subject to the vote; and
- has a proxy vote in respect of a company who has investments managed / administered by LPPI.

The following general mitigations are reflected in our Conflicts of Interest Policy should this eventuality occur.

- In overseeing, protecting and exercising voting rights and relationships, we always seek to act in accordance with sound principles of good stewardship and specifically in line with standards prescribed by the UK Stewardship Code.
- Our Conflicts of Interest Policy and associated procedures are in place covering key business areas and processes, these include our Responsible Investment Policy (with policy annexes relating to climate change and controversial weapons), our Shareholder Voting Policy, and Shareholder Rights Directive II Engagement Policy.
- Monitoring of potential conflicts of interest and associated mitigations by independent and competent.

An example of a potential conflict within the reporting period was that a member of the Investment Team (infrastructure) may, on an ad-hoc basis, provide high level advisory support to infrastructure projects in countries outside the UK / Europe. To address this potential conflict of interest, on engagement of a new role, an e-mail will be sent to their line manager and compliance stating the nature of the work and why this is not a conflict. A form documenting the various aspects that may give rise to a conflict is completed. A rationale is then provided as to why either no conflict exists or how a potential conflict could be mitigated.



4

Effective risk management

We oversee a range of asset classes and mandates through pooled investment vehicles managed on behalf of institutional investors.

Our approach to risk management, including how we identify and respond to market-wide and systemic risks, is key to providing a good fiduciary service for our partner fund's whilst also helping to promote a well-functioning financial system.

Our approach to risk

At LPPI, we take a whole-of-business view of risk. Our approach follows the three lines of defence model, underpinned by a strong risk culture across the organisation.

Our goal is simple:

- Protect our partner funds and treat them fairly.
- Make well-balanced business decisions by weighing both risks and opportunities.
- Only take risks we can understand and manage.

We continue to achieve this by linking our strategic objectives and approach to risk management through to the key business processes.

Emerging Risks

We regularly review emerging risks—emerging trends or potential future events where the nature and timing of their impact are uncertain. These are identified from both internal insights and external sources and often include geopolitical or macroeconomic factors.

Managing Market & Systemic Risks

Our Investment Strategy team (first line of defence) leads on monitoring and responding to wider market and systemic risks, such as geopolitical tensions and global conflicts. Events like the Russia–Ukraine war or conflict in the Middle East create significant uncertainty for global markets. We continue to track these risks closely to assess their potential impact on:

- Our business;
- Our investment portfolios; and
- Our outsourced arrangements.

Identifying Systemic risks – Climate Change

LPPI recognises climate change as a systemic risk because of its pervasive impacts on the global economy, financial markets, and investment portfolios. Systemic risks are assessed through LPPI's enterprise-wide risk management framework, which links risk analysis to strategic objectives and investment decision-making. LPPI identifies these risks via a combination of internal assessments and external monitoring, including geopolitical, macroeconomic, and climate-related developments.

Emerging risks are reviewed regularly, and climate-related transition and physical risks are explicitly noted as a key category of these emerging risks, given their long-term and widespread nature.

Responding to Systemic Risks – Climate Change

Climate change is recognised as both a threat and an opportunity. In response, we have committed to the goal of net zero emissions by 2050 (evaluating our portfolio's alignment with net zero pathways), progressively set asset class specific net zero targets which aid stewardship, and launched a dedicated Environmental Opportunities Fund to capture investment potential while managing systemic climate threats. LPPI's overall response has several dimensions:

- **Integration into Strategy:** Climate change risk is embedded in LPPI's overall investment approach, ensuring it is factored into portfolio construction, asset allocation, and stewardship activities (*TCFD 2024 p. 19*).
- **Governance & Oversight:** Responsibility for systemic risk management, including climate change, sits within LPPI's three lines of defence model, with the Investment Strategy team taking the lead on market-wide and systemic issues (*p. 21*).

- **Stewardship & Engagement:** We engage with investee companies and our managers to improve their resilience to material climate transition and physical risks, facilitated by asset class specific net zero alignment and engagement targets and shareholder voting guidelines (*TCFD 2024 pp. 36–38*).
- **Collaboration:** LPPI participates in industry initiatives alongside peers (e.g., IIGCC Net Zero Investment Framework) to strengthen our own and the wider market's ability to manage systemic climate risks (*TCFD 2024 p. 39*).

Primary responsibility for climate-related risk management is with the investment teams with a second line of defence provided by our Risk Team. Our internal risk policies, supported by the Risk Appetite and Tolerances Schedule, provide a framework for monitoring and managing risk and form an integral part of management and board processes, including decision-making processes.

More information on how we identify and manage climate-related systemic risks can be found in our TCFD Entity Report 2024, which is available on the [LPPI website](#).



Investment approach



Stewardship insights from our Chief Investment Officer



Richard J Tomlinson
Chief Investment Officer

At LPPI, we recognise that stewarding capital responsibly sits at the heart of our core purpose. We strive to be high-quality stewards of our partner funds' capital and reputations, and this responsibility drives our commitment to delivering value for money alongside sustainable long-term returns for our beneficiaries.

The review of the UK Stewardship Code and the dialogue it stimulated about expectations of stewardship provided renewed clarity on the responsibilities of asset managers. The new (2026) code's definition of stewardship as "the responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries" underscores our focus on measurable outcomes for scheme members. This definition emphasises sustainable value creation while acknowledging that such value depends on the economy, the environment and society to which our beneficiaries' interests are embedded.

This evolution in stewardship thinking aligns with our pragmatic investment approach at LPPI. We maintain a clear focus on delivering strong risk-adjusted returns whilst integrating material environmental, social and governance considerations into our investment analysis. Our approach recognises that these factors can significantly impact the long-term performance and sustainability of our investments.

Our stewardship activities are designed to maximise value for our partner funds through cost-effective and targeted interventions. Through our comprehensive asset management model, we maintain oversight across our portfolio, enabling us to exercise stewardship responsibilities efficiently and at scale. This approach allows us to engage directly with companies and assets where we believe such engagement can drive meaningful improvements in performance and governance.

The breadth of our stewardship activities reflects our commitment to delivering value across diverse asset classes and geographies. From direct engagement with companies in our internally managed portfolios to collaborative initiatives addressing systemic risks, we deploy multiple tools to influence positive outcomes. Our partnership arrangements extend our engagement capacity whilst maintaining cost discipline, and our participation in investor collaborations provides additional leverage on critical issues affecting long-term returns.

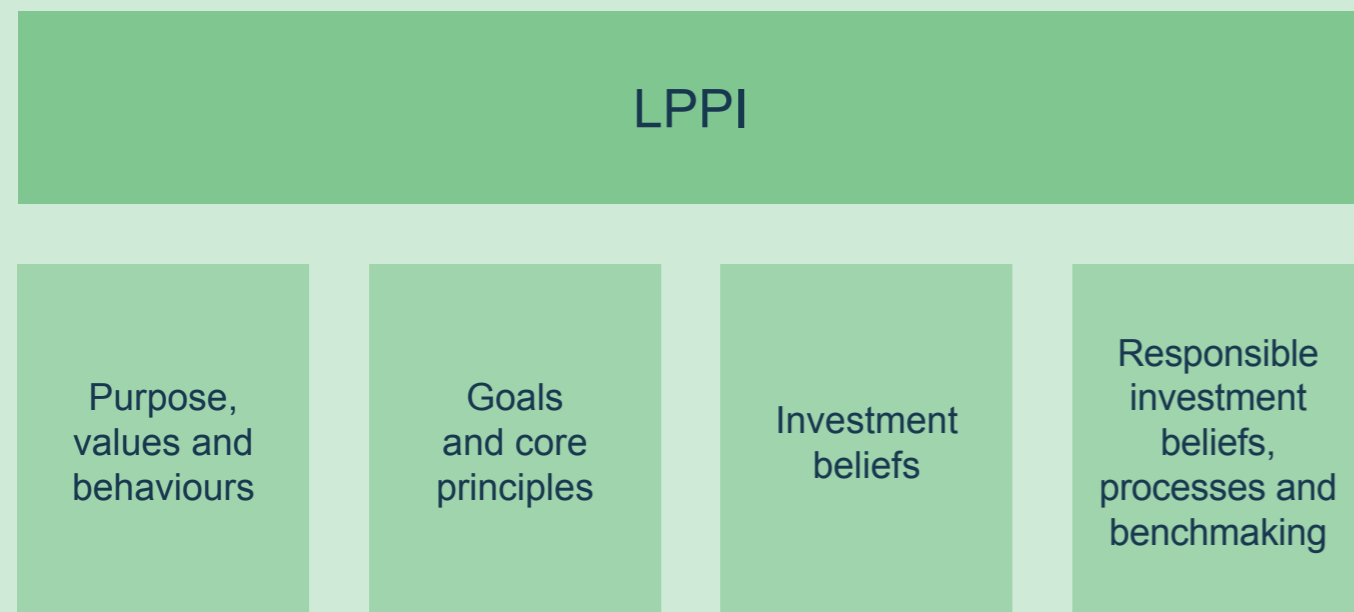
The streamlined reporting requirements of the new Stewardship Code present an opportunity to demonstrate more clearly the tangible benefits our stewardship activities deliver to scheme members. We welcome this emphasis on outcomes and accountability. As we prepare our reporting under the new framework, we remain focused on transparent communication about the concrete value our stewardship work generates for our partner funds.

Looking ahead, we continue to refine our stewardship approach based on evolving market conditions and the changing needs of our pension fund partners. Our commitment remains unchanged: to act as responsible and effective custodians of the assets entrusted to our care, always prioritising the delivery of sustainable returns that will secure our members' retirement outcomes.

Our investment approach and core principles

As long-term stewards of our partner funds' capital, responsible investment and stewardship are fundamental to the way we operate. Our approach to investment management is shaped by our investment beliefs, which in turn are guided by our core principles of responsible investment.

The foundations of stewardship at LPPI are comprised of our:



We are here to help our partner funds (clients) achieve three objectives:

1. Meet their funding strategy objectives through improved investment outcomes.
2. Manage their assets and cash flows to meet future benefit payments.
3. Invest sustainably¹⁰.

Our responsible investment and stewardship arrangements address the rights and responsibilities flowing from the asset ownership we undertake on their collective behalf. The long-term nature of pension fund provision translates into long-term investment horizons that require a focus on the future sustainability of investment returns and portfolio resilience.

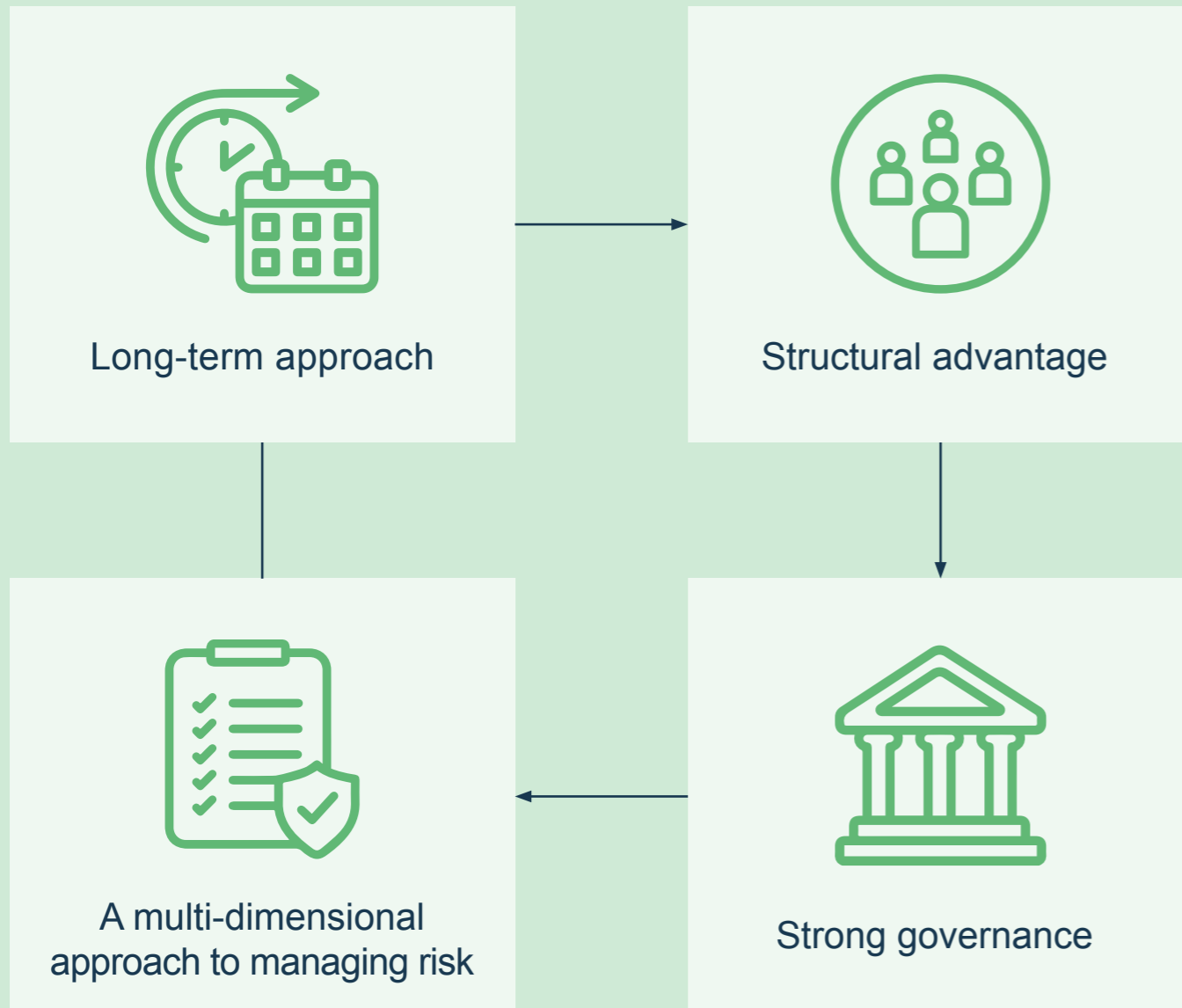
When we think about how we achieve those goals, we are guided by **five core principles**:

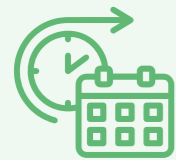
1. Long-horizon investing underpinned by solid governance	Commitment to strong governance structures with focus on generating liability aware long-term investment performance.
2. Stable ownership	Structure and investment beliefs aligned with clients.
3. Experienced, collaborative team	Strong client outcomes driven by a seasoned senior team working collaboratively.
4. Lowering costs without compromising on quality	Internalised investment management, alongside partnering with third party managers, to drive down costs without compromising outcomes.
5. Investment beliefs aligned to client needs	Investment beliefs based on international evidence of long-term pensions investment management success.

¹⁰ The use of the term sustainably/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.

Our investment beliefs

To achieve our goals, we are committed to managing investments according to four key investment beliefs:





Long-term approach

We believe that taking a long-term perspective on investing can lead to better returns than market averages.

- Long-term investment horizons provide opportunities that align with the duration of client liabilities
- We prefer strategies where the consistent application of rigorous processes give the best chance of reaching long-term goals
- Achieving sustainable, long-term returns requires careful assessment of all material investment drivers, including ESG factors
- Long-term ownership philosophy enables our stewardship goals
- A patient approach provides us with the ability to capture illiquid investment opportunities



Structural advantage

We believe that our scale, market presence and internal capabilities delivers access to attractive investment opportunities.

- Internal investment management can provide more aligned and focused client outcomes at lower cost
- Where we do not have internal resource, we look to partner with exceptional external investment managers
- Our scale and presence allows us to form partnerships that reduce costs and establish valuable strategic relationships
- We learn from our partners and understand our mistakes to continually improve



Strong governance

We believe that high quality governance and discipline should underpin investment processes.

- Strong and effective investment governance is a key requirement for long-term investment performance and broader organisational success
- Clearly defined objectives are essential to the consistent realisation of good outcomes



A multi-dimensional approach to managing risk

We believe that better outcomes are delivered by a multi-dimensional approach to managing risk which is regularly calibrated against objectives.

- Investment risk reporting and management should be implemented at all levels of the investment process
- Effective risk management is the thoughtful analysis of both qualitative and quantitative risks
- Incorporating sustainability considerations into underwriting and oversight drives improved outcomes



7

Our ESG programme

LPPI's ESG Programme is an ongoing strategic change project which ensures shared ownership and efficient coordination of LPPI's planning for external commitments and regulation in the stewardship space. The projects within the programme change over time. In the current reporting year, the ESG Programme has been the delivery route for the planning and coordination needed to producing mandatory TCFD disclosure by LPPI as an asset manager, fulfilling our net zero asset manager commitment, and supporting partner funds with their local production of climate change reporting as LGPS funds.

The ESG Programme structure comprises a steering committee and project working groups which report into it, bringing together staff with strategic expertise and relevant delivery responsibilities alongside staff specialised in project management and subject matter expertise.

The ESG Programme steering committee comprises the Chief investment Officer, Chief Legal and Compliance Officer, Head of Enterprise Risk, and Head of Responsible Investment who provide oversight and sponsorship. Working groups each have a lead officer responsible for developing and implementing a detailed workstream plan which feeds into an overall project plan to centralise and co-ordinate tasks and timelines across the business.

A milestone moment – TCFD

Climate change continues to be one of the most financially material issues to our investment portfolio and the reporting year witnessed a step change in regulatory requirements on the topic. TCFD-aligned disclosure requirements introduced by the FCA in 2021 came into effect, requiring LPPI to prepare and publish a report consistent with the TCFD Recommendations and Recommended Disclosures for our company (see LPPI Entity TCFD Report) as well as TCFD reports for our authorised funds (TCFD product reports) by end of June each year. For LPPI, this means we produced an Entity report, covering all funds and relevant targets, as well as individual product reports for the Global Equities Fund, Fixed Income Fund, Real Estate Fund and GLIL. The demonstration of governance, risk management practices and the coverage of data and metrics we were able to demonstrate in this first such report is a testament to the work carried out under the ESG Programme and the net zero target setting project over the past few years.

Our full set of TCFD reports and Client portfolio reports were shared with our partner funds in August 2024. This was a dedicated team effort managed within the ESG Programme which drew expertise from multiple teams across LPPI, with ultimate reporting responsibility resting with the LPPI Risk Team. The project and its outcomes were recognised by LPPI's leadership team and those involved were awarded the Team Award at the 2024 summer recognition awards.

