London CIV

Responsible Investment and Stewardship Outcomes Report 2025

For the reporting year ending 31st December 2024

London CIV | Working **together** to deliver sustainable prosperity for the communities that count on us all

www.londonciv.org.uk

About London CIV: Who We Are

London CIV manages the investment of pension assets for the 32 Local Government Pension Scheme (LGPS) Funds in London. We are one of eight LGPS pools. We bring together c.£34.4 billion investments of 32 Partner Funds across 20+ public and private market investment solutions.

We work collaboratively with our Partner Funds, who are also our shareholders, to deliver our agreed purpose: *Working together to deliver sustainable prosperity for the communities that count on us all*. Our statement of Investment Beliefs sets out how we work with Partner Funds to improve investment returns and manage risk. It articulates how we seek to achieve our commitment to be responsible investors and good stewards.

Our Partner Funds retain responsibility for their asset allocation and investment strategy, and thus exposure to environmental, social and governance (ESG) risks. Our role supports our Partner Funds in implementing their strategy; understanding and managing the associated risks; addressing global issues; and working to drive progress.

Contents

Our purpose

Working together to deliver sustainable prosperity for the communities that count on us all

Our values

Collaboration

We work together to build and sustain strong partnerships both internally and externally

Responsibility

We are committed to deliver on our promises, meet the needs of our stakeholders and go the extra mile

Diversity

We respect and celebrate our differences and create an inclusive environment where everyone feels welcome

Integrity

We act with honesty, ethics, and respect in everything we do

Principle 1	We explained the purpose our organisation, services it offers, values, and strategy in the following sections: • Investment Beliefs • Responsible Investment Strategy and Policy • Partner Funds • We provided case studies and quantitative data (engagement and voting data) on our actions to promote effective stewardship.
Principle 2	The following sections demonstrate our governance, resources and incentives to support stewardship in the following sections: • Governance • Governance and Review • Our Stewardship Responsibilities and Incentives
Principle 3	Conflicts of interests considered in the following section: • Managing Conflicts of Interest
Principle 4	How we identify and respond to market-wide and systemic risks to promote a well-functioning financial system in the following sections: • Market-Wide and Systemic Risk • Collaboration • Case studies and our action for systemic risks that we have identified e.g. Climate Change and Nature and Biodiversity are in the Deep Dives sections of the report.
Principle 5	We discuss how we review our policies to ensure they enable effective stewardship in the following sections: • Responsible Investment Strategy and Policy • Governance and Review • Governance
Principle 6	We discuss how we take into account of our clients needs and communicate the activities and outcomes of our stewardship and investment in the following sections: • Partner Funds • Disclosure and Transparency • Responsible Investment Strategy and Policy
Principle 7	We describe how we set our stewardship priorities in the following sections: • How We Identify and Manage Stewardship Priorities • Market-Wide and Systemic Risk • The "Deep Dives" sections of the report showcases how we have addressed our key priority themes and across different asset classes. • How We Work with Our Stewardship Partner • How We Work with Investment Managers
Principle 8	We describe how we hold managers and service providers to account in the following chapters: • How We Work with Our Stewardship Provider • How We Work with Investment Managers
Principle 9	We appointed EOS as our service provider for voting and engagement in 2021. Our Stewardship Policy provides the framework for manager engagement to monitor that they are undertaking monitoring as we expect. This is described in the following sections: • Responsible Investment Strategy and Policy • How We Work with Our Stewardship Provider • "How We Work with Investment Managers" • Case studies throughout the report
Principle 10	Our collaborations and our roles are set out I the following section: • Collaboration • Case studies throughout the report
Principle 11	Our Stewardship Policy explains the expectations we have set for investment managers that escalate stewardship activities on our behalf. Please see the following sections on how keep our providers accountable and escalation: • How We Work with Investment Managers • How We Work with Our Stewardship Partner • Escalation
Principle 12	We have described how we actively exercise our voting rights in this report, we have a standalone Voting Guidelines which details our voting principals. We have included Please see the following sections: • Voting Record • Voting Snapshots throughout the report • Case studies throughout the report • Integration by Asset Class, Funds and Geographies

Key Facts

£34.4bn

of total assets deemed pooled by our Partner Funds[1]

£17.2bn

Assets Under Management (AUM) in our ACS and **£2bn** in Private Market

91%

AUM in our ACS funds covered in Climate Risk analysis

Net Zero

by **2040** in targeted public market assets and operationally by **2025**

45%

of our infrastructure investments are committed towards renewable energy

£1.1bn

Committed in our stand alone **Renewable Energy Fund**

26%

London CIV listed corporate equity and corporate fixed income portfolio assets have **26% lower carbon intensity** than the MSCI World[2]

0.3%

Revenue - weighted fossil fuel exposure for London CIV funds is **85% lower** than the MSCI World

2,351

EOS actively engaged with **490 companies** across **2,351 ESG topics** on behalf of London CIV

20,650

votes cast on management proposals in 2024

1,096

votes cast on shareholder proposals in 2024

21,746

votes in total

2,086

engagement meetings held in 2024 by our investment managers

19

Engagement Initiatives and Membership Groups were supported by London CIV in 2024

51%

We supported 51% of shareholder proposals in 2024

1 Representing £17.2bn public markets AUM (ACS), £2bn private markets AUM (EUUT and SLP) as well as £15.3bn public markets pooled assets managed by BlackRock and LGIM as of 31 December 2024

2 Covers consolidated LCIV pool Listed Equity and Corporate Fixed Income Exposure, as per 31.12.24. Figures are based on scope 1, 2 and 3 emissions data from S&P Global Trucost, and calculated on a carbon to value basis.

"Working together to deliver sustainable prosperity for the communities that count on us all".

London Borough of Barking & Dagenham lbbd.gov.uk
BARNET LONDON BOROUGH
LONDON BOROUGH OF BEXLEY
Brent
Bromley
Camden
CITY OF LONDON
CROYDON www.croydon.gov.uk
Ealing www.ealing.gov.uk
ENFIELD Council
ROYAL borough of GREENWICH
Hackney
h&f hammersmith & fulham
Haringey LONDON
Harrow COUNCIL LONDON
Havering LONDON BOROUGH
HILLINGDON LONDON
London Borough of Hounslow
ISLINGTON
THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
THE ROYAL BOROUGH OF KINGSTON UPON THAMES
Lambeth
Lewisham
MERTON
Newham
London Borough of Redbridge
LONDON BOROUGH OF RICHMOND UPON THAMES
Southwark Council
Sutton
TOWER HAMLETS
Waltham Forest
Wandsworth
City of Westminster

Letter from our CEO

Welcome to our 5th Annual Stewardship Outcomes Report.

