

The background of the entire page is a blurred image of newspaper clippings. In the lower-left foreground, there is a clear glass globe with a world map etched onto its surface. The globe is slightly out of focus compared to the text in the top right.

LPP

Local Pensions Partnership
Investments

Responsible Investment Policy – Position statement on conflict-affected areas

Local Pensions Partnership Investments (LPPI) is a fiduciary manager of UK pension schemes who invest globally. Our stewardship responsibilities include navigating the investment context presented by conflict-affected areas, including where they arise and pose material risks to the portfolio we manage.

LPPI's purpose is to support clients to invest sustainably¹, with a focus on generating long term risk adjusted investment returns required to pay pensions as they fall due. As responsible investors we systematically integrate the consideration of material Environmental, Social and Corporate Governance (ESG) factors within our stewardship processes. Our responsible investment approach favours an open investment universe and detailed due diligence, which focusses on understanding the drivers and detractors of investment return in context.

We consider "Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors" from the UN Global Compact/PRI a helpful reference text, particularly in its framing of conflict as a stressor that creates a significantly less stable operating environment for companies and the expectation for enhanced attention to the sensitivities and responsibilities which extends to investors.

Conflict is a stressor in general, but we particularly recognise an increased likelihood of business-related human rights abuse and environmental degradation in such situations. LPPI addresses these matters as part of ordinary investment procedures for allocating and overseeing capital, which involves evaluating risks, framing expectations, identifying mitigations, and supporting considered investment decisions. Greater insight can be found in our Responsible Investment Policy and dedicated annexes on Human Rights, Climate Change, Controversial Weapons, and ESG Integration available on the [LPPI Website](#).

For Local Government Pension Scheme funds in particular, conflict-affected areas carry reputational risk and can attract direct lobbying from external interest groups. Navigating an appropriate path where conflict is present ultimately requires a balanced consideration of LPPI's fiduciary responsibilities, broader regulatory setting, and the interests and requirements of our client pension funds.

LPPI works with clients to ensure they are supported and their preferences are discussed and understood. We ensure that investment selection and management reflect applicable regulations, guidance and appropriate industry practice standards. This includes complying with any UK Government sanctions and interpreting evolving government policy on private sector investment in the Aerospace and Defence industries which produce conventional weapons, products, and services for deployment in the UK and abroad.

¹ 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.

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For professional clients in the UK only

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