We always seek to deliver value to our partner funds so alongside our mandatory reports, we undertook to proactively produce dedicated reports to support partner funds disclosing their management of climate change (should they wish to do so voluntarily) based on explaining our efforts on their behalf. Reports were well received, and one partner fund subsequently shared our reporting suite with an external consultant to evaluate readiness for TCFD reporting. In the consultant's view what LPPI produced was 85% of the way there – with the remaining 15% being activities it was appropriate for the pension fund to draft locally. We were very pleased to have external corroboration of the usefulness of the work we have undertaken and to use our resources and scale to reduce the burden on our partner funds.

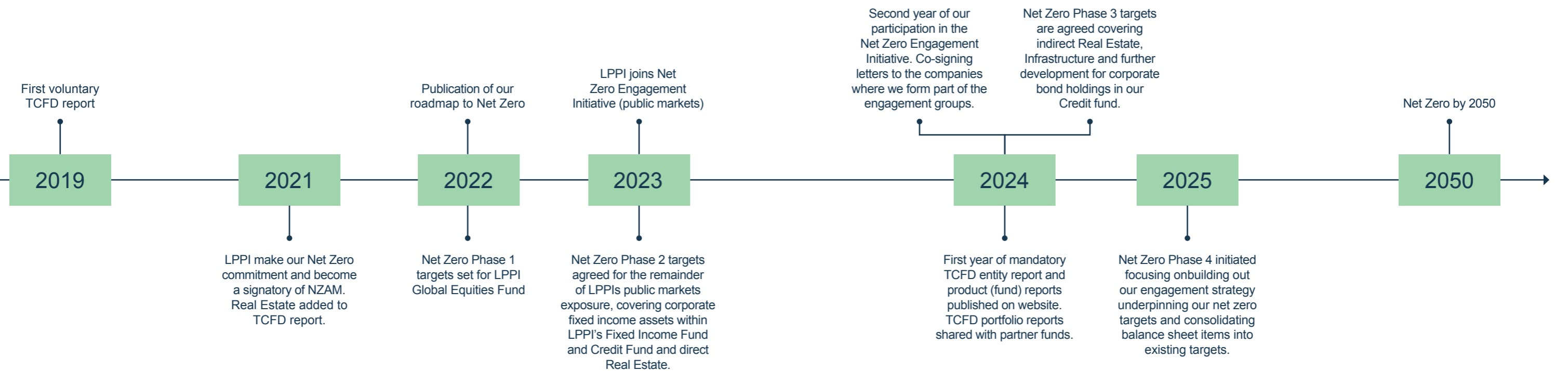
Progress on Net Zero Phase 3

Our ESG Programme has continued to drive accountability for our net zero commitment as well as manage the production of our first suite of compulsory TCFD reports.

We have been a signatory to the Net Zero Asset Managers initiative since 2021 and have progressively set targets on an asset class basis, meaning our targets can reflect the nuances of each investment strategy and better integrate into investment decision making for each fund.

During the reporting year, the third phase of our Net Zero target setting was concluded. This covered indirect Real Estate, Infrastructure and further development for corporate bond holdings in our Credit fund.

We consider Net Zero a commitment to stewardship and have focussed efforts on setting alignment and engagement targets which are decision useful, while ensuring decarbonisation targets can reflect engagement efforts where possible. Making efficient progress depends on advocacy and sponsorship from senior staff and coordination across multiple aspects of investment and risk management.

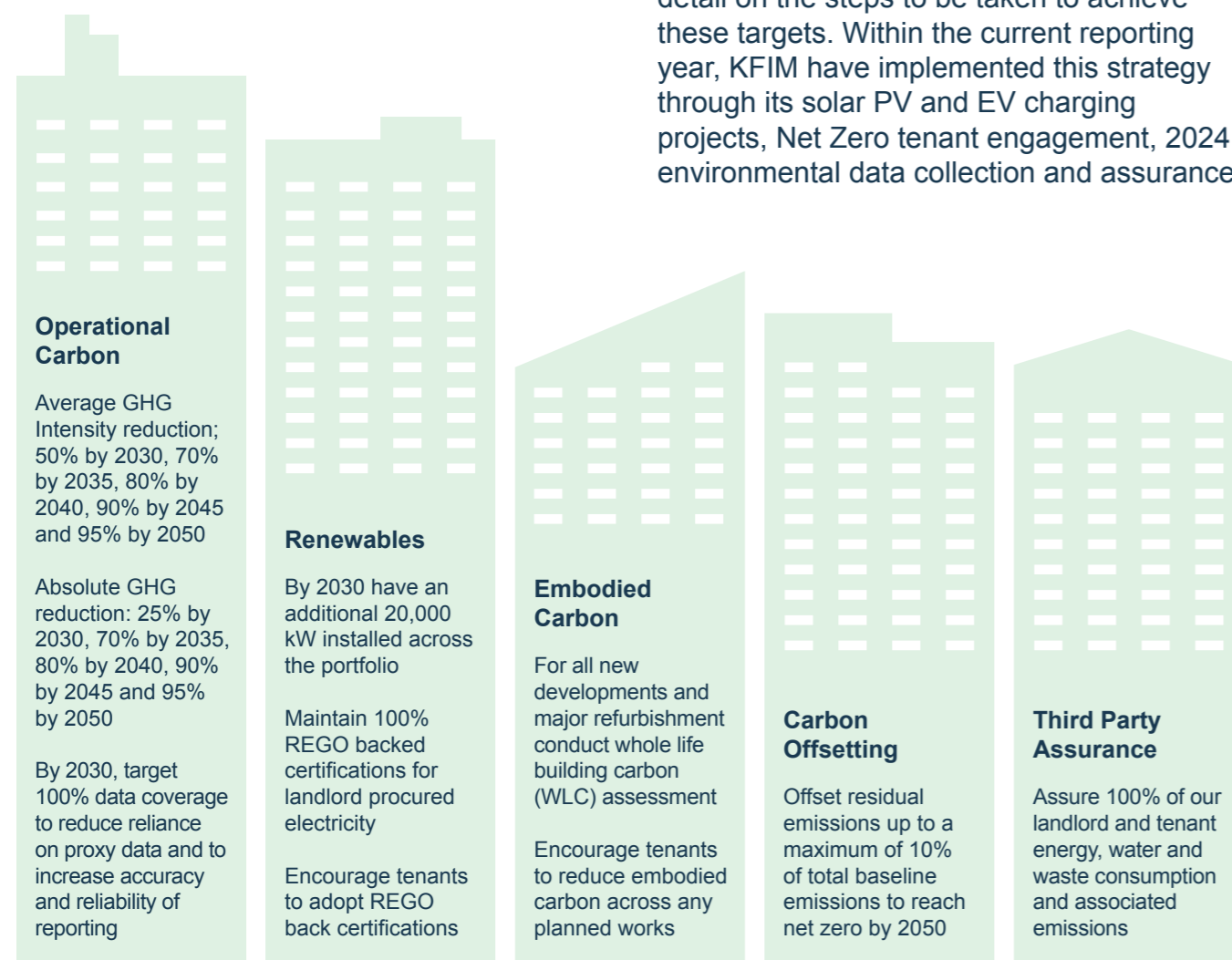


Implementation of our Net Zero Strategy for direct Real Estate

A key part of implementing LPPI's Net Zero strategy has been working with our partner KFIM on our direct Real Estate portfolio. In 2023, LPPI set net zero targets for the direct portfolio and KFIM released the publication of the Fund's initial Net Zero strategy.

This plan outlined its roadmap, key targets, and strategic approaches to achieve Net Zero and thus support us in meeting our own net zero targets. KFIM have created strategies and targets across five pillars, which are intrinsically linked in its ESG ambitions.

The diagram below outlines the headline targets for each pillar with an individual section on each pillar to provide greater detail on the steps to be taken to achieve these targets. Within the current reporting year, KFIM have implemented this strategy through its solar PV and EV charging projects, Net Zero tenant engagement, 2024 environmental data collection and assurance.



Net Zero progress with Infrastructure

During 2024, we made significant progress within Infrastructure, with the team undertaking a Net Zero target setting exercise for the Infrastructure IPV that incorporated all sub-strategies in the portfolio. The team used the IIGCC Net Zero Investment Framework to assess the alignment of the portfolio holdings with net zero through the six discrete criteria that must be satisfied for an asset to move from 'not aligned' to 'achieving net zero'. The team used the latest NZIF 2.0 guidance for infrastructure assets and were able to go down to the asset level to evaluate asset alignment and engagement coverage. The Infrastructure team also engaged with the IIGCC to explore the additional nuances and considerations for renewables sector assets to achieve net zero. The exercise aimed to provide a clear baseline for the portfolio to set targets and a gap analysis that highlighted an asset's expected journey to reach net zero.

Once the team established an asset's alignment in the baseline year, they engaged with external managers or management teams to determine the asset's expected alignment over time and key criteria to guide engagement to ensure progress. From this approach, the Infrastructure team set an alignment (based on AUM) and engagement (based on WACI) target to ensure material holdings and high-carbon intensive assets that represent a significant portion of financed emissions are tracked and aim to improve alignment over time. Overall, the Infrastructure team believe the proposed targets and granular approach taken balances net zero ambition, intention to reduce 'real world' emissions and practicality of sector specific characteristics.

Progress with the Net Zero Engagement Initiative

During the reporting year, we also moved into the second year of our participation in the Net Zero Engagement Initiative for public markets. This involved LPPI co-signing letters to the companies where we form part of the engagement groups: IMCD, Assa Abloy, and LVMH. This is a key part of our strong focus on active ownership. The letters emphasised the initiative's six core asks (ambition, targets, disclosures, emissions performance, decarbonisation strategy, and capex alignment) and requested clarification on whether a) the Company intends to prepare a Net Zero Transition Plan including the elements noted above and b) the Company would submit their transition plan to a shareholder vote. Engagement on these asks has continued throughout the year.

Under Review

In January 2025, following recent developments in the U.S. and different regulatory and client expectations in investors' respective jurisdictions, NZAM launched a review of the initiative to ensure it remains fit for purpose in the new global context. LPPI has so far taken part in the signatory roundtables and survey to provide feedback on the progress and next steps of the initiative. As the initiative undergoes this review, it has suspended activities to track signatory implementation and reporting. NZAM has also removed the commitment statement and list of NZAM signatories from its website, as well as their targets and related case studies, pending the outcome of the review.

Preparation for the launch of the Environmental Opportunities Fund (EOF)

During the reporting year, we prepared for the launch of the LPPI Environmental Opportunities Fund, which aims to invest in private market assets that contribute towards climate mitigation, climate adaptation, and the protection, restoration, and sustainable management of nature.

LPPI developed this fund in response to Partner Funds request to make a specific allocation to climate "solutions" as a defined sub-set of opportunities, reflecting that climate is a priority issue within their Responsible Investment policies, a growing investment opportunity. We collaborated closely with our partner funds to create a thematic multi-asset fund which complements our whole scheme management model and gives flexibility to consider a range of different asset types such as infrastructure, private equity, venture capital and natural capital to achieve the environmental objective of the fund. The fund was launched in April 2025.

FCA Anti-Greenwashing requirements

In May 2024 the FCA's Anti-Greenwashing requirements came into force. At the time of the introduction of the new requirements the Compliance Team provided guidance to be used by LPPI teams to determine how the new requirements may impact them.

The requirements resulted in an enhanced review process under relevant headings which ensure that our claims are:

1. Capable of being substantiated
2. Correct
3. Clear and presented in a way that can be understood
4. Complete
5. Comparisons should be fair and meaningful

Together with the launch of the FCA sustainability disclosure and labelling regime, these were influential to how we designed the investment policies for our Environmental Opportunities Fund (EOF), including our monitoring, escalation and investment selection criteria. The LPPI External Communication and Engagement Policy was also updated to reflect these requirements and to provide further background.



6

Maintaining high levels of stewardship on behalf of our Partner Funds¹¹

Serving our partner fund's needs

Our Partner Funds include three LGPS Whole Scheme Management partner funds:



your pension our world

The London Pensions Fund Authority



The Lancashire County Pension Fund



The Royal County of Berkshire Pension Fund

We collaborate with our partners and act as their investment adviser and portfolio manager.

These relationships begin with an Advisory and Management Agreement, that references the client's Funding Strategy Statement which encompasses the overall strategic direction and targets. Our partner funds retain ownership of their strategic responsibilities while LPPI is responsible and accountable for implementation.

We have regular two-way communication with our partner funds on market performance, asset allocation, portfolio performance, risk, responsible investment and other significant issues.

These contact points include:

- Frequent informal meetings with partner funds
- Attendance at pension fund committees and boards
- Training for pension fund committees and board
- Quarterly CEO review meetings
- Annual client conference
- Quarterly reporting
- Issues-based assistance on demand

LPPI conducts quarterly CEO review meetings as a central component of our Partner Fund engagement strategy. These meetings serve as a structured and consistent forum for open dialogue with our Partner Funds, enabling us to assess how effectively we are delivering against our service commitments and fiduciary responsibilities.

Each session brings together LPPI's CEO and Client Management Team with senior representatives from our Partner Funds, including Pension Fund Committee Chairs, Board Chairs, Officers and CEOs.

During these meetings, each Partner Fund is invited to provide qualitative feedback on LPPI's recent performance, highlight areas where additional support may be required, and share forward-looking priorities. As part of this process, Partner Funds' also assign a quarterly performance rating—on a scale from 1 (poor) to 10 (excellent)—reflecting how well LPPI has met their expectations. For the current financial year to date, the average client rating stands at 8.2, indicating a strong level of satisfaction across our client base.

All feedback and ratings are formally documented and retained to inform continuous improvement, support internal performance monitoring, and ensure accountability in our stewardship and service delivery.

We also run an annual investment conference, which took place in September 2024. This provides the opportunity to bring partner funds together in a structured learning environment, as well as connecting them with senior members of our investment team and some of our most trusted and valued specialist partners and peers.

Gathering feedback from our partner funds

In the first quarter of 2024, LPPI undertook a series of structured Reporting Feedback meetings with all Partner Funds. These sessions were designed to gather direct input on the effectiveness, clarity, and usability of our Partner Fund reporting suite. The insights gained from these engagements formed the foundation for a broader Partner Fund reporting and servicing initiative.

In response, a formal cross-functional project group was established in Q2 2024 to lead the end-to-end refresh of our client reporting framework. This group was tasked with ensuring that reporting outputs were not only aligned with Partner Fund expectations but also reflective of best practices in transparency, accessibility, and user experience.

LPPI delivered the first tranche of refreshed Partner Fund reports—including Investment, Risk, and Responsible Investment reports—for Q3 2024 reporting incorporating several enhancements based on Partner Fund feedback.

Key improvements included:



Streamlining content by consolidating multiple reports to reduce duplication and improve coherence.



Enhancing visual presentation through the increased use of charts, graphs, and infographics to support more intuitive interpretation of complex data.



Improving navigability by updating the user interface, including the addition of internal hyperlinks and clearer sectioning to facilitate easier access to key information.

The Client Servicing Project remains a strategic priority for LPPI and is one of three core initiatives underpinning our Strategic Initiatives — alongside the Technology and Data Roadmap and the Growth Plan Delivery. Together, these initiatives reflect our commitment to delivering a high-quality, responsive, and forward-looking service to our Partner Funds.

Partner Funds have responded positively to the refreshed reports, highlighting improvements in structure, clarity, and overall usability. In particular, the streamlined presentation of content and the more intuitive layout have been well received, enabling Partner Funds to more easily extract key insights and monitor progress against their objectives.

Beyond content enhancements, LPPI is also investing in the future of Partner Fund reporting through the exploration of automation solutions. This includes understanding what is required from a reporting solution by various teams involved and subsequently engaging with external providers to assess tools that can support scalable, high-quality reporting delivery. These efforts are designed to reduce manual processes, enhance consistency, and ensure timely dissemination of information.

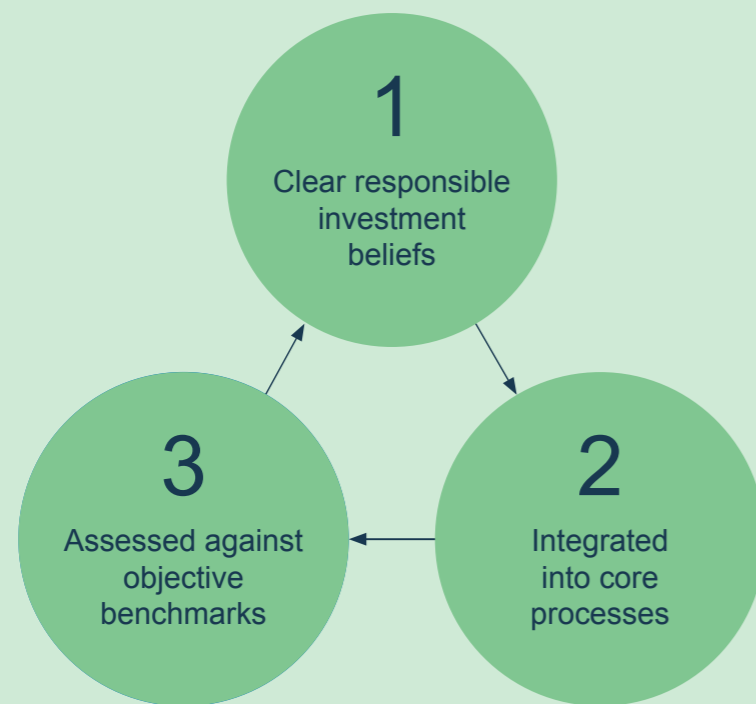
This work will continue into 2025 and reflects LPPI's broader commitment to continuous improvement in Partner Fund servicing—ensuring that our reporting not only meets regulatory and stewardship expectations but also empowers our Partner Funds to make informed decisions.

Our approach to responsible investment

Our straightforward approach to responsible investment provides a strong foundation for prudent investment management.

We have a clear set of responsible investment beliefs which stem directly from our strong focus on fiduciary duty to the pension funds we serve.

We've codified our thinking into a high-level Responsible Investment Policy and dedicated thematic annexes, which includes our new Annex on Human Rights, providing the necessary detail for our partner funds and other stakeholders.



LPPI responsible investment approach



Our responsible investment beliefs



Fiduciary duty

We have a contractual responsibility to act in the best long-term interests of our clients.