We are proud to share key highlights from our stewardship activities and product development over the past year.

In 2024, the world crossed the critical threshold of 1.5°C of global warming for the first time[3], marking it as the hottest year on record. The increasing severity of physical climate risks—from wildfires in the US to flash floods across Asia and Europe—underscores the urgency of the climate crisis and reinforces the vital role we play as investors in supporting our portfolio companies through the climate transition.

This year, we undertook a strategic update of our Net Zero Action Plan and climate model. We also enhanced the integration of climate objectives into our existing products, including the LCIV Global Bond Fund and MAC Fund. Notably, the LCIV Renewable Infrastructure Fund reached a milestone of £1 billion in commitments.

Recognising that nature is inseparable from climate, it remains a core focus of our stewardship efforts. In 2024, we launched the LCIV Nature-Based Solutions Fund and intensified our engagement on deforestation. We are proud to be among the early adopters of the TNFD framework and will publish our inaugural report in 2025.

Alongside environmental priorities, we continue to elevate social considerations—particularly the protection of human rights—across our stewardship and investment processes. From labour practices to diversity, equity and inclusion, we actively engage with collaboration groups, our investment managers and our stewardship prodivder to safeguard human rights.

We remain firmly convinced that sustainability—when pursued with discipline and pragmatism—is not a compromise. It is a powerful driver of resilience, innovation, and long-term value for our Partner Funds.

Dean Bowden , CEO, London CIV

Signed on behalf of the Board, 23 May 2025

3 https://www.nature.com/articles/d41586-025-00010-9

Our Responsible Investment Milestones

2015

- London CIV is authorised and regulated by the Financial Conduct Authority (FCA)

2018

- Joined UN PRI
- London CIV's LCIV Global Bond Fund goes tobacco-free
- London CIV's first RI Policy is approved by the Board

2019

- LCIV Infrastructure Fund launches, with a focus on renewable energy
- ESG review is presented to the Board, with six priority areas for action agreed

2020

- London CIV launches the LCIV Sustainable Equity Exclusion Fund, managed by RBC Global Asset Management
- London CIV submits its first UN PRI report
- Responsible Investment Reference Group (RIRG) established
- London CIV appoints first Head of Responsible Investment
- London CIV joins Pensions for Purpose
- Signatory to the Task Force for Climate-Related Disclosures (TCFD)
- London CIV joins ClimateAction100+
- RI Team expands with new hire to deliver enhanced climate risk analysis
- London CIV develops climate change risk analytics capabilities with S&P Global
- The London Fund is launched

2021

- The LCIV Renewable Infrastructure Fund is launched
- London CIV builds on its stewardship capabilities with Hermes EOS
- RI Team expands with new hire to deliver better stewardship outcomes
- London CIV commits to short and long-term net zero targets: 2025 for operational net zero; 2030 for 60% decarbonisation, and 2040 for net zero
- London CIV appoints EOS at Federated Hermes (EOS) as its stewardship partner for listed equities and corporate fixed income. London CIV joins Investors for Human Rights
- London CIV becomes a member of Asset Owner Diversity Charter Working Group
- London CIV launches the LCIV Passive Equity Progressive Paris Aligned (PEPPA) Fund

2022

- RI Policy second edition
- Publishes first Voting Guideline
- London CIV Climate Analytics service launched
- London CIV signs Financial Sector Commitment Letter on Eliminating Commodity-Driven Deforestation

2023

- The LCIV UK Housing Fund is launched
- The LCIV Buy and Maintain Credit funds (Long and Short Durations) are launched
- The Responsible Investment Reference Group (RIRG) re-launched as the Sustainability Working Group (SWG), with an emphasis on working collaboratively with Partner Funds to achieve improved outcomes
- RI Team expands with new hire and strengthens its climate risk reporting capability
- Transition of voting responsibility on LF Thames Absolute Return Fund from investment manager Ruffer to London CIV
- London CIV's Climate Analytics becomes a nil-charge service for all Partner Funds
- London CIV becomes an early adopter of the TNFD Framework
- Head of Responsible Investment becomes Chief Sustainability Officer, reporting directly to CEO, reflecting the strategic importance of sustainability

2024

- Launched the LCIV Nature Based Solutions Fund
- LCIV Renewable Infrastructure Fund reached £1bn of commitments
- Initiated strategic update of the Climate Action Plan and Climate Model
- The Global Bond Fund and MAC Fund integrated Climate Objectives
- Deepened our engagement with existing working groups and joined The Investor Coalition for Equal Votes (ICEV) and Asset Owner Council.

Responsible Investment and Sustainability at London CIV

We believe that responsible investment and sustainable business practices are not only a moral obligation but an economic necessity. A global financial system that is efficient, sustainable, and resilient is essential for long-term value creation. While our primary purpose is to support our Partner Funds in paying pensions to our beneficiaries, achieving this goal sustainably requires proactive management of Environmental, Social, and Governance (ESG) risks and opportunities. Systemic risks pose financially material challenges, but they also create opportunities. By encouraging responsible investment, we can help create a financial system that benefits both the environment and society. With long-term investment horizons, our funds allocate capital across a diverse range of asset classes and sectors. We focus on portfolio construction and risk management, and carefully select and monitor external managers who share our focus. We actively collaborate with other investors, policymakers and regulators to build the collective capacity needed to manage these risks and realise potential opportunities. We also work closely with our Partner Funds to ensure their views are reflected. Their priorities are considered in the development of all policies, stewardship priorities and product development.

Working together to create a sustainable future

Our stewardship priorities are assessed annually within the World Economic Forum framework of People, Planet, Principles of Governance and Prosperity to highlight the systemic risks and sustainability challenges faced across our investment universe. Below shows how the World Economic Forum Pillars guide our actions. In 2025, we will introduce a simplified and targeted framework as part of the evolution of our approach, which we will share in next year's report.

Figure 1: People, Planet, Principles of Governance and Prosperity as defined by the World Economic Forum and how this relates to London CIV. Environmental, social, and governance: Stakeholder capitalism: aligning value creation with protection of values to achieve prosperity

People

"To end poverty and hunger, in all their forms and dimensions, and ensure that all human beings can fulfil their potential in dignity and equality in a healthy environment"

What it means for LCIV: Recognising that assets are dependent on human capital, and human capital itself as an asset that can positively or detrimentally impact society.

Planet

"To protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations."

What it means for LCIV: Environmental issues pose critical financial and economic risks to long-term investment returns, impacting not just markets but also people and communities.

Principles of Governance

"The definition of governance evolves as organisations are increasingly expected to define and embed their purpose at the centre of their business. But principles of agency, accountability, and stewardship are vital."

What it means for LCIV: Well managed companies and assets are poised for better returns due to effective resource management, increased employee productivity and enhanced reputation.

Prosperity

"To ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature."

What it means for LCIV: our primary goal is to pay pensions, ensuring that people are not vulnerable to financial and technological challenges that could harm the ability to prosper.

Investment Beliefs

Our Investment Beliefs direct our investment practices in alignment with London CIV's purpose and vision, specifically to collaborate with Partner Funds and help them achieve their pooling requirements and deliver value for Londoners through long-term and sustainable investment strategies.

The Beliefs help us define how we create value and manage risks for Partner Funds in the context of future uncertainty, risk and opportunity. They also help us make practical decisions about the suitability of investment strategies, selection and monitoring of investment managers and pooled funds, performance objectives and the integration of best practice in sustainable investment and active ownership.

Recognising how important all stakeholders are in translating beliefs into practice, we have worked together to develop the Investment Beliefs.

1. **Long-term investors earn better returns net of costs.**
2. **Careful calibration of risk against objectives, together with robust risk management, leads to better risk-adjusted returns.**
3. **Responsible Investment improves outcomes, mitigates risks and creates opportunities through:**
    a. Good corporate governance
    b. Active stewardship and collective engagement
    c. Effective management of climate change risk
    d. Promoting diversity and inclusion
4. **Providing value for money is critical and it is essential to manage fees and costs.**
5. **Collaboration, clear objectives, robust research and evidence-based decision-making adds value.**
6. **Targeting opportunities across the public and private asset markets is aligned to the needs of Client Funds.**

Responsible Investment Strategy and Policy

Our Responsible Investment Policy is supported by our more detailed Climate and Stewardship Policies and Voting Guidelines. Our Sustainablity Working Group (SWG) acts as a key sounding board for our Responsible Investment activity. While our Partner Funds may have their own responsible investment policies, we work closely with them to understand their priorities and concerns. We take this into account in both our policy and product development. The Shareholder Committee is also informed when there are significant revisions to our policies and priority themes which are reviewed annually.

Figure 2: London CIV's Responsible Investment and Engagement Strategy

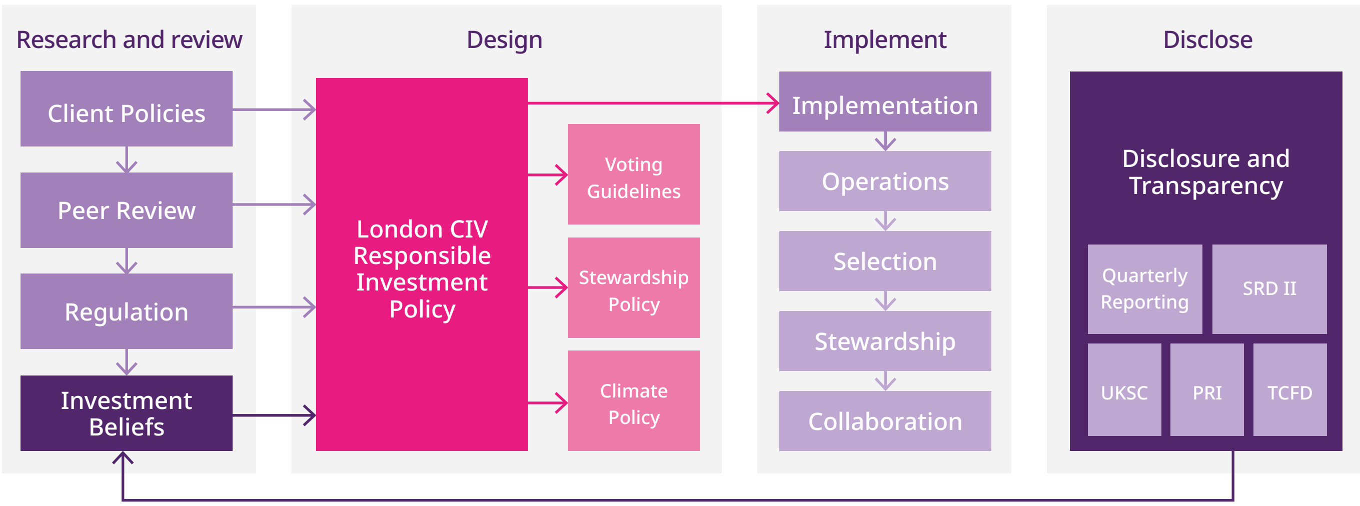


Figure 2: Source: London CIV

Policy updates and development begin with **research and review**. The Responsible Investment (RI) Team works with the Commercial Team (CT) to understand Partner Fund policies and priorities; the LGPS RI Cross Pool Working Group to leverage best practices; and the Compliance Team to monitor and advise on regulatory requirements and potential risks. Our Investment Beliefs serve to contextualise this research.

The RI team works closely with the investment team to support the construction of investment strategies, selection of investment managers and monitoring of investments. We follow a structured stewardship theme identification process which is detailed on page 19. Collaborative initiatives also help us to drive outcomes at scale with other financial institutions and industry bodies.

We disclose the outcomes of our RI activities, reporting on voting, engagement and investment manager monitoring to Partner Funds on a quarterly basis and disclose our climate risk exposure and engagement case studies at least annually. Our reports and regulatory disclosures are illustrated below. We also include summary information in the London LGPS CIV Annual Report, which is published together with the statutory financial statements.

ESG Reporting and Disclosures	Frequency
Quarterly Investment Reports ("QIRs")[4] – ESG commentaries, voting and climate metrics at fund level	Quarterly
Stewardship Outcomes Report	Annually
Task Force for Climate-Related Disclosures (TCFD) Report	Annually
Shareholder Rights Directive (SRD) II Report	Annually
UN Principles for Responsible Investment (PRI) Report	Annually
Publication of Voting and Engagement Highlights on our website	Quarterly

4 Report is only available to investors of each fund

Fund Ranges and Assets Under Management

We develop and operate a variety of managed investments across a range of asset classes in both public and private markets. Our funds are carefully structured, and our investment managers are chosen to align with our long-term investment horizon and strategy, including Responsible Investment considerations. Our portfolio offerings encompass public equity, fixed income, multi-asset, and private market funds illustrated below.