Optimum returns

We must aim to generate optimal risk-adjusted returns in the long-term, at an acceptable level of risk, to describe ourselves as responsible investors.



Sustainable basis

The effective management of investment risks is essential to achieve optimum risk-adjusted returns on a sustainable basis.



ESG factors

Environmental, social and governance (ESG) factors can have a measurable, direct financial impact on the value of securities, assets, markets and portfolios.



Active ownership

Ownership rights have a value and investors have influence. Institutional investors have a duty to use their ownership powers to protect the long-term financial interests of beneficiaries.

Responsible investment policies



Further detail on specific ESG themes appear in the following individual policies published on our website:

- Responsible Investment Policy
- Responsible Investment Policy – Annex on Climate Change
- Responsible Investment Policy – Annex on Controversial Weapons
- Responsible Investment Policy – Annex on ESG Integration
- Responsible Investment Policy – Annex on Human Rights
- Shareholder Voting Policy
- Shareholder Voting Guidelines
- Shareholder Rights Directive II Engagement Policy

Policies are reviewed annually by the Responsible Investment Team on behalf of LPPI's Stewardship Committee. All new Responsible Investment policies or significant updates to existing policies are reviewed by the Stewardship Committee, approved by our Investment Committee and considered by our Board.

Our target outcomes and core processes

Our focus is on future financial sustainability and portfolio resilience. We have six target outcomes that sit across our core investment processes:



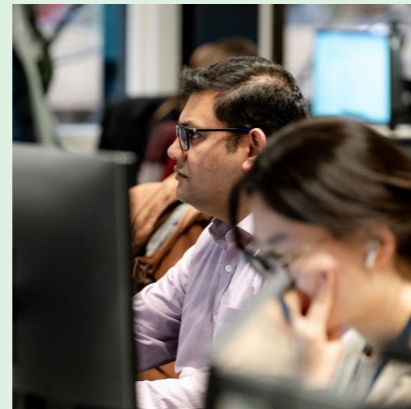
Responsive to clients

Responsible investing is a way of serving our partner funds effectively. We understand their circumstances and aim to meet their needs. This all comes within our understanding of our fiduciary duty to our partner funds, employers and scheme members.



Sustainably commercial

We take a resolutely commercial approach to asset selection and ongoing asset ownership. As a commercial enterprise, we have a deep understanding of market, sector and client contexts. This backdrop informs the way we identify, select, analyse and hold investments to build value over the long term. Protecting and enhancing the value of our partner funds' investments involves prudence in selecting and managing assets.



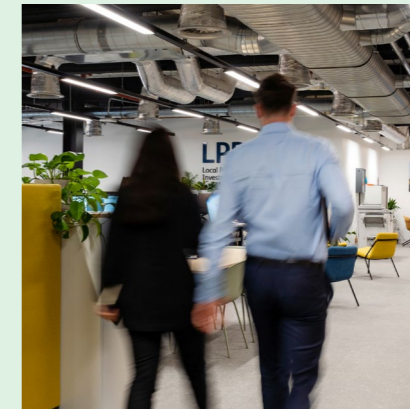
Diligent in selection

Selecting suitable assets on appropriate terms is a critical investment discipline and requires a holistic appraisal. We integrate ESG considerations within our evaluation of opportunities ([see Annex on ESG Integration](#)).



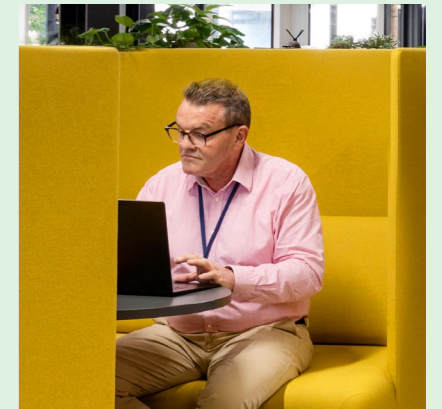
Committed to collaboration

We are an active member or participant in numerous investor organisations. We actively support initiatives which identify common concerns and deepen our understanding of responsible investment issues and their likely solutions. They assist us to share resources, work together and achieve more through co-ordinated collective effort.



Active ownership

We engage, we vote and we make our expectations of high standards known to investee companies and third parties. This is aimed at encouraging corporate behaviours more akin to our beliefs and more aligned with our – and our partner funds' – needs.



Continuous improvement

Responsible investment remains under constant evolution as new themes and best practice emerge. At the same time, national and international expectations are continuously growing and changing. We aspire to do the same. We improve and make progress by regularly questioning our processes, policies and practices, and through mutual challenge from our partner funds, to meet evolving needs and requirements.

7

Systematic ESG integration

Our asset management approach routinely incorporates responsible investment practices in line with our commitment as a signatory to the Principles for Responsible Investment.

Our ESG definition and use case are important. We are not an impact investor. Rather we recognise that environmental, social and corporate governance considerations form part of the drivers and detractors of value for investee companies. This means they are relevant to our evaluation and investment decision-making as long-term investors.

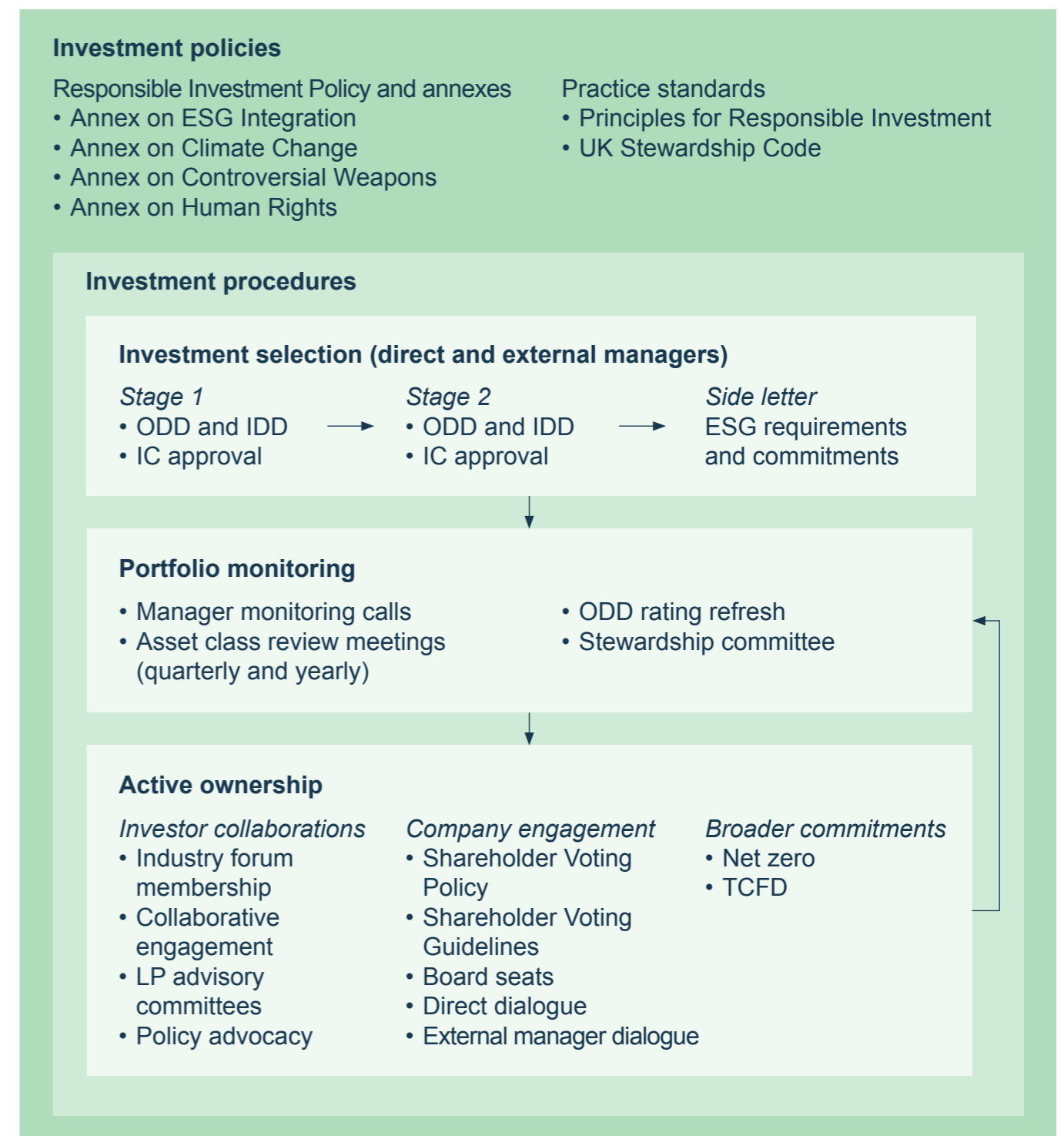
We believe the consideration of ESG factors is relevant at every stage in the investment cycle for every asset class - from the investment strategy to investment selection, and within the stewardship of assets in ownership. This applies to all asset classes. Reflecting this belief, ESG considerations feature in our key investment processes as part of asset and manager selection (underwriting), portfolio monitoring (investment oversight) and the stewardship of assets under management (active ownership).

We have an Annex on ESG Integration to our Responsible Investment Policy which outlines our ESG beliefs and explains our approach to the integration of ESG considerations within investment management of our asset managers and companies. The subsequent elements of this section draw from the frameworks and processes outlined in the policy and provide real life examples of their implementation across the portfolio from the reporting year. The diagram on the right summarises the various elements of our investment process.

The ESG annex of our Responsible Investment policy explains how our stewardship differs between asset classes and the investments that we manage inhouse (internally) versus externally (through selecting and appointing and overseeing external managers).

Our process for assessing externally managed funds considers both the fund's investment strategy and the manager's investment process:

1. **Investment strategy - what ESG risks and opportunities is the investment strategy exposed to?**
2. **Investment processes – are the manager's processes adequate to successfully steward the assets on LPPI's behalf?**



Portfolio monitoring

Where addressable weaknesses are identified during the initial due diligence, we may elect to work proactively with a manager to remedy these, subject to a commitment from the manager to engage on these weaknesses.

Areas for improvements identified during the underwriting process become objectives for ongoing engagement with the manager. Ongoing stewardship also provides opportunities to engage with external managers on ESG risks and opportunities that may arise in our portfolio over time, as well as opportunities to observe and learn from our external managers' approach to mitigating risks and creating value. Such learnings are integrated into our investment process.

Progress against engagement objectives and any ad-hoc ESG related risks identified is reported and monitored internally during quarterly and annual asset class review meetings which are overseen by the Chief Investment Officer.

Strong monitoring at asset class review meetings: The ESG Supplement

During the reporting year, we made strong progress in how our internal ESG ratings are produced and how stewardship activities are reviewed and monitored by our asset class teams. In January 2025, the final version of our 'ESG Supplement' was introduced.

The ESG Supplement is a standalone template document that is populated and submitted alongside investment papers at each quarterly and annual asset class review meeting and aims to deliver distilled insights on material ESG considerations for each asset class for the most recent quarter. It summarises the status of ongoing ESG manager ratings and reviews, materiality analysis and active ownership activities underway.

This helps support our oversight and accountability and meets the requirement for quarterly ESG reporting to the Investment Committee. The ESG Supplement addresses the tendency for internal reporting to become expansive by encouraging a succinct and consistent approach focusing discussion and challenge on the most pertinent developments.



ESG integration of internally managed portfolios

Listed equity

LPPI's internal equity team fully integrates ESG considerations within its investment process. Given investments are made at a company level, the team takes a different ESG approach compared to externally managed assets, which emphasises the materiality of ESG factors, as defined by their potential impact on the long-term competitive advantages and durability of cash flows for both existing and prospective investments.

Company-level ESG analysis is guided by an ESG checklist, which aims to identify key ESG risks, mitigating factors and opportunities for engagement. Informed partly by the broader ESG SatNav tool, these risks can include treatment of minority shareholders, human rights and climate change amongst others. The checklist is maintained and reviewed by the Senior Equities ESG Analyst.

Direct infrastructure

For direct infrastructure, ESG considerations are embedded early in the investment appraisal process. The aim is to ensure capital is deployed at financial returns consistent with portfolio objectives and meets our broader responsible investment objectives.

Relevant ESG factors can vary significantly depending on the type of asset under consideration. A systematic appraisal is therefore carried out on a sector and asset specific basis to understand the relevant risks to consider. This may be on the grounds of financial materiality but also of reputation and corporate conduct. Every investment proposal submitted to a CDG integrates ESG analysis and outlines potential engagement opportunities, where appropriate.

More information on ESG integration within our internally managed portfolios in our [ESG Annex](#).

Integration of stewardship within infrastructure

Case study

Setting high standards of governance with Manulife Infrastructure Fund III

Activity

The Infrastructure team continue to set high expectations and standards for managers during manager underwriting. During the 2024/25 reporting period, the team gave particular focus to governance factors when underwriting Manulife Infrastructure Fund III. The team focused on areas that had improved since the previous fund to ensure consistent improvement and alignment.

Outcome

Following engagement, recent highlights in the past year include updating the Responsible Contracting Statement and subsequently training investment teams, formalising the Client Directed Exclusions Framework, improving MIF II's GRESB score (improved YoY and outperformed the benchmark), continuing to support new and existing portfolio companies with GRESB submissions, and completing the third annual carbon footprint assessment, refining data collection methods through collection of emissions data to supplement estimated data.

Looking ahead, Manulife's Sustainability Statement will remain flexible to adapt to industry best practice, client needs, and encourage the integration of ESG factors into the investment process. Key development areas include enhancing due diligence and documentation frameworks, aligning industry standards such as GRESB and PRI, improving investor reporting and refining nature-related & climate risk assessments.

ESG integration of externally managed portfolios

Integration of stewardship within credit

During the manager due diligence process, our credit fund team thoroughly reviews their ESG integration process to ensure material ESG risks are considered within the credit selection process. Given most of the mandates going forward are likely to be deployed via separately managed accounts, this gives the team further scope to tailor investment guidelines to reduce exposure to investments with higher associated ESG risks and to meet our broader responsible investment goals. Most of our credit exposure is to developed markets with stronger corporate governance frameworks.

Case study

Real Estate Debt Manager

In Q3 2024, the Credit team completed a two-stage due diligence process on a real estate debt strategy that provides financing against real estate that is going through some form of transition, ranging from a lease-up to ground-up construction. The manager is a large blue-chip institution with memberships to multiple sustainability bodies and a well-resourced ESG team of >25 dedicated professions.

The team spent multiple meetings gaining comfort with their approach to ESG integration and found that they had robust frameworks in place to evaluate ESG factors across all stages of the investment process including origination, underwriting, asset management, and disposal. The manager had developed a strong ESG underwriting process which systematically incorporates a detailed ESG score card in all investment memos, including an evaluation of potential physical risks (e.g. wildfires, floods) and transitional risks (e.g. low EPC rated offices). The team found that the input to the scorecards was well-researched (using combination of public sources, external consultants, and ESG questionnaires to borrowers) and their degree of materiality assessment is thoughtfully tailored to the opportunity's profile (e.g. property type and construction stage). The team also recognised the manager's approach to collaborating with likeminded investors with established ESG policies in real estate, including workforce safety policies on construction projects.

The team negotiated bespoke ESG reporting, including description of ESG attributes, ESG rating and building certification for each portfolio investment and agreed on receiving carbon data estimates on the portfolio (including emissions, intensity, footprint) which wasn't being systematically shared with LPs at the time.

Case study

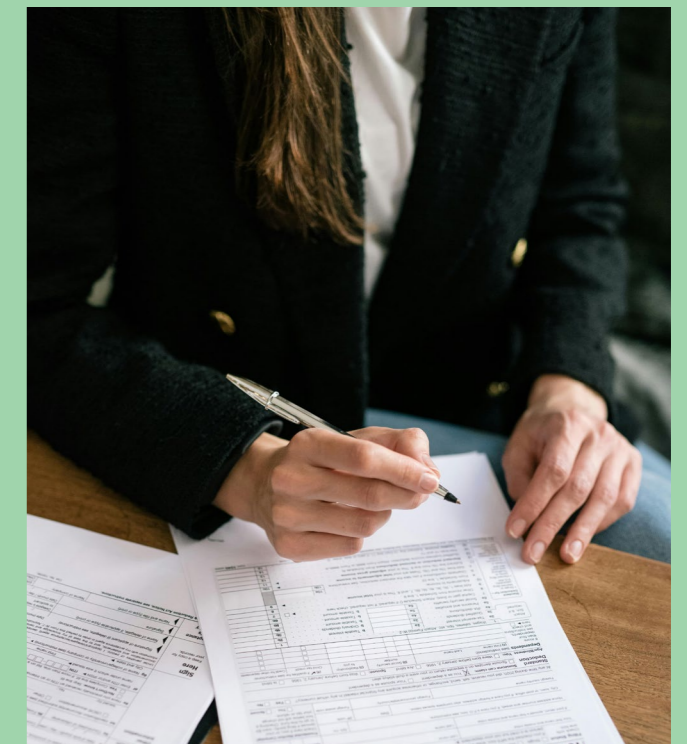
Development of Fund ESG Risk rating approach within Private Equity

In August 2024, the Private Equity team introduced its new Fund ESG Risk rating approach to identify and appropriately rate funds with exposures to material ESG idiosyncratic risks. Previously, the team had only rated the fund managers, rather than the underlying exposures. The team collectively identified the following ESG issues, out of 26 ESG issues that were likely to be financially material and relatively unique to a limited number of companies:

- Materials Sourcing Efficiency
- Supply Chain Management
- GHG Emissions
- Waste & Hazardous Materials Management
- Management of the Legal & Regulatory Environment

Equal weight was applied to these material ESG issues to calculate a fund ESG risk score. Risks such as cyber security were not included in the Fund ESG risk calculations due to Burgiss currently identifying most companies as having this risk. Such systemic risks are likely best managed and assessed through our manager ESG rating efforts.

For funds with no underlying asset and sector data in Burgiss, which are typically Fund of Funds or Secondary investment vehicles, the team chose to use MSCI Sector ESG ratings to inform its approach and ensure these funds were successfully rated.



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Investing collaboratively

Investing collaboratively with like-minded parties continues to be an important part of LPPI's investment strategy and accelerates partnering, scale and efficiency. We collaborate with a wide range of organisations and have two formal collaborative investment agreements: The London Fund and GLIL Infrastructure. These sit outside the asset class specific pooled funds that we manage under delegated arrangements.