Figure 3: Fund Tree

Public Markets Funds

Authorised Contractual Scheme (ACS): Total AUM: £17.2bn

	Global Equities									
Fund:	**LCIV Global Alpha Growth Fund**	**LCIV Global Alpha Growth Paris Aligned Fund**	**LCIV Global Equity Fund**	**LCIV Global Equity Quality Fund**	**LCIV Global Equity Focus Fund**	**LCIV Global Equity Value Fund**	**LCIV Emerging Market Equity Fund**	**LCIV Sustainable Equity Fund**	**LCIV Sustainable Equity Exclusion Fund**	**LCIV Passive Equity Progressive Paris Aligned Fund**
AUM:	**£1,496m**	**£2,446m**	**£634m**	**£753m**	**£1,308m**	**£188m**	**£542m**	**£1,532m**	**£789m**	**£1,042m**
Launch Date:	11 Apr 2016	13 Apr 2021	22 May 2017	21 Aug 2020	17 Jul 2017	28 Oct 2024	11 Jan 2018	18 Apr 2018	11 Mar 2020	01 Dec 2021
Manager:	Baillie Gifford	Baillie Gifford	Newton	MSIM	Longview	Wellington	J.P. Morgan	RBC	RBC	State Street
No. of investors:	5	11	3	3	6	2	8	8	5	4

	Multi Asset				Fixed Income					
Fund:	**LCIV Global Total Return Fund**	**LCIV Diversified Growth Fund**	**LCIV Absolute Return Fund**	**LCIV Real Return Fund**	**LCIV Global Bond Fund**	**LCIV MAC Fund**	**LCIV Alternative Credit Fund**	**LCIV Short Duration Buy and Maintain Credit Fund**	**LCIV Long Duration Buy and Maintain Credit Fund**	**LCIV All Maturities Buy and Maintain Credit Fund**
AUM:	**£103m**	**£269m**	**£984m**	**£40m**	**£916m**	**£2,074m**	**£643m**	**£138m**	**£803m**	**£489m**
Launch Date:	17 Jun 2016	15 Feb 2016	21 Jun 2016	16 Dec 2016	30 Nov 2018	31 May 2018	31 Jan 2022	06 Dec 2023	06 Dec 2023	09 Oct 2024
Manager:	Pyrford	Baillie Gifford	Ruffer	Newton	PIMCO	CQS & PIMCO	CQS	Insight	Insight	Insight
No. of investors:	1	4	10	1	10	17	5	2	7	3

Private Market Funds

Private Markets: Total £3.6bn*/£1.8bn**

	Infrastructure		Real Estate		Private Debt		Nature	Real Estate
Fund:	**LCIV Infra Fund**	**LCIV Renewable Infra Fund**	**LCIV Real Estate Long Income Fund**	**LCIV UK Housing Fund**	**LCIV Private Debt Fund**	**LCIV Private Debt II Fund**	**LCIV Nature Based Solutions Fund**	**The London Fund SLP**
Total Commitments:	**£475m**	**£1,109m**	**£213m**	**£530m**	**£625m**	**£228m**	**£175m**	**£250m**
Total Drawn:	**£371m**	**£577m**	**£213m**	**£133m**	**£420m**	**–**	**–**	**£111m**
Launch Date:	31 Oct 2019	29 Mar 2021	01 Jun 2020	31 Mar 2023	29 Mar 2021	28 Jun 2024	12 Jul 2024	15 Dec 2020
Manager:	London CIV	London CIV	London CIV	London CIV	London CIV	London CIV	London CIV	LPPI
No. of investors:	6	16	3	9	8	3	2	4

Figure 3: Source: London CIV, As of 31 December 2024
*Denotes committed amount ** Denotes drawn amount ACS and PM Funds data is at 31 December 2024

Breakdown of our Assets Under Management

The total Partner Fund assets deemed pooled as of 31 December 2024 stood at £34.4 billion. Assets under management (AUM) in our Authorised Contractual Scheme (ACS) stood at £17.2 billion. The market value of private market fund investments was £2.0 billion, reflecting drawdowns of £1.8 billion from total commitments of £3.6 billion. The value of passive assets managed by Legal and General Investment Management and BlackRock, and deemed pooled, was £15.2 billion.

Figure 4: AUM by Asset Class

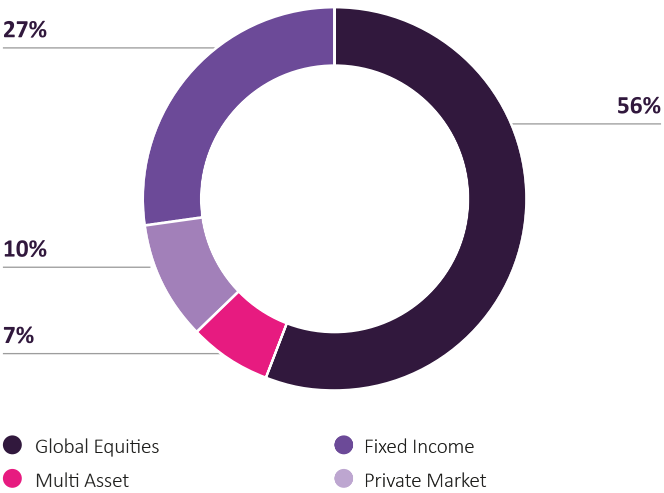


Figure 4: Source: London CIV, as of 31 December 2024

Figure 5: AUM by Region (ACS Funds)

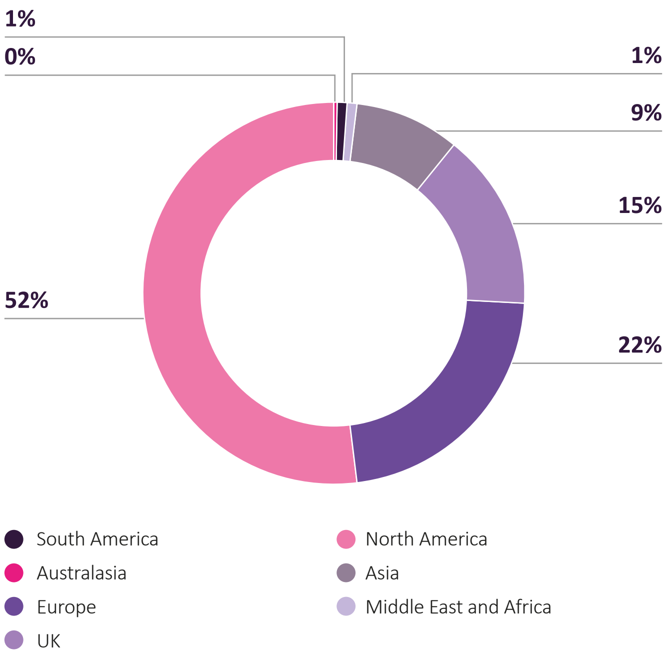


Figure 5: Source: London CIV, as of 31 December 2024

Partner Funds

How we serve the best interests of our Partner Funds

We serve the UK capital's Local Government Pension Schemes with a mandate to increase efficiency, drive down costs and compound value, with a core focus on collective investment, scale, stewardship and accountability.