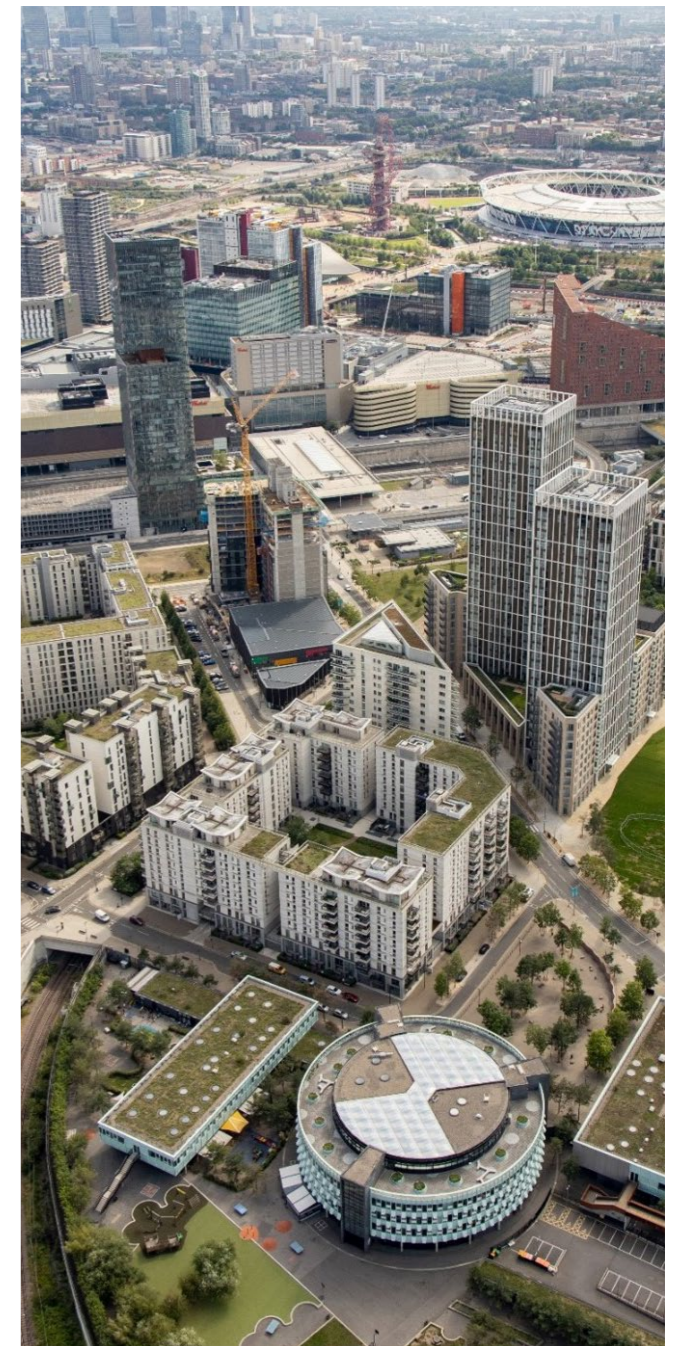
THE LONDON FUND

The London Fund is a collaboration between two Local Government Pension Scheme pools: LPPI and London CIV.

The Fund aims to create a double bottom line by providing investors with sustainable long-term risk-adjusted returns and generating positive social and environmental outcomes for Londoners.

The Fund focuses on investments in the City of London, the 32 London Boroughs and their immediate surrounds, in assets such as residential property – specifically build-to-rent – and affordable housing, community regeneration projects, and infrastructure including digital infrastructure and clean energy.

London CIV is the Alternative Investment Fund Manager and LPPI is the portfolio manager. By pooling their resources and networks, London CIV and LPPI expect to have access to a greater range of investment opportunities for The London Fund than would be available to either entity acting alone.





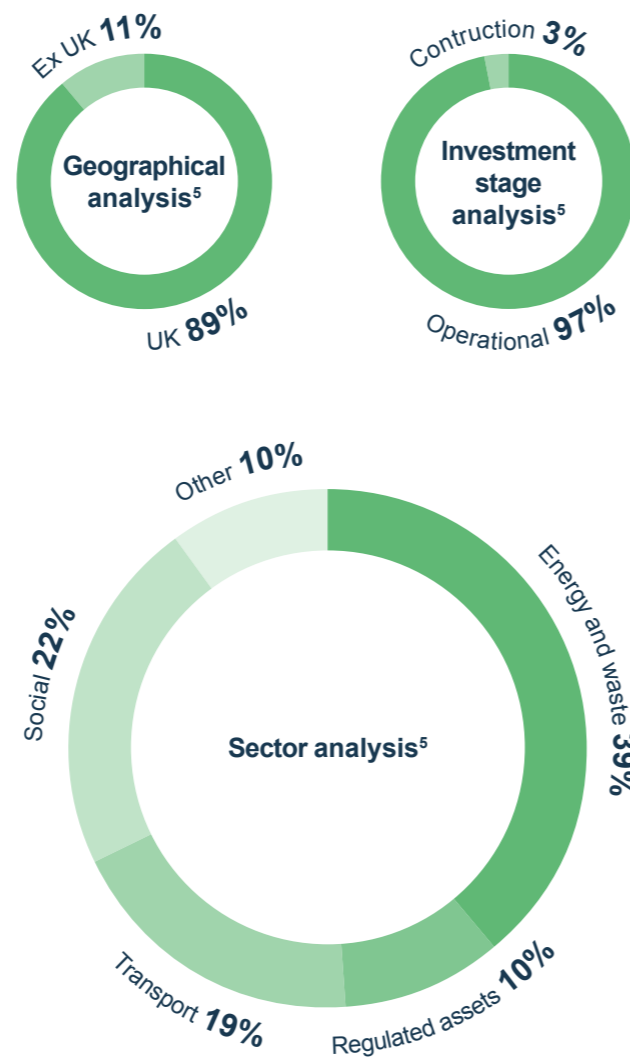
GLIL Infrastructure (GLIL) is an innovative collaboration between aligned and likeminded investors who are seeking investment into core infrastructure opportunities predominately in the United Kingdom.

The fund was established in 2015 by Greater Manchester Pension Fund (GMPF) and the London Pensions Fund Authority (LPFA) with £500 million of capital commitments.

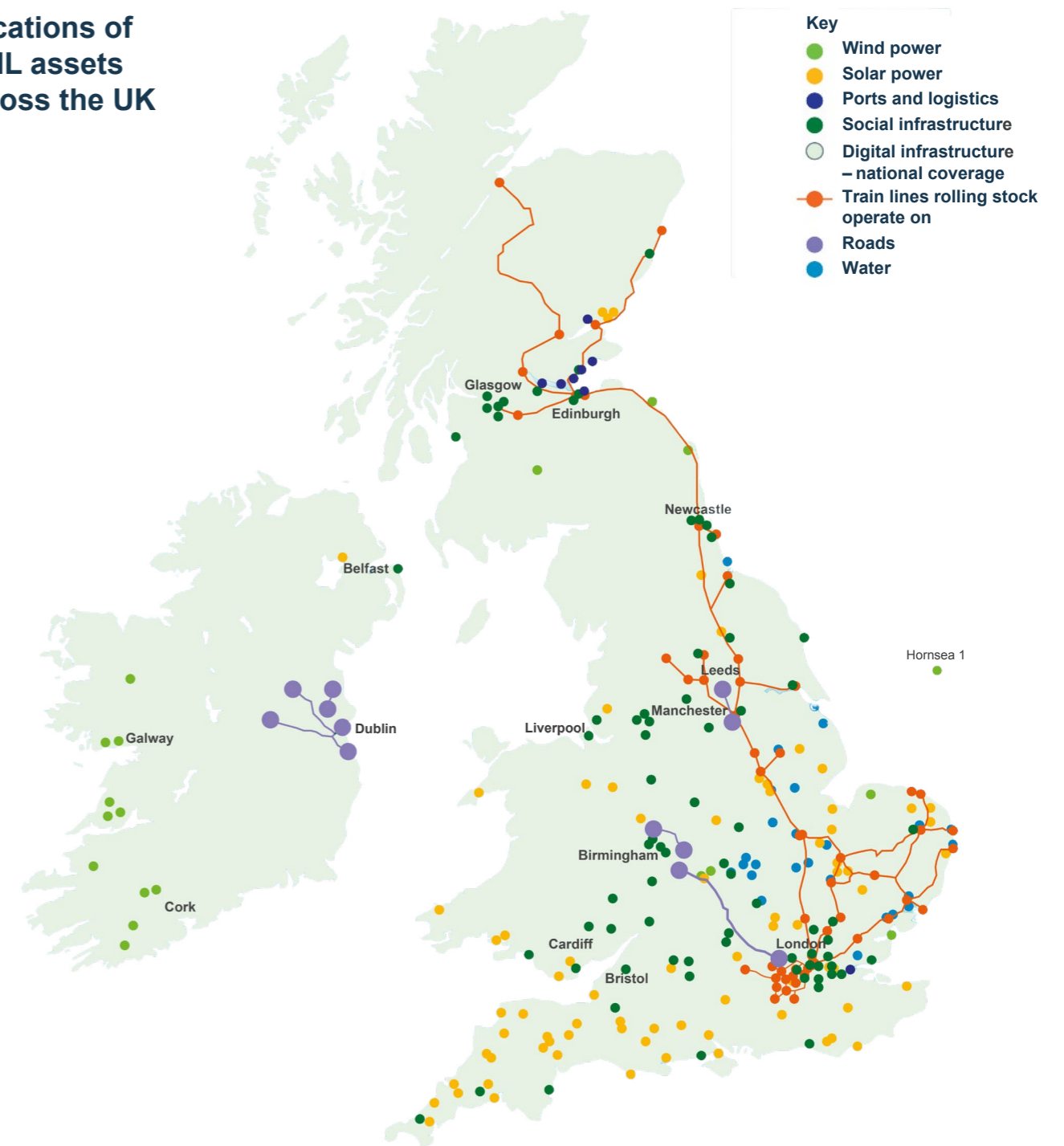
GLIL now has commitments totalling £4.1 billion from six UK Local Government Pension Scheme funds, as well as Nest, the government-established DC workplace pension provider. At the reporting date, GLIL has deployed more than £3.3 billion into a variety of UK infrastructure assets.

The fund was designed by the founding members to better address their needs compared to many of the commercially available alternatives.

Fig 5: GLIL assets (as of 31st March 2025)



Locations of GLIL assets across the UK



Active Stewardship Case Study

Lyceum

Background

Lyceum Solar Limited ('Lyceum Solar') was formed in November 2023 by GLIL together with its strategic partner, Bluefield Solar Income Fund ('Bluefield'), to acquire a portfolio of solar energy assets with 247 MW capacity from Lightsource bp. As part of the strategic partnership, in Q3 2024, Lyceum subsequently acquired an operational solar portfolio with a capacity of 112 MW. This investment marked the second phase of a strategic partnership with Bluefield Solar, following the formation of partnership and initial £200 million investment announced in Q4 2023. The third phase acquisition of the Lyceum partnership is currently ongoing. In this phase, Lyceum is acquiring operational solar, pre-operational solar and battery sites with a total capacity of 250 MW.

Establish good corporate governance

Since inception, GLIL, as a majority shareholder of Lyceum, has been working closely with the management service provider to establish good corporate governance practices at Lyceum. This includes hiring an independent director, Jeremy Williamson, who has extensive experience in the renewable energy space developed by his time at SSE for 28 years as a director of operations. GLIL has three board seats at Lyceum Solar. GLIL directors have been driving the Lyceum board to create a health and safety policy and an ESG policy to ensure that the best corporate governance practice has been incorporated at the Lyceum Solar.



ESG initiatives

Aside from establishing good corporate governance at Lyceum, under GLIL's ownership, Lyceum has led on multiple ESG initiatives, which includes engaging with local communities, empowering future generations, sheep grazing and enhancing biodiversity at the sites.

By adjusting grazing intensity, either through increasing or reducing livestock presence, vegetation is maintained at optimal levels. This variable grazing regime prevents overgrowth, supports diverse plant species, and enhances habitat quality for local wildlife, all while supporting renewable energy generation and maintaining productive agricultural use.

Empowering future generations

In 2025, MSc Energy Management students from ESCP Business School visited a Lyceum site. Hosted by Lyceum's O&M and asset management representatives, the visit provided students with valuable insights into solar project operations and the UK's energy transition challenges and opportunities.

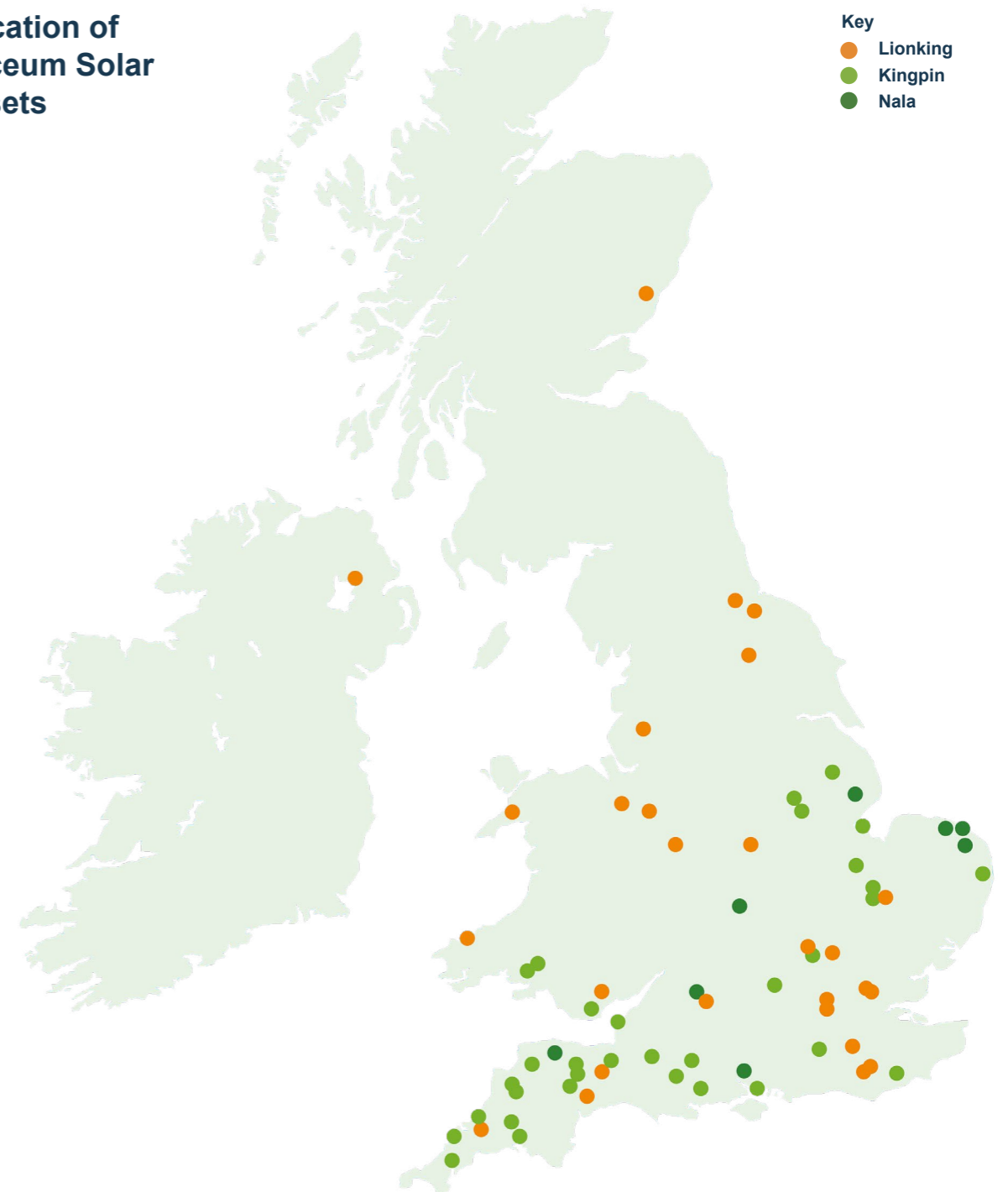
Sheep grazing

One of the Lyceum sites comprises five distinct fields that host renewable energy infrastructure while supporting active agricultural use, each managed by Lyceum's O&M provider in close coordination with the landlord, who brings deep expertise in sheep farming. This strong working relationship enables a tailored grazing strategy, where stock rotation is carefully managed across the fields.



GLIL Infrastructure - Lyceum Solar

Location of Lyceum Solar assets



8

Monitoring service providers

We select and work with reputable service providers who support our asset management and stewardship activities. These include a proxy voting provider who supports our exercise of shareholder voting rights for the LPPI Global Equities Fund, and an external engagement provider who extends the resources we dedicate to engaging with publicly listed companies. We monitor our service providers to ensure that services are being delivered to meet LPPI's business needs.

New vendor risk process

At LPPI, engaging a vendor begins with a clear business case that outlines the service need, budget alignment, and strategic rationale. This is the first step in ensuring that all procurement activity is justified and aligned with LPPI's objectives. Procurement thresholds guide the level of scrutiny required based on contract value, ensuring appropriate approvals and competitive sourcing. This is outlined in the LPPI Scheme of Delegated Authorities Policy.

Vendors are classified into Tier 1 (Critical), Tier 2 (Important), and Tier 3 (Non-critical), determining initial and ongoing due diligence requirements. For higher-value or critical services, enhanced due diligence is conducted, including legal, financial, IT, and risk assessments, to ensure vendor suitability and compliance with LPPI's standards. As part of the due diligence, vendors must provide the following information on their position and progress regarding climate-related risk, which is mandatory:

- Is your organisation recognised as a supporter of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, which incorporate the former Task Force Climate Related Financial Disclosures (TCFD) recommendations, and the UK's Sustainability Disclosure Requirements (SDR)?

- The Transition Pathway Initiative (TPI) established in 2017 has 5 levels of awareness for companies and their climate change initiatives. Which level would you rate your company?
- Have you implemented the TCFD reporting framework?
- Has the company set a Net Zero Target, a Science-Based Target or a Carbon Budget, joined Race to Zero or similar?
- Does your company monitor and report on its greenhouse gas emissions and other environmental impacts?
- Are these reports independently verified?
- What, if any, steps have been taken to minimise the environmental and related social impacts of the company?
- Does the company have an environmental or sustainability policy which sets out commitments and targets to improve the company's sustainability standards?