We manage circa 66% of our Partner Funds' assets (estimation as at 31 March 2025). The majority of these assets are managed within 20 funds that invest in public markets and eight that invest in private markets, all of which have been designed with and are exclusively available to our Partner Funds.

In 2024, London CIV also began work to build a choice of insight-led investment advice and results-driven support and policy services. Investment services will include cash flow forecasting, climate analytics, triennial valuation support and strategic asset allocation. Strategy and policy support will include funding, treasury and investment statements, risk register management, constitution and governance documentation and responsible investment policies.

This suite of additional services is a response to calls from London CIV's Partner Funds, which have long-faced considerable pressure around regulatory reporting requirements, unprecedented challenges to hire and retain qualified staff, and spiralling costs in consultancy fees.

As stewards of the vast majority of London's LGPS assets, London CIV regularly engage with our Partner Funds through four key workstreams that ensure we remain fit for purpose.

- **Governance Oversight:** We engage and collaborate with our Partner Funds through both formal shareholder arrangements and informal forums. The Sustainability Working Group (SWG) is the primary informal forum that complements two formal annual Shareholder General Meetings and quarterly Shareholder Committee meetings.
- **Product Development:** Our Seed Investor Group (SIG) meetings provide a collaborative platform for our Partner Funds to express their needs, ensuring our products align with their investment strategies.
- **Group Engagement:** A quarterly ***Business Update*** meeting serves as a platform for our Partner Funds to stay informed about their investments and relevant developments at London CIV, providing the opportunity for clarifying their understanding of the content discussed.
- To supplement these ***Business Updates***, regular ***Investor Update*** meetings offer Partner Funds the opportunity to understand and question the conclusions drawn from monitoring conducted on each of our managers. These meetings promote open dialogue and transparency between Partner Funds and London CIV, ensuring clarity regarding the results of thorough due diligence.
- ***Meet The Manager*** is another forum that provides Partner Funds with access to the underlying investment manager, which are responsible of the performance for the mandate to which they have been appointed.
- We also produce monthly ***Newsletters*** for our Partner Funds to ensure they are kept informed about key matters, most notably on developments around the government's Fit for the Future consultation in 2025.
- Additionally, we run periodical ***Coffee with the CIV*** webinars to provide our partner funds with commentary and insight on global and market matters that can impact investment performance. The US government's decision to impose trade tariffs in April 2025 is a case in point. These Coffee with the CIV webinars regularly include external experts from the wider investment industry.
- **The London CIV Conference:** By far the largest event held specifically for our Partner Funds, the London CIV Conference provides a broad forum for education, exchanges of thoughts and opinion, and for attendees to meet those we entrust to manage assets. We actively encourage an open dialogue in each of these group discussions.
- **Reporting:** We provide transparency for our Partner Funds via regular reporting on fund performance and monitoring status, based on London CIV's investment monitoring process. We strive to make improvements to our quarterly investment reports to further illustrate the climate risk analytics and enhanced stewardship commentary. In 2025, we will introduce climate commentaries alongside our climate risk analytics.

Below are the number of events held to engage with our Partner Funds collectively during the year[5]:

Group Engagement	Total
Business Update (BU)	10
Independent Advisors Update	3
Investment Consultant Update	10
London CIV Annual Conference	1
Meet the Manager (MTM)	4
Seed Investment Group (SIG)	12
Specific Pooling Opportunity	60
Shareholder General Meetings	2
Shareholder Committee	3
Sustainability Working Group	4

5 Data above does not include all bespoke client meetings

Stewardship

As signatories of the UK Stewardship Code 2020, we support the Financial Reporting Council's (FRC) definition of stewardship:

"Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society".

Our role

We strive to protect the interests of our Partner Funds and members by incorporating ESG considerations into our investment processes. Due to our Partner Funds' future liabilities and long-term investment strategies, we must consider the financial implications of risk factors including natural resource constraints and social inequalities, whilst understanding how well-equipped our investment managers manage risks in our portfolio companies. The scale of our investments means that London CIV can use our voice and influence change.

Our approach

Collaborative stewardship is at the heart of our approach. We engage with a diverse range of stakeholders—investment managers, companies, regulators, peers, and others—to tackle systemic issues and achieve collective goals.

Recognising the evolving nature of ESG risks and opportunities, we regularly review and refine our stewardship approach. Through research and collaboration, we identify annual engagement themes and update our policies and guidelines to ensure they remain effective in driving real-world impact.

1. **Define priorities:** Focus efforts.
2. **Implement voting and engagement:** Drive outcomes.
3. **Collaborate:** Deliver outcomes at scale.

How We Work with Investment Managers

All of the assets under management of London CIV are externally managed by fund managers. These managers are therefore crucial to the delivery of our investment performance and responsible investment objectives through active engagement. Responsible investment considerations are integrated into our strategy and product design, and into our investment manager selection process. Once selected, our expectations for incorporating ESG factors into their investment strategy and reporting are formalised in Investment Management Agreements or Side Letters. We monitor our investment managers routinely to ensure they meet our standards and engage with them on their own stewardship activities and goals. We work closely with managers to develop and maintain relevant stewardship themes (for example for monitoring impacts on natural capital). This approach aims to promote that the assets we oversee achieve appropriate risk-adjusted financial returns and support a fair transition to a sustainable world for our Partner Funds and their members.

Manager Monitoring

Public Markets

How we monitor: We require quarterly reports from managers on stewardship activities that include examples of active engagements, ESG-influenced investment decisions and updates on responsible investment resources and policies. We also consider adherence to any ESG-related guidelines or objectives. The questionnaire extract below illustrates some of the information we gather.

We conduct meetings with a selection of managers each quarter to address any questions stemming from the completed questionnaire. This activity is reported back to our Partner Funds in our Quarterly Investment Report (QIR), including summaries of voting and climate risk analytics.

This quarterly monitoring process is supplemented by in-depth reviews which are conducted at least annually by the Responsible Investment and Investment teams. These are deeper reviews of each investment manager and Sub-fund which include an assessment of the quality of stewardship practices, quality of analysis of ESG risks and opportunities, and updates on responsible investment performance. The Executive Investment Committee reviews the RAG status of each element of the monitoring criteria, including Responsible Investment and Engagement, to address any risks, breaches and/or concerns. Highlighted issues are monitored and may be reported upwards to the Executive Committee.

In 2024, we made further enhancements to our monitoring and selection process and refined our measures to score our Investment Managers. The key enhancements include, separating forward-looking tests of investment manager skill and objective tests of the value proposition offered by the Sub-funds. The scores for the Skills and Value proposition tests have a direct bearing on the cadence and intensity of ongoing monitoring activity.

Our Expectations: We set criteria for our expectations of investment manager performance across six categories: four Skill tests which we believe will drive success in achieving investment and responsible investment objectives over the long-term, and two Enabling tests which support the achievement of excellence. The overall score for the Skills proposition ranges from ‘1’ (best in class investment and RI capabilities) to ‘4’ (serious concerns, not expected to achieve objectives). Shortcomings and concerns identified in the review process are logged and monitored. Action points and milestones are agreed with the investment managers and communicated to Partner Funds:

Skill Tests

- Resourcing
- Investment Process
- Responsible Investment and Engagement
- Risk Management

Enabling Tests

- Strategy Execution
- Business Management

The Value proposition for Sub-funds is also scored from ‘1’ (achieving investment and responsible investment objectives) to ‘4’ (not achieving objectives, underperforming benchmark or reference indices, trend is static or negative). When Sub-funds are rated ‘3’ or ‘4’ in-depth reviews of Skill tests are triggered and repeated every six months at least. We also seek opportunities to enhance the ESG criteria of our existing funds, ensuring they align with our Responsible Investment strategy. We have included these as case studies.

Case study on The Global Bond Fund and Mac Fund – page 33

An example of the questionnaire is below:

Questions:

Have there been any changes to your ESG integration process over the reporting period (e.g. additional resources, information sources)? If so, what were these and why?
What are some specific examples of how ESG factors have impacted investment decisions?
What are some specific examples of major ESG risks that you identified in the holdings or assets in the portfolio over the reporting period, and what have you done to mitigate them?
Please provide one engagement example in our fund
Please provide another engagement example in our fund
Please provide a third engagement example in our fund
Optional additional engagement example
Do you have a dedicated Responsible Investment Team in your organisation? Please highlight existing team structure and roles.

Have you changed any policies or procedures recently to address ESG risks or opportunities within your own organisation?
Please highlight which initiatives you are currently a member of
Please provide your Net Zero target date
Do you have a Responsible Investment and Engagement Policy? If so, please share a link here:
Do you have a specific Climate Change Risk Policy? If so, please share a link here:
Do you have a Diversity and Inclusion Policy? If so, please share a link here:
Do you have a policy on biodiversity risk or deforestation risk? If so, please share a link here.

Private Markets

Investors in private markets, especially those with direct exposure to private equity or real assets, are in a unique position when it comes to stewardship practices. This is due to their potential degree of influence and control, often holding controlling interests in portfolio companies or investments, serving on boards, or able to specify conditions on entry into arrangements. Unlike in public markets, investors are not subject to the short-term results pressures of capital markets[4]. Conversely, responsible investment in private markets can also present specific challenges for investors to navigate. Unlike publicly traded securities with readily available information and frequent reporting cycles, private market investments may require a more tailored approach to ESG monitoring.

As a result, pre-investment, in-depth due diligence is a critical part of our strategy alongside drafting our ESG expectations in legal side letter negotiations. We assess ESG criteria as part of the investment manager selection process as we believe that well-governed companies with strong ESG criteria will offer better long-term risk adjusted returns. We have been innovative in our private markets' product development (with offerings in renewable infrastructure and natural capital, for example) but will continue to build on our monitoring and data collection.

How We Work with Our Stewardhip Partner

In April 2021, London CIV appointed EOS at Federated Hermes (EOS) as our stewardship provider for voting and engagement on listed equities and corporate fixed income. EOS is a stewardship provider founded in 2004, they provide engagement and voting service for institutional investors who want to be more active owners of their assets. This is done through their service with dialogues with companies and effective voting. EOS' expertise strengthens our ability to engage with companies and investment managers on critical ESG issues.

Partnering with EOS enhances our reach across the portfolio and strengthens our ability to engage companies on critical ESG issues through constructive dialogue. The team's connections, scale of capital backing, language skills and cultural understanding strengthen our ability to create and maintain constructive relationships with company boards, helping to drive incremental change over time. EOS' four-stage milestone system measuring progress over the long term brings continuity to our engagement plan. This system tracks engagement progress against the objectives set for each company. Progress is then regularly assessed and evaluated against the original engagement proposal to ensure the objectives are met.

Please see page 31, 32 and 37 for milestones progress by EOS.

How we oversee voting: EOS executes our votes on our behalf and our RI team performs regular vote reviews to ensure votes have been executed in line with our Voting Guidelines. As a member of Local Authority Pension Fund Forum (LAPFF), which promotes high standards of corporate governance to protect the long-term value of local authority pension funds, we also review our votes closely with LAPFF's voting alerts. In some cases, we decide to override EOS' recommendations when we believe they are not aligned with our stewardship objectives. Additionally, we hold quarterly meetings with EOS to oversee their stewardship services. Twice a year, London CIV participates in EOS' Client Advisory Council meetings to collaborate with their other clients and offer direct feedback to EOS on their engagement, voting and other services.

Case study:
Keeping our Investment Managers Accountable

Background: In 2024, due to US regulatory, political and litigation concerns, several of our Investment Managers exited climate collaboration groups such as CA100+ and The Net Zero Asset Managers Initiative.

In the US, financial firms have faced growing pressure from politicians over their membership in climate collaboration groups, amid accusations that committing to shared action could violate antitrust law or fiduciary duty. Several US states, including Kentucky, Florida, Texas, Missouri, and Oklahoma, have enacted or proposed anti-ESG legislation in response to growing concerns from some lawmakers and interest groups about what they perceive as politically motivated practices in business and investment decisions. These concerns often focus on the idea that ESG criteria could lead to discrimination against certain industries (e.g., fossil fuels, firearms, or agriculture) or political viewpoints that could disadvantage shareholders.