Approval of vendors is a mandatory prerequisite for setting up any new vendor at LPPI. It ensures that all relevant governance, financial, legal, and operational checks have been completed before a vendor is onboarded. The Business Change Office is also engaged to confirm whether a project needs to be initiated for the vendor. Without this, a vendor cannot be engaged or onboarded.

Monitoring of existing vendors

We value the importance of holding our service providers to account. In December 2024, news reports surfaced regarding a data breach at one of our vendors. Upon immediate clarification from LPPI, the vendor confirmed that LPPI data was not involved. While no action was required in response to this specific incident, LPPI's approach reinforced the importance of proactive monitoring and maintaining strong vendor transparency. Continued engagement with all vendors ensure LPPI remains informed of any future developments that could pose a risk.

Monitoring of existing vendors has remained a key area of focus throughout 2024/25. LPPI maintains rigorous oversight of its Tier 1 and Tier 2 vendors through structured governance and regular engagement. In addition, Critical and Important vendors are required to complete an annual due diligence questionnaire and submit supporting documentation. This questionnaire also mandates information on climate-related risk.

LPPI works to minimise operational disruptions—whether internal or vendor-related—that could affect service delivery to our partner funds, including those driven by climate-related events. Our approach includes regular testing of business continuity and disaster recovery plans, a resilient hybrid working model, and targeted vendor due diligence to assess preparedness.

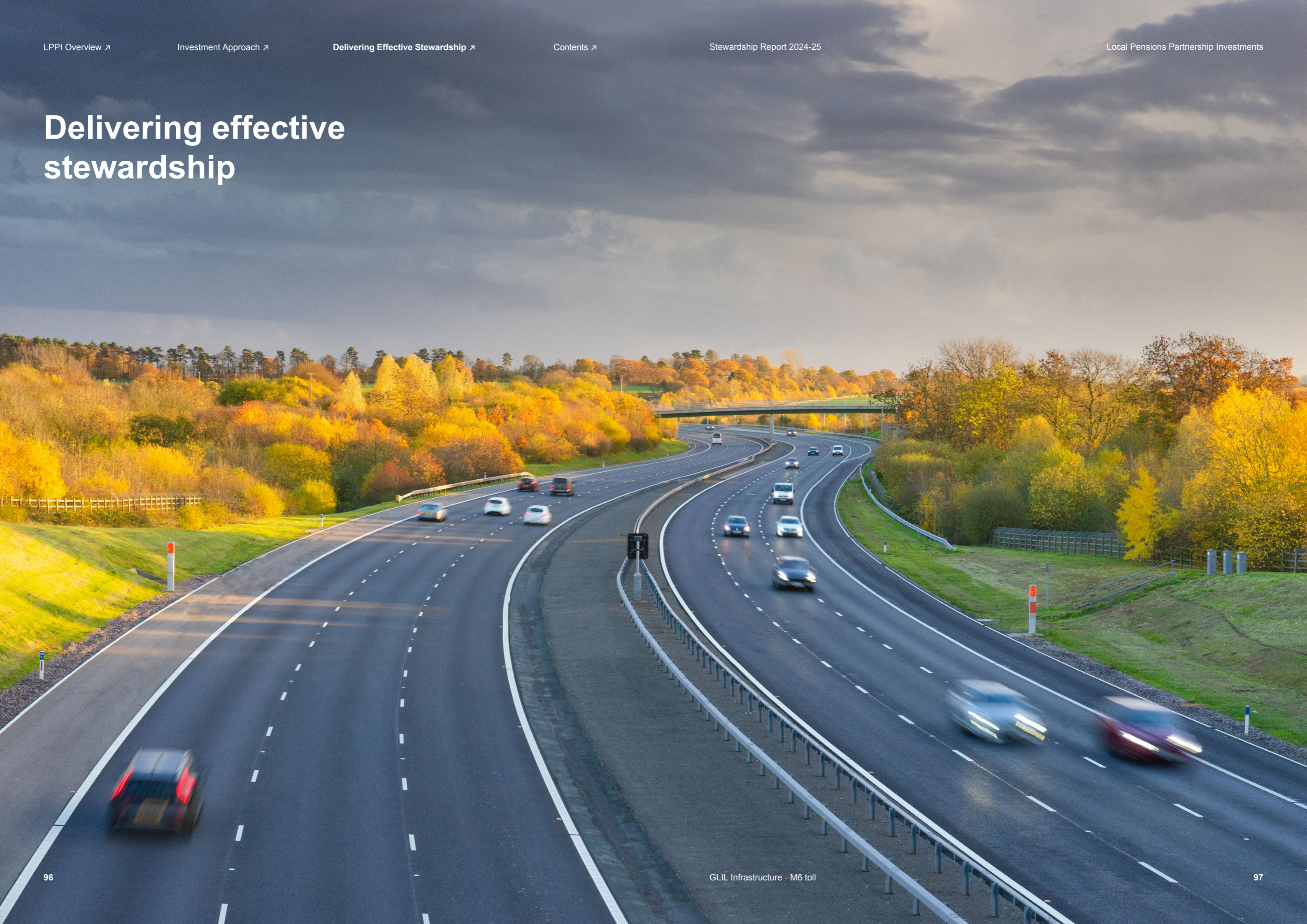
Relationship owners also continue to engage regularly with vendors through service review meetings, which have proven effective. Internally, the Enterprise Risk function, who reports into the LPPI Chief Risk Officer, engages with relationship owners to review vendor performance, assess any emerging risks, and ensure service delivery remains aligned with expectations. These regular touchpoints foster proactive engagement, enabling early identification of issues and continuous improvement in vendor relationships. They also provide a structured forum to discuss any changes in scope, service quality, or risk exposure and provide a clear escalation pathway for concerns, ensuring that material issues are raised through the appropriate governance channels.

Vendor oversight activities also include internal bi-weekly meetings with relevant departments to discuss ongoing matters related to vendors, including service agreements, extensions, renewals, and terminations. IT security-related vendor matters are addressed through regular meetings of the Security Working Group (SWG).

Reporting mechanisms remain robust with vendor risk updates incorporated into quarterly Enterprise Risk reports to the Executive Committee and the Audit and Risk Committee, reinforcing transparency and accountability at the highest levels of governance. Reports are also provided to the Fair Value Pricing Committee on third party valuers, valuation agents and the annual due diligence exercise, ensuring comprehensive governance across all aspects of vendor risk management.



Delivering effective stewardship



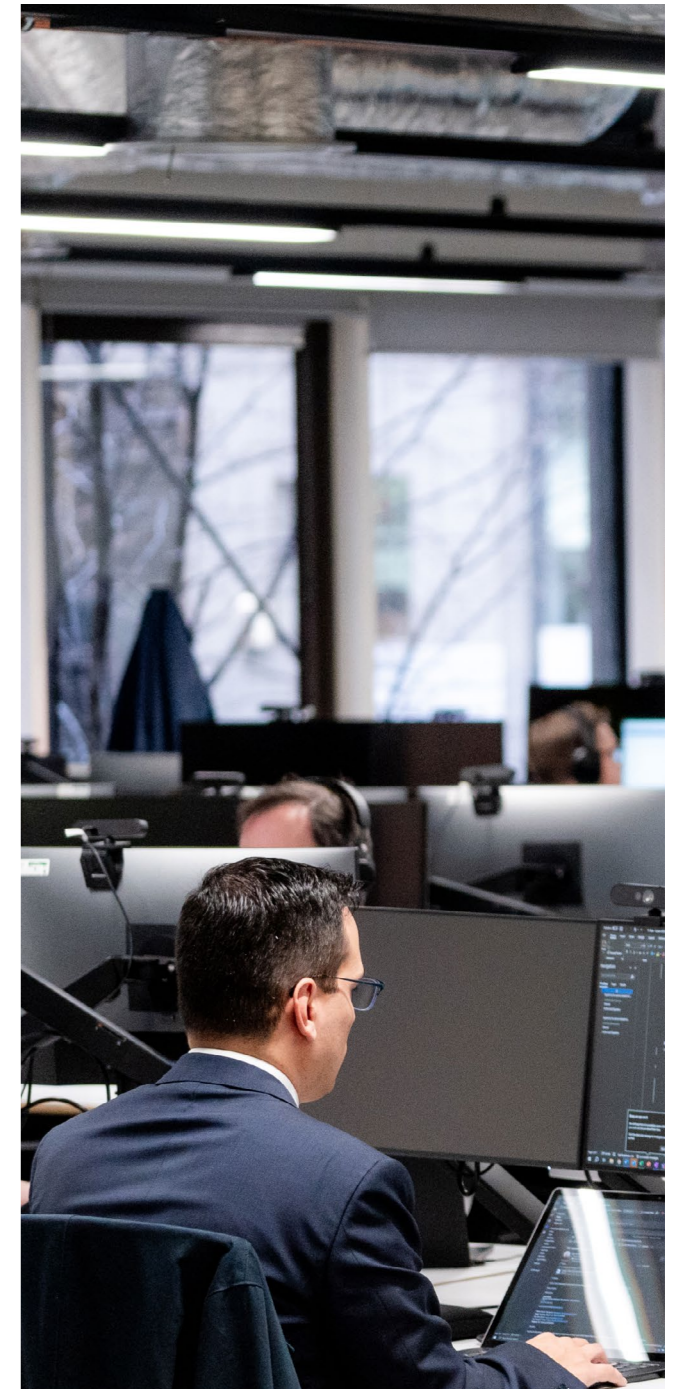
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Engaging directly with companies

GEF (Internal) - Integration of stewardship and investment (ESG) within asset class

The aim of our engagement efforts is either to build on our understanding of our holding companies - namely whether they have adequately identified material ESG risks and how effectively they are managing them - or to identify specific areas for improvement, with a view to driving some degree of positive change over the medium- and long-term.

We have created a framework and repeatable process for engagement that has been rolled out across the internal portfolios over time. The starting point for this exercise was to conduct a materiality assessment for both portfolios, with a focus on identifying those ESG factors with the greatest potential to impact the long-term competitive advantages or durability of cash flows for our investee companies. The outcome was an engagement dashboard for the portfolios, mapping out the most relevant and pressing engagement themes, which guides our engagement efforts over time. We update this dashboard monthly, to reflect portfolio movements and any broader industry developments.



GEF (Internal) - Engagement with Texas Instruments (climate)

Net zero engagement remains a key priority for the team. We have now engaged with 100% of internally managed assets within the Global Equity Fund’s priority list. The responses received have been generally positive, with many target companies replying in a timely and open manner. Where this is not the case, we have been encouraging improved disclosures and communicating escalation steps. This includes advising unresponsive or non-aligned firms that we will consider voting against directors responsible for environmental matters at upcoming AGMs.

We continue to collaborate with other like-minded investors – namely via the Institutional Investors Group on Climate Change (IIGCC) and Robeco – on various company-specific net zero engagements, which should increase the effectiveness of our efforts in this area. This includes the likes of LVMH, Assa Abloy and IMCD.

In Q4 2024 the internal equities team reached out to a US-based semiconductor manufacturer on the theme of net zero.

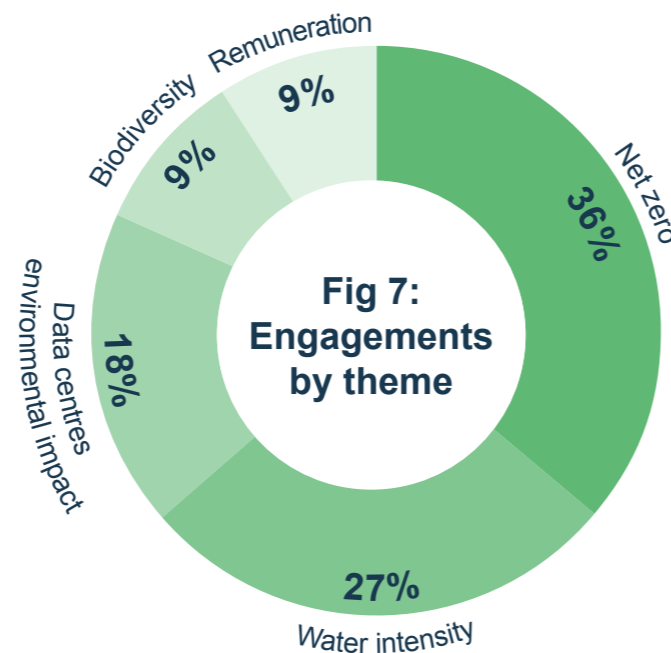
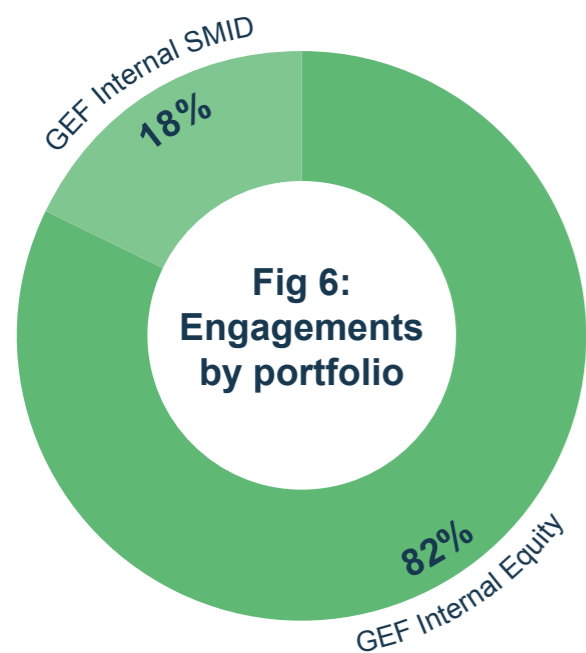
The company’s environmental impact is relatively high, particularly at the direct (Scope 1 and 2 levels) given its vertically integrated model means the firm conducts its own manufacturing activities. As a result, the company has been flagged as a priority for engagement under LPPI’s broader net zero ambitions. The aim of the call was to better understand the company’s alignment to net zero, across governance, environmental reporting, target setting and decarbonisation efforts.

We initially engaged with the firm via an email setting out LPPI’s net zero commitment, before requesting a conference call to further discuss the issue.

Outcome

Our call with the company on the subject was highly encouraging. The firm remains driven by its commitment to acting like an owner and thinking in terms of decades rather than quarters or years – and it is no different when it comes to the issue of climate change. Besides a professed desire to act as a company one would be proud to have as their neighbour, improving the firm’s environmental impact directly feeds into its attempts to operate in as efficient a manner as possible. Although the company does not have a formal net zero commitment, the company has clear environmental targets that have recently been submitted to the Science-Based Targets Initiative (SBTi), while management have succeeded in consistently lowering the carbon intensity of the business over the long-term. In addition, the firm has a clear decarbonisation strategy, with efforts in this area helped by its high degree of vertical integration.

We will continue to monitor Scope 3 disclosures, despite the company’s argument that Scope 1 and 2 are far greater contributors to group emissions. We are also monitoring whether the firm’s emissions reduction targets will be approved by the SBTi.



GEF (Internal) - Engagement with Diageo (non-climate)

In Q1 2025 the internal equities team reached out to a global alcoholic beverages company as part of our natural resource engagement theme.

The aim of the call was to better understand the firm's approach to its natural resource usage profile, with a particular focus on the water intensity of the business. This included analysing the major water stress risks facing the company, and steps management have taken to reduce water use.

We initially reached out to the company via email requesting a conference call, before being granted time with the firm's head of ESG to discuss the issue.

The call was highly encouraging and improved our confidence as shareholders that the company is adeptly managing the risks in this area. The firm qualifies as 'best in class' when it comes to water use management. Ultimately the company is a water intensive business – "the most important ingredient in our products" – and this is unlikely to change. It is therefore encouraging that the firm takes its responsibilities in this area seriously, having implemented a water use strategy since 2011.

Within this, the company provides clear disclosures around its water use footprint and key areas of water stress, while management have set ambitious water use goals across the company's direct operations and broader supply chain, building on impressive achievements in this area over the long-term. The firm's efforts in this area are backed by a comprehensive water reduction strategy and advocacy program.

We will continue to monitor the company's performance against its water use goals, particularly its attempts to reduce water stress throughout its supply chain.



GLIL Infrastructure

Pollution Reduction Plans

GLIL invested in Anglian Water in 2018. In recent years, the public, media and regulatory bodies, including the Environment Agency (“EA”), have increased their scrutiny of serious and total pollution caused by water companies. GLIL and other Anglian shareholders are keen to address the matters at hand. In 2024, Anglian expanded its Pollution Incident Reduction Plan (PIRP) activities with an additional £100 million investment from its shareholders, including GLIL. This allowed Anglian to invest directly in key assets, in the team, and in the root causes of the pollution issues: asset health, blockages and too much water in the network, which creates hydraulic overloading.

Of the additional £100m committed by the shareholders, £77m was deployed as of 31 March 2025. Work undertaken included the expansion of Anglian’s predictive analytics Dynamic Sewer Visualisation (DSV) programme, with the installation of over 42,000 monitors. Anglian is installing monitors at a rate of 200 per week to improve the pollution performance at a fast pace. An additional 60,000 monitors will be installed in the next 24 months.

Anglian’s upcoming Pollution Incident Reduction Plan 2025 outlines the step changes in addressing pollution issues. Backed by an additional £245m above the £100m, the plan aims to deliver a significant reduction in total pollution and serious pollution by 2030. The pollution reduction plan includes increasing preventative maintenance, focusing on early interventions, increasing rising main pressure monitoring via data gathering & analysing technologies, increasing monitoring on sewers that lead to proactive blockage clearance, and establishing a new system operation team.



Biodiversity

Anglian owns 7,000 hectares of land, 40% of which is important enough for biodiversity to be protected by law. Under GLIL’s ownership, Anglian has ensured this land is well managed through consistent investment, good planning, and expert teams. It is independently assessed by England’s nature regulator, Natural England, and is assessed as 99% being in Favourable Condition.

Anglian manages a woodland, and the Anglian team is improving the conditions of the woodland to encourage nightingales to breed. In addition, Anglian is supporting other species projects on and off its land. Anglian funded the reintroduction of Osprey to England and the breeding and reintroduction of the Pool Frog.