Engagement: We engaged with our Investment Managers who had left the initiatives and requested prompt responses to explain why they had done so. The majority of our Investment Managers stated that they departed due to political and legal pressure. Some Investment Managers also stated that since the launch of CA100+ in 2017, their stewardship teams have expanded and are now able to engage directly with the companies within CA100+ without relying on a collaborative platform.

Outcome: We understand that due to the political climate in the US, responsible investment is currently in a period of transition as our investment managers balance legality with their ESG commitments. Our investment managers have reassured us that they are still investing responsibly and are continuing to act on climate. London CIV will monitor their actions carefully. We continue to enhance the ESG requirements within the funds our investment managers manage. For example, our Global Bond Fund which is managed by PIMCO and exited CA100+ now has a target to achieve Net Zero by 2040 (please see our case study on page 46). We have also increased our own participation by becoming a contributor for CRH (a diversified building materials company) in CA100+, which is our highest GHG contributor.

How We Work with Portfolio Comapnies

We primarily engage with companies through our investment managers, EOS, and industry collaborations. Once we have explored all avenues for engagement through these three key channels, we may escalate to direct engagement with the company. For instance, we have previously reached out directly to Shell to express our concerns regarding their transition plans. Our Voting Guidelines also outline our expectations and thresholds for specific issues, which are then implemented with the support of our Stewardship provider. For further details, please refer to our Voting Guidelines.

How We Identify and Manage Stewardship Priorities and Risks

Stewardship Priorities

Our 2024 engagement priorities and broader ESG issues that we seek to address are illustrated below. In 2025, we will introduce a simplified and targeted framework as part of the evolution of our approach, which we will share in next year's report. Our key focus areas for the 2024 reporting period are not limited to Climate Change, Nature and biodiversity and Human Rights and Wider Societal Impact (such as Diversity Equity and Inclusion).

People Categories

- Human rights and labour standards
- Human capital management
- Reduced inequalities: including education, poverty alleviation
- Digitalisation: including digital rights, social media, gaming
- Health and wellbeing: including antimicrobial resistance (AMR), public health, nutrition
- Levelling Up

Planet Categories

- Climate Change: including physical risk and adaptation
- Biodiversity loss
- Deforestation and land use change
- Water risk
- Resource efficiency
- Pollution: Air, Water, Soil, Plastics

Principles of Governance

- Board composition and effectiveness
- Diversity, equity and inclusion
- Executive remuneration
- Technology: including AI, cyber security, data protection
- Tax and cost transparency
- Investor protection and rights
- Anti-bribery and corruption
- Geopolitical risks

Prosperity

- Economic returns
- Paying pensions
- No poverty
- Innovation: products and services

"We aim to identify market-wide and systemic risks at least annually and respond to them on an ongoing basis to promote a well-functioning financial system."

Stewardship Themes Identification Methodology

London CIV identifies key stewardship themes through both top-down and bottom-up analysis, including the consideration of systemic, company-specific, societal, and financial risks. This process not only helps us set engagement priorities but also guides our response to emerging issues and broader shifts in the global risk landscape. Below are the core elements of our methodology, which together ensure that our stewardship strategy remains dynamic, material, and aligned with our fiduciary responsibilities.

1. **Global Risk Landscape Assessment:** Beginning with analysis of the global risk landscape, including macro risks, policy, and regulation as well as stakeholder priorities.
2. **London CIV Company Specific Risk Evaluation:** Understanding our own company level risks. Which includes our client's priorities and where we believe we can have influence.
3. **Societal Materiality:** Recognising societal materiality in terms of the issues that will have the biggest impact on the world around us.
4. **Financial Materiality Analysis:** Understanding our financially materiality in relation to the potential stewardship theme.
5. **Reactive Event Response:** Responding reactively to unforeseen events after a specific and significant incident ensuring timely and effective action.

When risks are identified in the regular stress-testing, issues are reported to the Investment Committee. The model used for scenario/stress testing is Bloomberg Port Enterprise. The system is flexible and allows for both historical and hypothetical scenarios.

The RI Team has also integrated forward-looking physical risk and transition analysis into TCFD reporting which can help inform engagement. We also assess other types of ESG related risks and monitor key events that may have an impact on our portfolio companies. An example of this is the Rwanda and Congo conflict where we reached out to our stewardship provider to understand if we are exposed to any potential risks.

We delegate the investment management function to third-party investment managers. The Investment Team conducts quarterly meetings and annual deep-dive reviews as part of our manager oversight. As part of these reviews, we assess the risk management capabilities of investment managers and their oversight and escalation processes. Any shortcomings identified are logged and action points agreed with the investment managers. The next section details the key risks for London CIV in 2024 and how we have managed them.

Market-wide and Systemic Risk

In this section of the report, we examine London CIV's systematic and market-wide risks. We identify climate change, nature-related risks, and political and geopolitical factors as some of the key focus areas. Additionally, we discuss how London CIV help to support and promote a well-functioning market.

Promoting a Well-functioning Market

We believe we can help support a financial system that fosters a sustainable future. As a global, long-term investor and steward of capital, we are committed to taking positive action, promoting collaboration, and demonstrating leadership that will impact the promotion of a well-functioning market. An example of our support in this area is our joining of the Investor Coalition for Equal Votes (ICEV) in 2024, which aims to challenge unequal voting rights in the US and UK. This coalition was established in 2022 by Railpen, the Council of Institutional Investors (CII), and several US pension funds.

Climate Change

Climate change poses an existential threat to both people and the planet[6]. It presents immediate systemic risks to the ecological, societal, and financial stability of every economy, country, asset type and sector[7] and will result in substantial physical and economic impacts across most aspects of human activity[8], leading to multiple implications for our Partner Funds and their beneficiaries. In recent history, the Earth's temperature has continued to rise faster than ever before, as evidenced by the increasing frequency and severity of weather events, rising sea levels, and warming marine temperatures[9]. Agriculture and food supply, infrastructure, and water availability are already being affected, leading to increased migration and exacerbating conflict. Human activities are responsible for approximately 1.0°C of global temperature increase above pre-industrial levels, with current emission patterns indicating that this could reach 1.5°C by 2040. If carbon dioxide emissions continue their current path, the temperature is projected to increase by 3-5°C by the end of the century[10]. In 2024, climate change continued to significantly impact our planet, with record-breaking temperatures and extreme weather events. The year saw devastating natural disasters, including hurricanes, wildfires, and floods, which are believed to be exacerbated by rising global temperatures. Notably, the world breached 1.5c of warming for the first time in 2024, deemed the hottest year on record[3]. Meanwhile, legal battles continued, such as the end of the youth-led Juliana v. United States climate lawsuit, highlighting the challenges of climate action. Despite setbacks, 2024 reinforced the urgent need for stronger global efforts to combat climate change.