In partnership with Severn Trent Water, Anglian also has an initiative, Get River Positive, to improve river health and support efforts by local communities to care for and enjoy rivers.

From 2020 to 2025, Anglian invested c. £600m in its environmental improvement programme. This will have reduced the amount of phosphorus it is discharging into the environment and reduced abstraction to leave more water in the environment. These actions will lead to direct benefits to biodiversity in rivers and wetlands.

Empowering future generations

Since its inception in 2007, Anglian Water’s community education team has engaged over half a million young people and adults across the region. The education team work closely with schools across the region to inspire the next generation about the importance of water conservation and environmental responsibility. They provide a wide range of interactive learning opportunities, and curriculum linked resources to help young people understand water management and environmental protection. Lessons, activities and resources cover topics including water efficiency, responsible sewer usage (supporting our broader business Just Bin It campaign), and Sustainable Urban Drainage for Schools.

The team continues to use a blended approach of both in-person and online learning (developed when the COVID-19 pandemic disrupted traditional learning methods) to engage with more young people, fostering climate literacy and encouraging responsible water behaviours.

In 2024/25, the team engaged with over 38,000 young people and adults across the Anglian Water region.

9

Engaging directly with external managers

Introduction (holistic)



Across all asset classes, when we assess external fund managers, we evaluate their stewardship and ESG capabilities as well as their experience, processes, and performance. We set minimum expectations during manager selection, which ensures prospective managers have clarity on our standards for responsible investment. Once we have appointed an external fund manager, they remain under review through our ongoing monitoring activities.

Our external managers have their own processes for the analysis of material ESG risks and the prioritisation of engagement activity with investee companies. LPPI's engagement with external managers covers a range of topics and is not limited to the external managers' own investee company level engagements. For example, we might choose to engage with managers regarding the resources they invest into ESG Analysis or about a specific portfolio issue that requires further discussion. Ultimately, LPPI has the authority to remove delegate managers if they do not meet expectations in a particular area, this could include the long-term stewardship of assets.

LPPI Global Equities Fund – direct engagement with our external managers

Topic	Date	Engagement activity
Annual Reviews	Q2 2024	The team conducted detailed on-site Responsible Investment Reviews with three longstanding US based external managers. Key agenda points included: Net Zero Commitments, ESG Team Resourcing, ESG Data Source Preferences, Investee Company Engagement Priorities & Themes, Client Sentiment towards Responsible Investment.
Controversial Weapons	Q4 2024	The team reviewed and discussed with external managers the data sources used to monitor portfolio exposures to Controversial Weapons. This was an opportunity to test the rigour with which the external managers monitor their portfolios and gain insight from subject matter experts on the differences between third party data providers.
Specific Company Focused Manager Engagement	Q2 2024	The team engaged with a delegate manager with regards to a proxy vote launched by a group of activist investors. LPPI maintains voting control for companies held within the LPPI Global Equities Fund, however it was useful to discuss an upcoming vote with the delegate manager. Ultimately, LPPI voted in-line with the recommendation of its independent Proxy Advisor.



Real Assets Approach

LPPI's Real Asset teams perform frequent manager monitoring. This is done via quarterly update calls, limited partner advisory committee's and AGMs, as well as occasional site visits. Like public markets, our Real Assets teams use engagement to inform and maintain the red, amber, green ESG rating framework which allows any potential areas of concern to be easily identified. This then enables the formulation of targeted engagement approaches to rectify, remediate and resolve material issues.

Engagement themes between Real Estate and Infrastructure asset classes can vary. Across 2024-25, the Infrastructure Team have identified the following material priority themes for their engagements:

- Physical Climate Risk
- Net Zero (Decarbonisation and Transition risk)
- Health & safety¹²

The LPPI Real Estate Fund invests in a diversified portfolio of UK and international real estate assets with a focus on income generation. The fund seeks to invest across uncorrelated sectors to provide stable returns. The mandate is flexible in terms of sector and geography.

No more than 25% of the fund may be invested in value add and opportunistic assets. We delegate the management of the fund's direct UK real estate to Knight Frank Investment Management (KFIM), which represents approximately 55% of the assets of the fund by value.

Quarterly meetings with all managers allow the Real Estate Team to continuously evolve both manager and mandate ESG ratings and set clear expectations. This has contributed to significant developments, especially in the acquisition of direct UK assets managed on a semi-discretionary basis by KFIM. All acquisitions include a range of additional criteria which may form topics for engagement. These include but are not limited to:

- Physical climate reports;
- Environmental reports;
- Net zero readiness assessment;
- Minimum energy efficiency standards;
- Alignment of tenant ESG ambitions;
- Potential to install EV charging; and
- PV generation.

¹² Within the previous reporting year, the Human Rights theme was featured. Whilst this is important and is assessed for all investments during initial due diligence, the team felt that within the 2024/25 reporting year all managers and assets operated to a high standard

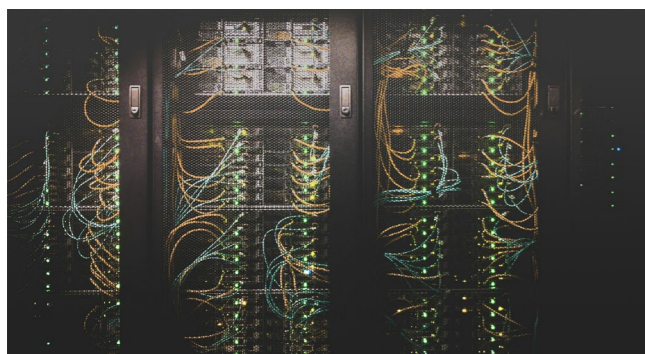
and without controversy when considering human rights. The team will continue to undertake a portfolio refresh and consider the risk during underwriting and engage when a concern has been raised.

Engagement on emissions target and physical climate risk with Stonepeak Infrastructure Partners on CoreSite and Cologix

Activity

In August 2024, the infrastructure team conducted its annual ESG engagement with Stonepeak Infrastructure Partners, focusing on their data centre platforms CoreSite and Cologix. These meetings are part of our ongoing stewardship activities to monitor ESG integration, support progress on climate and sustainability goals, and influence best practices across portfolio companies.

The objectives were to assess progress against previously communicated ESG initiatives and encourage adoption of science-based emissions targets. Further focus was also given to promoting transparency on climate risk and energy efficiency and understanding forward-looking decarbonisation and reporting plans.



Outcome

Stonepeak demonstrated active stewardship of ESG issues, with evidence of progressive climate planning and deeper engagement with portfolio companies.

It was confirmed that CoreSite are in the early stages of developing SBTi-aligned targets and a third-party consultant has been appointed. The project is progressing with a 2021 baseline and 60% renewable energy target mix by 2030, aligned to a 1.5°C pathway. Considering Cologix, annual reporting initiatives have been confirmed to include setting SBTi targets this year, reporting to the Carbon Disclosure Project (CDP) and also assessment by Ecovadis. The company has also begun to track water consumption which will be reflected in reporting.

For Coresite, a refresh of physical climate risk analysis is planned for the first half of 2025, updating previous assessments with newly identified risks and resilience strategies. For Cologix, a new physical climate risk assessment is planned in the first half of 2025 for existing sites, while efforts focus on integrating newly acquired locations. In relation to Cologix, the decarbonisation strategy was confirmed which includes reporting of scope 3 emissions. A Chief Energy Strategy Officer has also been appointed to address future power needs and sustainability alignment.

Manulife Elizabeth River Crossings (“ERC”): Engagement on health and safety with ERC CEO on ESG and capex initiatives

Activity

In Q2 2024, the infrastructure team had an in-depth discussion with the ERC CEO on ESG and capex initiatives. The engagement focused on various topics such as road safety works, leakage (revenue loss during toll collection), physical climate risks (namely flooding), community engagement and employee welfare. The ERC CEO joined from Abertis, who is the majority shareholder of ERC.



Outcome

Within the engagement, the ERC CEO confirmed that the current road gantry would be relocated for each lane further into the tunnel to further reduce leakage numbers. In addition, ERC is installing an improved integrated system to monitor vehicles and reduce leakage through clearer capture of registration plates and a proprietary database of vehicles that are regular users.

Governance protocols were also outlined that include a safety committee at employee level and a safety manager, and a quarterly steering committee that consists of management, safety manager, and HR representative to review road safety and health & safety issues. A key initiative at the end of 2023 was installing cameras in facility cars to monitor drivers for safety and provide proof of correct procedure in case of accident. High-incident points on the toll road network have been identified and investigated. Once identified, ERC works with Virginia’s Department of Transport (“VDOT”) to improve safety by changing signals or road markings. ERC also aims to reduce response and incident clearance times.

To mitigate the road tunnels’ exposure to flood risk, a flood gate was installed that has operated well so far during testing to prevent flooding. Last year, there was a tornado ~30 miles away which did not affect ERC’s operations.

Engagement with managers and IIGCC on Net Zero alignment

Activity

During 2024, the Infrastructure team undertook a Net Zero target setting exercise for the Infrastructure IPV that incorporated all sub-strategies in the portfolio. The team used the IIGCC Net Zero Investment Framework to assess the alignment of the portfolio holdings with net zero through the six discrete criteria that must be satisfied for an asset to move from not aligned to achieving Net Zero. As infrastructure is a heterogeneous asset class, the team evaluated the portfolio at a granular level and considered the IIGCC material sectors, geography, asset size and ESG maturity as key factors. The Infrastructure team also engaged with the IIGCC to explore the additional classification for renewables sector assets to achieve Net Zero. The Net Zero Engagement Initiative aimed to provide a clear baseline for the portfolio and a gap analysis that highlighted an asset's expected journey to reach net zero.

Once the team established an asset's alignment in the baseline year, they engaged with external managers or management teams to determine the asset's expected alignment over time and key criteria to guide engagement to ensure progress.

Outcome

From this approach, the Infrastructure team proposed an alignment (based on AUM) and engagement (based on WACI) target to ensure material holdings and high-carbon intensive assets that represent a significant portion of financed emissions are tracked. Overall, the Infrastructure team believe the proposed targets and granular approach taken balances net zero ambition, intention to reduce 'real world' emissions and practicality of sector specific characteristics.



9

Engagement through our external managers

LPPI Global Equities Fund

Over the last year we have been understanding the views of managers in relation to how they carry out engagements and how this has been impacted or not by changes in the US under the Trump Administration. Overall, our managers continue to support our requests to carry out engagement and stewardship reporting. One manager shared the view that whilst they are not activist investors, they offer insights based on their experience across a variety of sectors and geographies. This can be helpful to companies that are open to external perspectives.

On occasion, the manager might also leverage its network to introduce companies under engagement to external experts on areas of discussion. The manager shared that this brings a long-term perspective to ensuring companies are supported, which has led to engagement and collaboration on areas of policy and disclosure. Specific engagements by the manager for the current reporting period are summarised in the table below. It is important to note that the manager does not claim sole attribution or causality regarding the outcomes.

Sector (GICS 1)	Geography	Issue	Engagement activity
Communication Services	Asia	Skills	Following ongoing engagement starting in 2023, the company has added three individuals to its board, including two independent members who provide helpful skillsets to the company's core business areas.
Communication Services	Asia	Transparency	Engagement with the company has been ongoing since 2022. The company has been increasing its transparency and public disclosures on its approach to user data awareness and privacy.
Information Technology	Europe	Remuneration	Prior feedback has been incorporated by the company with respect to benchmarking, as highlighted by revisions to the remunerations policy in 2024.
Consumer Discretionary	Asia	Climate disclosure	The company had yet to disclose Scope 1 and 2 emissions. Following the request for support and guidance in 2024, it is expected to see published information in due course.
Consumer Discretionary	USA	Health and safety	Engagement since 2016 has been focused on disclosure related to the employee injury rate of the company. Following reported data in 2024, it was confirmed that this rate had dropped. This has shown the importance of long-term engagement.

11 Escalating engagements effectively: Divestment from industrial conglomerate in Bermuda (GEF External)

In mid-March 2024, LPPI made the decision to divest from and exclude an industrial conglomerate incorporated in Bermuda, with significant operations in Asia, from one of our externally managed Global Equities portfolios.

The Company is a complexly structured conglomerate, which has both full and partial ownership over both conglomerates and companies. The conglomerates in its value chain, in turn, control companies, therefore exposing the Company to many industries with operations in Asia. Some industries the company is exposed to pose significant ESG risks: principally palm oil production and gold mining. Underlying companies operating in these sectors have been accused of alleged forced land reclamation and deforestation, human rights abuses, and mining activities threatening the habitat of an endangered species.

The decision to exclude the stock was made following careful consideration and both direct and indirect engagement with various parties involved. LPPI's Responsible Investment team first brought the ESG issues associated with the stock to the attention of the asset manager of the underlying portfolio in May 2022. After a moratorium on the mining activity described above, the Company announced plans to resume and expand gold mining operation in early 2024. LPPI then engaged with the asset manager of the underlying portfolio and with the Company directly in a collaborative group setting led by another asset manager.

In assessing options for maintaining our holding in the Company, we considered the investment thesis and the company's position in the broader Global Equities fund alongside our ability to engage and reduce the ESG risks identified. We concluded that divesting and placing the company and specific subsidiaries on an exclusion list was the appropriate action.



LPPI Credit and Fixed Income Funds

The table below shows key engagement examples through our Credit and Fixed income external managers for the 2024/25 reporting year.

When we refer to ‘outcomes’, we mean the observed developments related to our engagement activities, which may not necessarily be solely attributable to our actions.

CREDIT

Sector	Geography	Quarter	Topic(s)	Engagement activity/Outcome
Financials	Europe	Q2 2024	Environmental – Net Zero	<p>An asset-backed lending manager financed a UK-based platform that provides short-term loans to support working capital needs of SME businesses. The cost of financing included a 0.1% discount to the loan if the platform could evidence work towards a net zero target.</p> <p><i>Outcome(s):</i></p> <ul style="list-style-type: none"> Since the loan was put in place, the company has collaborated with our manager to assign an ESG lead and started tracking and reporting their GHG emissions for the first time. Additionally, our manager offered a symmetric ESG ratchet ranging from 0.1% discount to 0.1% penalty based on the total annual score that the platform would achieve in our manager’s internal ESG scoring system. Since the setting of this ratchet, the company has made meaningful efforts to improve its ESG profile, for example on the social side by starting to conduct employee engagement surveys which could improve its employees’ experience.

FIXED INCOME

Sector	Geography	Quarter	Topic(s)	Engagement activity/Outcome
Industrials (Port and logistics)	Asia	Q3 2024	Environmental – Net Zero Governance – Transparency and credit discipline	<p>The manager discussed the company’s progress against its Net Zero 2040 ambition, having reduced its energy and water intensity, increased its renewable energy capacity and continued afforestation efforts.</p> <p>Fair business practices were also discussed and the company confirmed it had included clear policies around related-party transactions, transparent business-to-business pricing, and a simplified shareholding structure without involvement of unknown offshore funds. Broader governance considerations also included the company’s strong credit discipline.</p> <p><i>Outcome(s):</i></p> <ul style="list-style-type: none"> It was confirmed that the company does not generate any revenue from thermal coal mining and is only involved in its transportation. It was confirmed that the company will continue its trajectory towards net-zero by 2040, focusing on further expanding its renewable energy capacity. The company provided a commitment to maintain its transparent business practices, including its goal to avoid providing related-party loans outside of normal business. The company stated it will aim to maintain its credit discipline, particularly its targeted leverage ratios.

FIXED INCOME

Sector	Geography	Quarter	Topic(s)	Engagement activity/Outcome
Materials (Steel company)	Asia	Q1 2025	Environmental – Green bond issuance, Decarbonisation	<p>Following the company’s green bond issuance, the manager discussed the company’s strategic expansion, its decarbonisation roadmap and recent enhancements to interim targets, and innovation in low-carbon steelmaking technology. The company reiterated its commitment to net-zero carbon emissions by 2050, while adding a newly disclosed interim goal of achieving a 10% reduction by 2030, which had not been a part of previous discussions in early 2024. To reach these objectives, the company is pursuing several carbon-reduction strategies, including the development of HyREX (a hydrogen-based steelmaking process), scaling up the use of steel scrap, and transitioning from coal to alternative low-carbon feedstocks.</p> <p><i>Outcome(s):</i></p> <ul style="list-style-type: none"> • The company provided further detail on its enhanced 2030 climate target and clarified the role of HyREX in meeting long-term decarbonisation goals. • The company demonstrated proactive steps toward reducing emissions while maintaining capital discipline through its green financing strategy. • The engagement reaffirmed our external manager’s view that the company is progressing meaningfully on climate transition and remains committed to driving low-carbon innovation within the steel sector.

FIXED INCOME

Sector	Geography	Quarter	Topic(s)	Engagement activity/Outcome
Utilities	Europe		Environmental – Carbon emissions	<p>Our external manager has been in regular engagement with an integrated utilities issuer, providing significant input during the initial development and rollout of their sustainability-linked bond (SLB) framework. This bond issuer is recognized for its leading climate strategy and has been on an improving power generation carbon intensity trajectory since 2007. The recent focus of engagements has broadened to include the issuer’s strategy to mitigate sustainability risks related to their transition and climate plan, such as potential slowdowns in decarbonisation and disruptions caused by disputes with local communities.</p> <p><i>Outcome(s):</i></p> <ul style="list-style-type: none"> • After missing its carbon reduction target in 2024 and having to pay an SLB penalty, the issuer has demonstrated a commitment to its decarbonisation targets, reflected in meeting its carbon target in April 2025 and avoiding further penalties. • There has been progress on the implementation of the issuer’s transition plan, disclosures, and broader sustainability initiatives continue to be monitored by our external manager.

LPPI Real Estate Fund - working with our external manager

We continue to work in partnership with Knight Frank Investment Management (KFIM) to champion ESG performance and maintain high stewardship for its direct portfolio. In 2024, notable ESG performance highlights from KFIM include:

- REGO backed 100% renewable electricity procured on all landlord sites.
- On-site photovoltaic panels producing 619.39 mWh of solar power (improvement from 555 mWh in 2023)
- 98% carbon data coverage following API integration and tenant engagement (improvement from 83% in 2023)
- 59% of assets under management are EPC B or above (improvement from 54% in 2023)
- Improved our GRESB score from 67% to 79% in 2024
- 27% of BREEAM certification coverage (16% in 2023)



Case study

Reducing carbon footprint of portfolio through BMS optimisation

Buildings account for approximately 75% of the EU's energy inefficient building stock¹³, with HVAC systems representing approximately 38-40% of total commercial building energy consumption¹⁴ and significant optimisation opportunities remaining untapped. HVAC system energy consumption can vary by up to 10 times between buildings¹⁵ indicating substantial potential for improvement through targeted interventions.

Activity

After a successful feasibility assessment Re:sustain was deployed at 4 Victoria Square. Re:sustain connects to the Building Management System (BMS), using digital twin technology and machine learning to model building performance in real-time. It monitors systems continuously, identifies inefficiencies, and makes remote adjustments to reduce waste without disruption.

Outcome

From January to March 2025, the energy optimisation program at 4 Victoria Square yielded substantial results:

- Energy Use Intensity (EUI) Reduction: A 22% reduction in EUI was achieved, translating to a saving of 12.2 kWh/m².
- Carbon Dioxide (CO₂) Emissions Reduction: The program resulted in a 19% decrease in CO₂ emissions, equivalent to a saving of 12.8 tonnes of CO₂.
- Operational Cost Savings: The optimised energy consumption translated into significant operational cost savings, amounting to £5,088 (a 5% reduction).

Since the optimisation programme began in April 2024, both metered CO₂ emissions and operational costs have been reduced through March 2025, highlighting the sustained effectiveness of the implemented strategies. Total savings over this period reached £26,277 and 37 tonnes of CO₂.

The success at 4 Victoria Square serves as a great case study for future energy optimisation projects across the portfolio. The team plan to replicate and scale this model by expanding BMS optimisation and energy monitoring capabilities, implementing similar energy-efficient technologies and continuous monitoring and improvement of building performance.

¹³ [In focus: Energy efficiency in buildings - European Commission](#)

¹⁴ [A review on buildings energy information: Trends, end-uses, fuels and drivers - ScienceDirect](#)

¹⁵ [REHVA Journal Assessing electrical energy use in HVAC systems](#)



Case study

Championing human rights due diligence within the Solar PV supply chain

Activity

Whilst installing solar PV systems, KFIM remains deeply committed to ethical stewardship throughout the supply chain, particularly concerning modern slavery risks within the solar industry. Recognising the increasing prevalence of silicon sourcing from the Xinjiang region and associated human rights concerns, KFIM enhanced their due diligence process for solar service providers.

Outcome

The development of the due diligence process resulted in a comprehensive form inquiring about material origins, including polysilicon from Xinjiang, requiring proof of third-party and social audits, subcontractor details, and an organisational action plan for supply chain transparency.



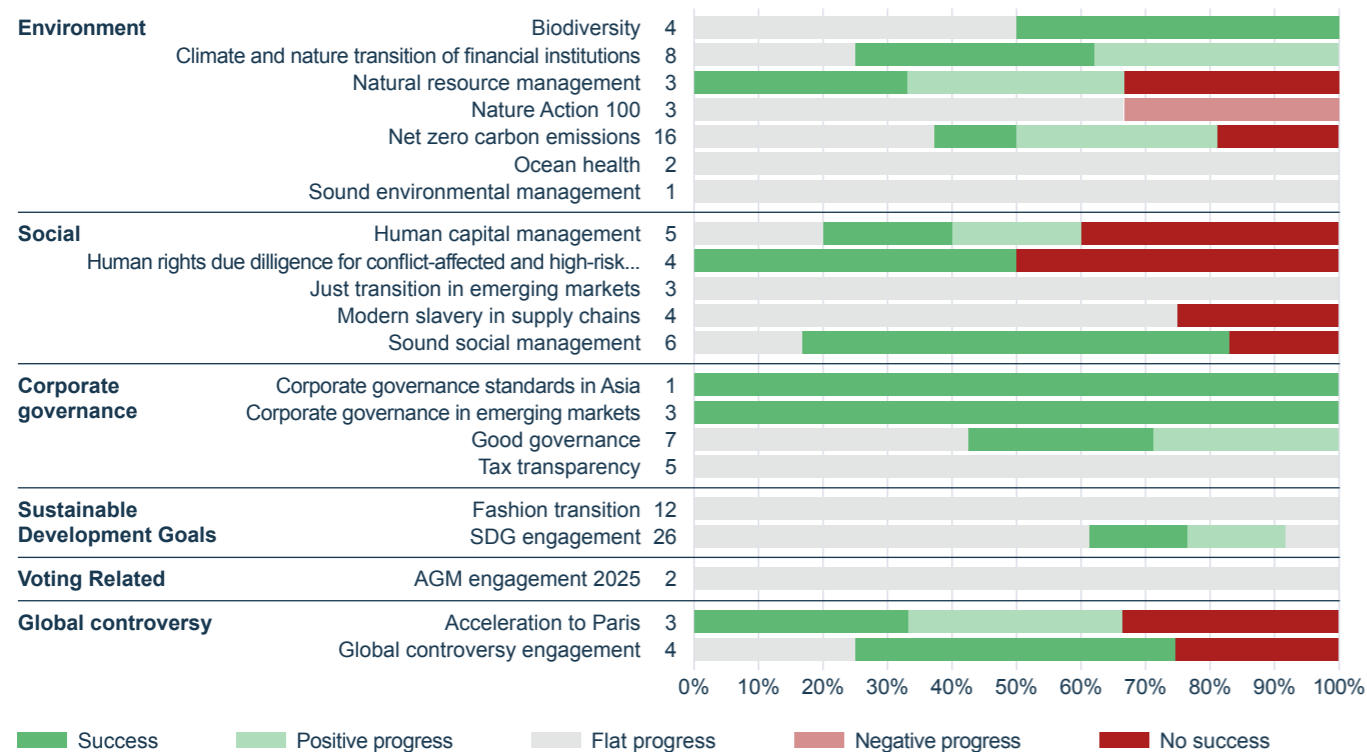
Our public markets engagement partner

Our relationship with Robeco Active Ownership (Robeco) commenced in early 2020 and is a key partner in helping us enhance our engagement efforts. Robeco supplement our own engagement activities across global equities and corporate fixed income, bringing additional resource and expertise to expand the scope of LPPI's engagement universe. Robeco executes standalone engagement themes, informed by our interests and their wider client base, as well as supporting LPPI's internal engagement activity, for example, through the sharing of insights on proxy voting.

We formally monitor Robeco's performance through quarterly meetings and analysis of their quarterly reporting though, in practice, there is an open line of communication between teams, evidencing the strong relationship built over the years. The progress of thematic engagement is diligently tracked by Robeco and the results are made available for LPPI's quarterly client reporting and meetings.

Robeco's overall progress for each of the themes actively engaged on during 2024 - 2025 can be seen in the following chart:

Progress per themes: Themes and number of companies under engagement



Between the 1st of April 2024 and 31st March 2025, Robeco has undertaken 249 engagements on LPPI's behalf, with the majority of these focused on the Sustainable Development Goals (SDGs). These are displayed in the following table:

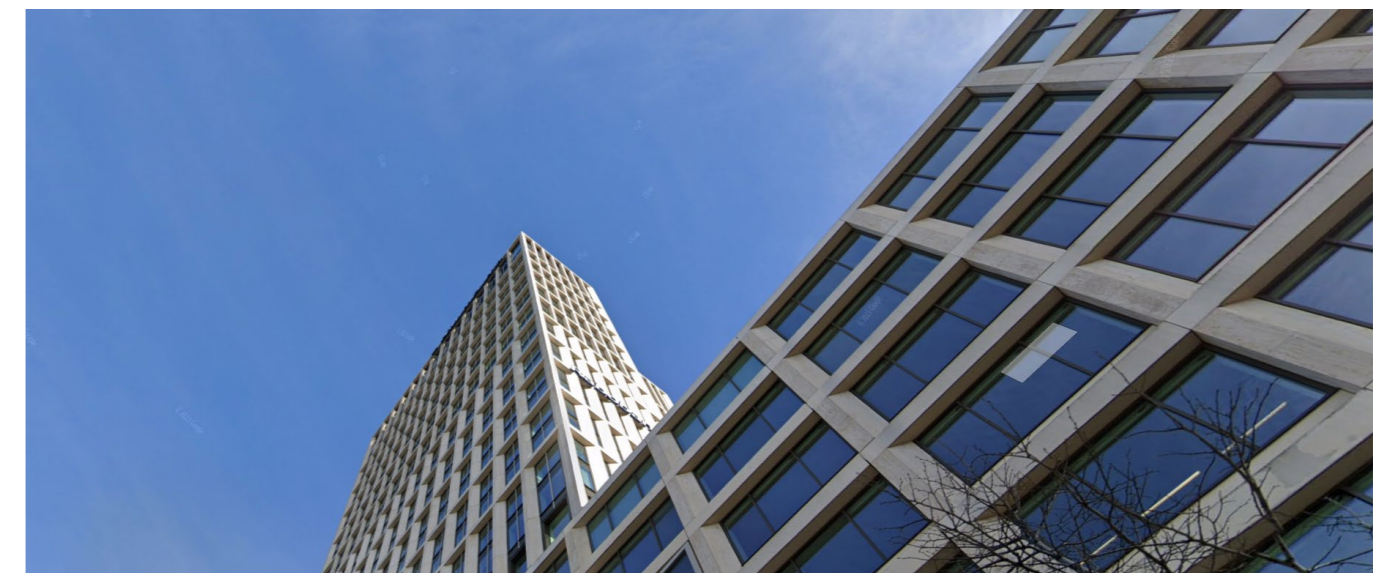
Number of engagement activities per overall theme

Activity by focus topic	Count
Environment	76
Social	37
Corporate governance	26
Sustainable Development Goals	94
Global Controversy	7
Robeco-linked voting	9
Total	249

Robeco engages through various methods, with conference calls and written correspondence being the most common form of engagement as shown in the table below:

Number of engagement activities per contact type

Engagement activity	Count
Meeting	12
Conference call	124
Written correspondence	130
Shareholder resolution	3
Analysis	79
Other	2
Total	350



Collaborative engagements and external partnerships

We value the importance of engaging collaboratively with companies and stakeholders on thematic issues and learning from the experience and insights of our peers across the industry. This includes our participation in external industry initiatives, which is fuelled by LPPI's collaborative nature and a desire for best practice stewardship. The more we can benefit from pooled experience with partners, the more effective we can be for our partner funds and their beneficiaries.

Nature Action 100 (Company Engagement)

The Internal Equity team joined Nature Action 100 in 2023, an investor-led engagement initiative that aims to support greater corporate ambition and action on reversing nature and biodiversity loss. The signatories include over 230 global asset owners and asset managers responsible for over \$30 trillion in assets under management or advice.

As part of this initiative, we have been engaging with a global wholesale retailer on the theme, with specific objectives in mind around ambition, assessment, targets, implementation and engagement. An initial call with the company took place in April 2024, where we were better able to understand management's approach to biodiversity, and identify areas for improvement.

We continue to have regular, encouraging discussions with fellow member investors, who have been able to bring together different perspectives and experience with regards to the theme at hand. The members are confident that we can leverage our collective ownership and knowledge into some positive conversations with the company. We are hoping to organise another call with the company in 2025, where we will leverage our understanding of best-in-class practices on biodiversity gleaned from comparable companies, helped by the NA100 benchmark analysis carried out by the initiative during the reporting year.



Workforce Disclosure Initiative (Company Engagement)

LPPI is an investor signatory to the Workforce Disclosure Initiative (WDI). As an investor signatory, LPPI supports efforts to enhance corporate disclosure on workforce practices. During the 2024 engagement cycle, we chose to focus our efforts on leveraging the WDI dataset without actively engaging through the WDI. We used this dataset to support our analysis of workforce-related risks during the monitoring of existing portfolio holdings, alongside investment research when considering new positions.

With respect to existing positions previously engaged as part of the campaign, we are continuing to monitor workforce-related progress. For example, in 2023, we sent an email to bank software provider Jack Henry, Inc., a reasonably labour-intensive business that relies on highly skilled employees, through the WDI campaign and received a response directing us to their Sustainability Report.

We were encouraged to see disclosure of the results of their employee engagement survey, where the company report a decent level of participation and an engagement score exceeding that of the industry benchmark.

We have also benefitted from companies who we engaged with in previous years subsequently submitting a response to the WDI survey; these companies include Microsoft and Visa. We have signed up to actively participate in the campaign once again in the upcoming cycle (2025/2026), where we hope to leverage the asks of the survey with companies which we believe would materially benefit from improved workforce disclosure.

Net Zero Engagement Initiative (Company Engagement)

In Q3 2024, moving into the second year of our participation in the Net Zero Engagement Initiative, LPPI co-signed letters to the companies where we form part of engagement groups: IMCD, Assa Abloy, and LVMH. Whilst letter signing is part of our obligation as members of the initiative, we believe it is an important part of our active ownership of these companies. The letters emphasised the initiative's six core asks (ambition, targets, disclosures, emissions performance, decarbonisation strategy, and capex alignment) and asked for clarification on whether:

- a. the Company intends to prepare a Net Zero Transition Plan including the elements noted above; and
- b. the Company would submit their transition plan to a shareholder vote.

IIGCC Consultation on Transition Finance (Standard setter Engagement)

In Q3 2024, LPPI responded to an IIGCC consultation and participated in the subsequent working group discussion on definitions and scope of what constitutes 'transition finance'. Transition finance has emerged as a concept to distinguish between BAU investments into high emitting assets and investments that enable the high-emitting asset to transition.

The consultation aimed to capture the various views and definitions of transition finance amongst members, reflecting the current lack of clarity regarding what qualifies as transition finance and how it compares to other types of finance, namely sustainable finance and business-as-usual (BAU) finance.

The findings were distilled into a white paper which can be found [here](#) and summarises the range of views on e.g. the definition of transition finance, why it is needed as a term, what is and is not included, and what elements of a transition (plan) or otherwise would be needed to define the activity for instance. This consensus building is helpful and relevant to LPPI through our work on the EOF which will involve an element of transition finance.

UK Green Taxonomy (Government Engagement)

In November 2024, HM Treasury released a consultation for a UK Green Taxonomy. The primary purpose of this consultation was to establish whether a UK Taxonomy would be additional and complementary to existing policies in meeting the objectives of mitigating greenwashing and channelling capital in support of the government's sustainability objectives. To inform this, the consultation sought to gather views on any market and regulatory use cases for a UK Taxonomy which would contribute to these objectives. In addition to developing a clear understanding of the use cases, the government also sought feedback on how to maximise the usability of a UK Taxonomy, should respondents support taking one forward. In particular, the government is seeking views on whether a UK Taxonomy is a suitable tool for supporting the mobilisation of transition finance, including financing for activities that enable other sustainable activities.

LPPI supported IIGCC's collective member response to the UK Green Taxonomy and were comfortable their response covered our main stance on a taxonomy, LPPI provided comments on where we had additional suggestions on content such as on lessons learned from existing taxonomies and ways to monitor success. We also signalled our support and overall perspective on the utility of a UK green Taxonomy in a short email response direct to HM Treasury. In our opinion, the use case for a UK Green Taxonomy was clear when first mooted but the industry has moved on and introducing it no longer generate the original intended benefits. The government has since announced, in June 2025, that they no longer plan to introduce such a taxonomy following the industry consultation. We therefore consider this to have been a successful engagement effort utilising the multiple avenues available to us.



12

Our approach to shareholder voting

Context to proxy voting

The LPPI Global Equities Fund is composed of an internally managed global equities portfolio (circa half of its assets under management) and a further five externally managed underlying portfolios for whom we have retained voting rights. Voting decisions have been fully delegated to us from our three whole scheme management partner funds, and we see it as our fiduciary duty to exercise our responsibilities to both our partner funds and our portfolio companies through proxy voting in an informed and communicative manner.

Proxy voting in practice

Our approach to proxy voting is detailed in our [Shareholder Voting Policy](#). To ensure we apply a consistent approach, we endeavour to actively vote at all applicable shareholder meetings across all underlying portfolios in the global equities fund, demonstrating our conviction in our [Shareholder Voting Guidelines](#). Our Shareholder Voting Guidelines are updated annually in acknowledgement of the evolution of industry best practices, our partner fund's identified responsible investment priorities, and issues material to our diversified portfolio.

Stock lending

At present, we do not operate a stock lending process.



Determining how to vote

We use Institutional Shareholder Services (ISS) as our sole proxy adviser and subscribe to their sustainability voting policy as our default policy, yet this can be overridden, most frequently when it diverges from LPPI's voting guidelines. We consider the research and recommendations provided by ISS alongside our own research and engagement to inform our ultimate voting decisions. We respond annually to ISS's Benchmark Policy survey which informs the application of specialty policies. Practically, should any issues arise in the execution of our voting rights, we work closely with ISS to resolve problems in the voting chain and we consider them to be very responsive.

With our externally managed portfolios, in some instances we liaise with the underlying asset managers to gain more in-depth understanding of their investment thesis for holding a company and tap into their deep knowledge of the company in question. We are also provided with write-ups of engagements undertaken by those external asset managers; where applicable, information gleaned from these may also inform voting decisions.

Through our proxy voting decision making, we hold portfolio companies to the same standard regardless of which underlying fund they are held in; as a result, we aim to have a consistent approach to stewardship of companies in our global equities portfolio. That said, we believe it appropriate to differentiate our expectations for companies operating in emerging markets and those in developed markets. This is reflected in LPPI's Shareholder Voting Guidelines, and one example of this is our treatment of board-level independence requirements. We expect a majority independent board members in developed markets and at least one third independent members in emerging markets.

Ultimately, there are occasions where we do override our voting guidelines. This is usually in acknowledgement of a company's idiosyncrasies and/or a result of our engagement activities. For example, we or one of our external managers may have engaged with a company, alerting us to mitigating rationale or a demonstration of motivation to align with our asks, which may lead us to grant lenience on a particular issue. Another instance is when our guidelines state a preference for a certain quota – that is, for 30% female representation on boards of Russell 3000 companies and the company has 28% female directors and has demonstrated a positive trajectory in the last few years. In cases such as this, we may reason that the company is making good progress and cannot round up a fraction of a board member.

Headline voting statistics

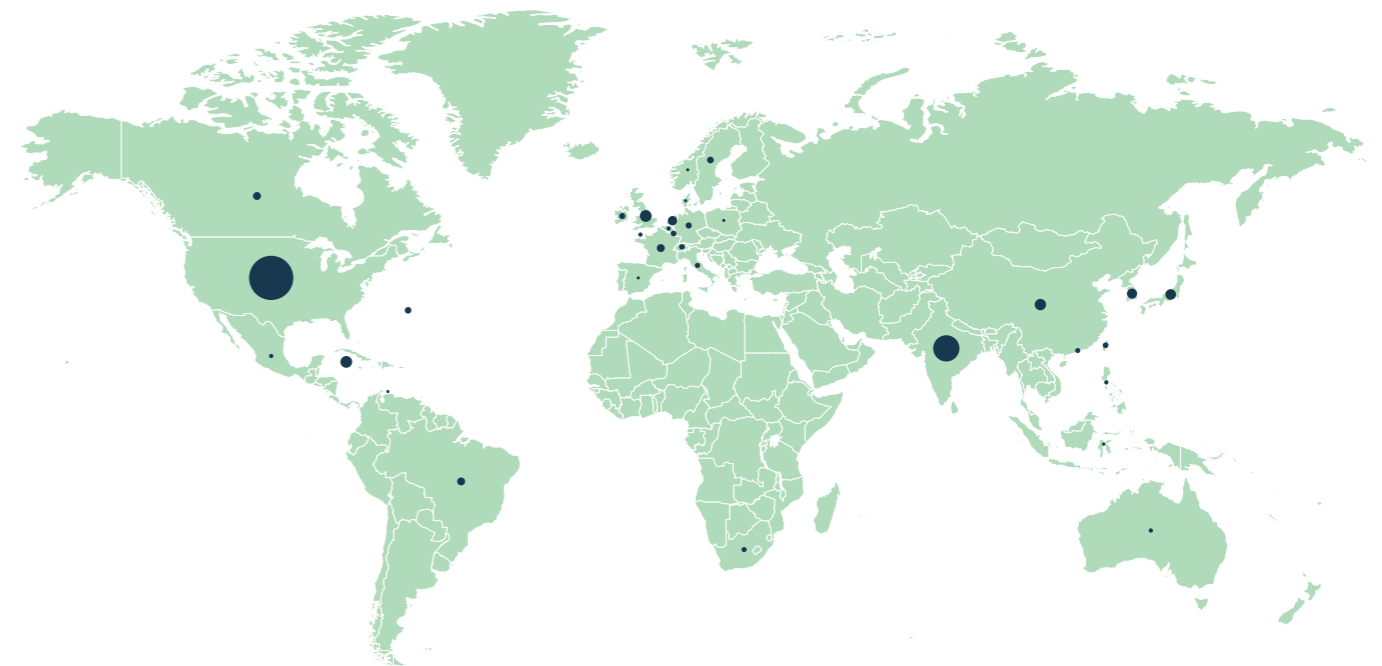
In the 12 months from April 2024 to March 2025, of the 392 votable meetings where LPPI Global Equities Fund shares entitled participation, we voted at 391 company meetings on 4,598 separate resolutions. This captured:

- 19% of votes against management
- 49% meetings with at least one vote against management
- 54% support for shareholder proposals

One meeting was not voted due to issues with Power of Attorney (PoA) documentation at the sub-custodian level. While LPPI raised this with the Custodian in advance of voting season, it was not in place in advance of the company meetings.



Geographical breakdown of votable meetings



Australia	2	Japan	17
Belgium	2	Jersey	2
Bermuda	7	Luxembourg	4
Brazil	10	Mexico	2
Canada	10	Netherlands	14
Cayman Islands	21	Norway	1
China	19	Philippines	2
Curacao	1	Poland	1
Denmark	1	South Africa	3
France	10	South Korea	16
Germany	6	Spain	1
Hong Kong	4	Sweden	7
India	68	Switzerland	4
Indonesia	1	Taiwan	4
Ireland	6	United Kingdom	15
Italy	3	USA	128

Thematic trends

Our Shareholder Voting Guidelines identify the following priority themes we continue to focus on as further context for our decision-making:

- Adequate transparency
- Appropriate remuneration
- Effective management of climate change

We consider each company's market positioning, performance against metrics relevant to these themes, and our own research and engagement in determining our vote directions.

Please note the votes detailed below are reflective of AGMs held in the year under review from 1 April 2024 to 31 March 2025.

ISS Stewardship Briefing

At their 2024 annual Stewardship Briefing, ISS provided a review of trends seen in the 2024 proxy season. They noted a continued downwards trend in investor support for environmental and social shareholder proposals, which they attributed to the politicisation of ESG and increasingly prescriptive proposals. 'Anti-ESG' proposals continue to be filed and represented the second largest shareholder proposal type by topic (after climate change) in 2024 recorded by ISS. Key social issues put to the ballot, filed by shareholders, were DEI and Human Rights. In navigating this landscape, we did not change our approach, supporting proposals on issues material to the company in question, with asks which we believed to be proportionate to the underlying issue.



Adequate transparency

To make informed judgements on the quality of investee companies' practices, shareholders need adequate information on their standing. Companies are required to publish a range of prescribed information under applicable laws and regulations, but the detail of the disclosure required is frequently open to interpretation. On issues of material importance to LPPI, we will consider whether a company has released sufficient information to support shareholder insight on the adequacy of their approach and assurance on reasonable outcomes. Where companies provide insufficient information on issues shareholders and wider stakeholders consider material, we will encourage them to improve their disclosures.

During the period from 01 April 2024 to 31 March 2025, we voted:

- In support of 100% of shareholder proposals on climate change where most proposals sought greater information on how companies are managing risk
- In support of 100% of shareholder proposals seeking greater transparency on corporate behaviour relating to political lobbying (for example, through enhanced reporting)

Appropriate remuneration

The 2024 proxy season saw lower dissent on remuneration proposals than in previous years. However, we continued to use voting as a tool to indicate our dissatisfaction with companies' remuneration structures and/or quantum when we deemed it necessary. Quantum of pay, insufficient disclosures – including of performance criteria – and irregular structures and practices formed the rationale for LPPI's lack of support for these resolutions.

During the period from 1 April 2024 to 31 March 2025 we voted against 19% of management resolutions relating to executive compensation. Votes against management are motivated by a range of factors, including, but not limited to, poor transparency, mis-aligned incentives, and pay magnitude.

At LVMH Moët Hennessy Louis Vuitton SE (France: Textiles, Apparel & Luxury Goods), we voted against the remuneration report and remuneration policy

At the **LVMH 2024 AGM**, shareholders had the opportunity to vote on both the remuneration report for the year under review as well as the new remuneration policy. In deliberating our decision, LPPI acknowledged that the significant success LVMH was enjoying at the time of the AGM was undoubtedly a symptom of the CEO and vice-CEO's positive management. However, we noted ISS' concerns in both the retrospective report, and the forward-looking policy surrounding a lack of disclosure on targets and payout scales for both the annual bonus and long-term incentive plan, the performance period and criteria in the long-term incentive plan and a lack of derogation clause.

Furthermore, shareholders were asked to approve the remuneration policy for the year, even though the vice-CEO was due to step down from their role following the AGM. All these points considered, we felt the need to hold the company to the same level of account as other portfolio companies and voted against all resolutions pertaining to remuneration.

Result: 15.5% - 19% dissent¹⁶.

At Tesla Inc (USA: Automobiles), we voted against the CEO's pay package

As the Tesla 2024 AGM, shareholders were given the opportunity to ratify an already granted pay package to the CEO 2018 stock options plan. This was the second time shareholders were able to opine. LPPI agreed with the recommendation of our proxy advisor, ISS, and voted against the resolution.

Despite the company's successes and the significant performance hurdles which the CEO successfully overcame; the total award was deemed excessive. Furthermore, as Tesla shareholders, LPPI felt the award failed in focusing the CEO on the interests of Tesla and its shareholders rather than his outside business activities. Finally, there remains a lack of clarity with regards to Musk's future compensation policy.

Result: 23.8% dissent.

At Nike Inc (USA: Textiles, Apparel & Luxury Goods), we abstained in relation to Say on Pay

At the Nike 2024 AGM, we considered our previous voting activity on its Say on Pay, which we have opposed for the last two years. This is an example of where we have voted differently to the recommendations of our proxy advisor. Our proxy advisor did not advocate voting against the resolution this year but noted that during a period of lagging and negative three-year TSR, the CEO's target long-term incentive equity award value once again increased year-over-year, which raised concern.

However, we were encouraged that annual cash incentives were entirely tied to pre-set objective metrics and noted a year-on-year improvement in that multi-year performance shares with clearly disclosed goals now comprise half of the LTI program. As a result, we chose to abstain in recognition of the improvements seen.

Result: 16.7% dissent

At Estee Lauder Companies Inc (USA: Personal Care Products), we voted against the Say on Pay

Following our negative vote instruction last year and in previous years, we emphasised our conviction that the Company's pay structure requires attention. We noted that, while total CEO pay declined for the year in review, certain structural concerns were identified. Specifically, there are ongoing concerns surrounding high base salaries and relatively large payout opportunities vs. peers. Additionally, the majority of annual equity awards granted to NEOs continue to lack performance-vesting criteria. Finally, concerns are noted surrounding the limited disclosure of quantified performance targets for a portion of the CEO's annual incentive that was at risk.

Result: 6.9% dissent

Effective management of climate change

In the wake of another year of record temperatures and natural disasters, it is not surprising that our portfolio companies' management of climate change was identified as a priority theme.

Our global equities fund contributed its assets under management in material sectors to our Net Zero Asset Managers commitment in 2021, and our implementation of our climate voting guidelines are designed to support this.

In determining whether to cast an adverse vote on account of climate, we are guided by the IIGCC's NZIF categorisation of corporate alignment and will vote against management at companies that are assessed to be in the bottom two tiers and are showing inadequate evidence of progress. This captures companies that have not set an ambition to decarbonise (not committed) or those that have set the ambition but not followed up with tangible action such as disclosure of targets (committed to aligning). In the absence of a 'Say-on-Climate' proposal, we may choose to vote against the annual report and accounts, or a relevant board member deemed responsible for the company's actions on climate.



During the period from 1 April 2023 to 31 March 2024, we cast an adverse vote against a management filed resolution on account of a company's perceived climate inaction at 10 companies.

PPG Industries Inc (USA: Chemicals) operates as a high impact sector, in-line with the Net Zero Investment Framework (NZIF). Whilst we were encouraged that the Company has set medium-term GHG reduction targets across scopes 1-3 (scopes 1 & 2: 50% by 2030 and scope 3: 30% by 2030 using a 2019 baseline), which have been validated by the Science-Based Targets initiative (SBTi), the Company lacks any short or longer-term targets and has not committed to Net Zero 2050. With regards to which director was deemed accountable, we learned from the company's annual report that the nomination and governance committees have responsibility for the ESG programme and therefore cast a vote against the committees' Chair. As a result, we cast an adverse vote on account of inadequate climate action.

Result: 10% dissent

At **AMG Critical Materials NV** (Netherlands: Metals & Mining) we cast a vote against the adoption of the financial statements and statutory reports because of the company's climate inaction. The company is defined as high impact in line with the NZIF and had only disclosed its scope 1 & 2 emissions (while >90% of its emissions are scope 3). Furthermore, at the time of LPPI voting ahead of the AGM, the Company had neither set any credible emissions reduction targets, nor a Net-Zero 2050 commitment. The company had also not clearly indicated whether there is a Board member responsible for climate, therefore, LPPI directed the vote against the annual report and accounts.

Result: 0.4 dissent

At **Guoco Group Limited** (Bermuda: Industrial Conglomerates), at the shareholder meeting, we chose to vote against the only director up for re-election due to climate related concerns. The company is a high impact sector and had not set any GHG reduction targets, or a commitment to reach Net Zero by 2050. While we were encouraged to see the Company's reporting of scopes 1&2 emissions in its latest ESG report, it had yet to calculate its likely sizeable Scope 3 emissions.

Results: 0.2% dissent

Shareholder proposals

During the period from 1 April 2024 to 31 March 2025, we voted:

- In support of 67% of shareholder proposals seeking reporting on human rights assessments and the improvement of human rights-related standards.
- In support of 50% of shareholder proposals related to gender and/or racial diversity. Typical proposals supported requested specific disclosures (such as pay gaps) and actions such as the conducting a racial equity audit.
- In support of 84% of shareholder proposals on climate change. LPPI typically supported proposals that sought greater information on how companies are managing risk.

At **Nike Inc** (USA: Textiles, Apparel & Luxury Goods) a shareholder proposal requested a report assessing the effectiveness of its supply chain management in upholding equity goals and human rights commitments. This report would analyse how Nike's policies and practices ensure alignment with its equity goals and human rights commitments throughout its supply chain, including addressing forced labour, wage theft, and other potential risks.

The proponent is concerned that Nike has not provided adequate analysis regarding the efficacy of traceability steps taken to address the risks of alleged Uyghur forced labour across its supply chain. Whilst the Company has stated that it does not source products from the Xinjiang Uyghur Autonomous region, it does not source its cotton directly and is now 'focused on traceability of cotton'. Additionally, in 2023, garment workers accused the company of violating OECD guidelines. As a result, we voted in favour of this shareholder-filed proposal.

Result: 13.2% of votes in favour

At **Nestlé SA** (Switzerland: Food Products) a shareholder proposal was filed by an investor group convened by ShareAction calling for the company to 'Report on Non-Financial Matters Regarding Sales of Healthier and Less Healthy Foods'. LPPI overrode the recommendation from our proxy advisor, ISS, to vote against the proposal and therefore support management, and instead chose to abstain.

We rationalised that support for this proposal would equate to advocating change in Company strategy, which would detract from that already in place. Moreover, it was counterproductive to promote growth in one segment of the product portfolio to the detriment of others. However, a large part of the proponent's broader argument was compelling. More than 50% of Nestlé's sales do not meet the Health Star Rating (a widely used indicator) healthier threshold of 3.5 or above. This is material for the Company as failing to manage the issue may increase the likelihood of financial and regulatory risk (e.g. sugar taxes/potential for fines) which may also result in reputational risk.

From a broader societal perspective, it was important to consider the global scope of Nestlé's products and distribution and its subsequent role in promoting healthy products, as well as maintaining integrity with regards to their labelling and marketing. This is particularly significant when considering the costs associated with growing levels of obesity worldwide, and the financial strain placed on the public sector (such as in the UK, a principal market for Nestlé) with national health services.

Result: 12.1% dissent - this included 'abstain' votes

At **NVIDIA Corporation** (USA: Semiconductors & Semiconductor Equipment) a governance focused shareholder proposal was filed calling for the Company to 'Adopt a Simple Majority Vote'. In this case, management did not provide a recommendation to vote against the proposal as is usually the case with shareholder resolutions. This is indicative of a trend seen at several other US companies this proxy season. As minority shareholders, LPPI is generally supportive of proposals of this nature as the elimination of supermajority vote requirements enhance our rights as shareholders, giving us a more meaningful representation when expressing our views through proxy voting. LPPI voted in favour of the proposal.

Result: 88.9% of votes in favour

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Future priorities

As we have described, both LPPI and our partner funds will be directly affected by changes introduced by the Government under its Fit for the Future agenda and preparing for increased forms of disclosure which are already in train under existing regulations or enroute via measures due to be introduced. These collectively mean a continued focus on our data systems and core processes and their ability not only to support our stewardship activities (the doing) but our ability to efficiently demonstrate (evidence) and disclose (report) on this in an increasingly varied way which has implications for our systems and resourcing.

Technology and Data Roadmap

We will continue to progress our Technology and Data Roadmap multi-year plan, which includes completing the implementation of our data solution and the integration of information, analytics and performance across public and private markets.

A key focus for us over the next 1-2 years is to build out our data storage and analytical capability, through the creation of a single repository for the capture, storage and interrogation of extra-financial metrics and data. We will be exploring technological solutions to track and streamline our engagements to allow better reporting of stewardship and understanding of progress made in line with LPPI's commitments, embed solutions to store extra financial data on the portfolio in an easily accessible consistent format and enable more efficient analysis of the risks and exposures within the portfolio.

Entity sustainability report

Our ESG Programme includes planning for the production of an entity sustainability report, which sets out information relating to sustainability risks and opportunities. The disclosures are mandated by the FCA under the Sustainable Disclosure Requirements (SDR) and build on the TCFD report structure using the same four disclosure pillars (governance, strategy, risk management, and data and metrics).

Net Zero

We will continue to bring further asset classes into the scope of our Net Zero framework, consistent with our ambition for 100% of assets under management being brought within the scope of target setting by 2050 at the latest. Preparations for Phase 4 of the project will focus on consolidating balance sheet items into existing targets and further developing our net zero engagement strategy for Real Estate and Infrastructure.

Systematic engagement and stewardship record keeping

We continue to progress a more systematic and structured approach to engagement which reflects the need for intelligent prioritisation. This is a key priority, with internal 12-month engagement plans starting to be developed within internal asset class review meetings as a key step towards a more formalised corporate engagement strategy, which can leverage LPPI's internal and external resources to best effect. As part of this strategy, we aim to develop a stronger link between our engagements and voting.

Glossary of acronyms

AGM	Annual General Meeting
AUM	Assets under management
CA100+	Climate Action 100+
CDG	Capital Deployment Group
CDP	Carbon Disclosure Project
CRREM	Carbon Risk Real Estate Monitor
CvaR	Climate Value at Risk
ED&I	Equity, diversity and inclusion
EOF	LPPI Environmental Opportunities Fund
ESG	Environmental, social and governance
FCA	Financial Conduct Authority
IIGCC	Institutional Investors Group on Climate Change
LGPS	Local Government Pension Scheme
LPP	Local Pensions Partnership Ltd
LPPI	Local Pensions Partnership Investments Ltd
MHCLG	Ministry of Housing, Communities and Local Government
MSCI	Morgan Stanley Capital International
NGFS	Network for Greening the Financial System
NZAM	Net Zero Asset Managers (initiative)
NZEI	Net Zero Engagement Initiative
NZIF	Net Zero Investment Framework
PPP	Public Private Partnership
PRI	Principles for Responsible Investment
REGO	Renewable Energy Guarantees of Origin
RI	Responsible Investment
SAA	Strategic Asset Allocation
SBTI	Science Based Targets Initiative
SDR	Sustainability Disclosure Regulation
sESGi	Systematic ESG Integration
TCFD	Task Force for Climate-related Financial Disclosures
TPI	Transition Pathway Initiative
WDI	Workforce Disclosure Initiative
WSM	Whole Scheme Management

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