In 2024 we developed our Net Zero Action Plan, which sets out our climate ambitions, strategy and targets for each asset class, based on guidance from the IIGCC's Net Zero Investment Framework 2.0. For our public equities and corporate credit investments, we have set a target to achieve Net Zero by 2040, in line with the Paris Agreement objectives to limit the global average temperature rise to well below 2°C above pre-industrial levels, with efforts to limit it to 1.5°C. We have also set interim targets to reduce carbon intensity by 35% by the end of 2025, and 60% by 2030, relative to a 2020 baseline. We have set separate ambitions and targets for our sovereign exposure and for private market funds, covering infrastructure, real estate and private credit. In private markets our initial focus is on improving disclosure and engaging with our investment managers. We are also launching a workstream to further explore how we are contributing to the transition through investing in climate solutions, such as renewable infrastructure, nature-based solutions and other technologies with the potential to displace, disrupt and avoid emissions elsewhere in the economy. Finally, we are committed to becoming a net zero company across our operational and supply chain emissions by the end of 2025.

Please refer to the Deep Dive: Climate Change section on pg.31 for our collaborative actions in addressing climate change risks with our investment managers, EOS and external initiatives.

Climate Risk

Climate change-related financial risks result from a complex interplay between company-specific factors and transition and physical risks under different climate scenarios. The impacts and disruption from climate change will vary significantly across assets and asset classes. Disruption from physical climate risks is heavily location-specific, and will also vary by vulnerability and preparedness, whilst transition risks are dependent on specific jurisdictions and markets, and other external factors

6 Earth breaches 1.5 °C climate limit for the first time: what does it mean?
7 Systemic Climate Risk (europa.eu)
8 What are the impacts of climate change? | Grantham Institute – Climate Change and the Environment | Imperial College London
9 COP28 joint statement on climate, nature and people, 2024. UNCCD. (online: https://www.unccd.int/resources/other/cop28-joint-statement-climate-nature-and-people)
10 IPCC, 2018: Global Warming of 1.5°C. (online: https://www.ipcc.ch/site/assets/uploads/sites/2/2022/06/SR15_Full_Report_HR.pdf)

like technology development and geopolitics. Impacts are often complex and interrelated – for example, strong regulatory action may reduce exposure to physical risk hazards, but presents significant transition risk, whilst inaction may delay legislative impacts but exacerbate physical disruption.

Since 2021, we've proactively conducted climate risk analysis based on the guidelines provided by the TCFD. The risks associated with climate change are extensive and can be divided into two major categories: those related to the transition towards a lower-carbon economy and those related to the physical impacts of climate change. Broadly speaking, our exposure to transition risks is higher under a low-warming scenario, where physical risk is lower, and vice versa. The scale of expected losses from both categories of impact under different scenarios illustrates the need to carefully manage both, in order to build a resilient portfolio which is able to perform well regardless of global outcomes.

Please see our 2025 TCFD report for further details on our exposure to physical and transition risks and approach to climate risk management, including our work on climate scenario analysis.

Nature and Biodiversity

London CIV is keenly aware of the interrelation between climate and nature-related risks and opportunities. A warming planet disrupts natural ecosystems, accelerates biodiversity loss, and threatens the possibility of exceeding global 'tipping points' associated with ice sheets, permafrost, mountain glaciers, ocean currents, ocean health, and biomes, with potentially devastating consequences on natural and human systems. Meanwhile, deforestation, soil degradation from agriculture and ocean acidification further exacerbate the impacts of climate change. But natural ecosystems also hold part of the solution. Forests, oceans, wetlands and peatlands act as carbon sinks, absorbing and storing carbon from the atmosphere, whilst natural habitats can reduce the risk of flooding, help prevent coastal erosion and provide numerous benefits to human health and wellbeing. To improve our impact on climate and nature, London CIV has launched a new Nature Based Solutions Fund, which seeks to invest in forestry and agricultural strategies. Natural resource stewardship remains an ongoing focus of our engagement efforts. We are also an early adopter of the TNFD and will publish our first report on nature-related risks, dependencies and impacts in 2025.

More about our Nature Based Solutions Fund on page 36

Our view:
Net Zero Asset Managers initiative and Climate Action 100+

Over the past two years, a number of our investment managers have made the decision to step back from collaborative industry initiatives, including the Net Zero Asset Mangers (NZAM) initiative, which shares best practice guidance and independent target review for asset managers, and CA100+, an investor-led collaborative engagement initiative targeting the world's top emitters. Subsequently, NZAM took the decision in January 2024 to temporarily suspend its activities.

At London CIV, we believe that this highlights how political and legal pressure from certain factions in the US presents a significant potential threat to global climate ambition and action, and we have engaged with NZAM, CA100+ and our investment managers on how they are managing these risks. We also believe that it is important to be cognizant of the very real pressures the threat of litigation presents to our investment managers, and note that whilst we understand this may make participation in some initiatives untenable for them, our focus is on ensuring that they continue to meet their product-level commitments and improve standards at an organisation-level.

Whilst we see NZAM's commitment statement and guidance as industry-leading and have to date encouraged all our investment managers to be signatories, it is not a formal requirement. Nothing has changed in terms of our expectations or the contractual obligations of our managers, and we will continue to focus on assessing their ESG and climate-related capabilities at a product- and resource-level, and on monitoring progress against our Net Zero commitment and any fund-level targets. Similarly, while we believe collaborative action through initiatives like CA100+ is powerful and encourage our managers to take part where possible and effective, our focus is on continuing to monitor the stewardship and engagement activities they undertake on our clients' behalf, whether individual or collaborative.

We also believe that it is more important than ever that investors like London CIV who are concerned about the very real threat of climate change to scrutinise our managers and push our investee companies to ensure they are taking action. To this end, we have stepped up our own work as an asset owner signatory to Climate Action 100+, and will continue to engage with our managers and wider industry initiatives to ensure our voice is heard.

Geopolitical Tension and Market Risk

The challenges of assessing and managing geopolitical risks were brought into sharp focus in recent years, especially due to the far-reaching consequences of Russia's invasion of Ukraine and the resulting sanctions, alongside the escalation of the Israel-Hamas conflict, rooted in deep-seated geopolitical tensions and human rights issues. These ongoing conflicts are increasingly spotlighting human rights and supply chain risks, with substantial implications for global trade and energy policies.

The unpredictable nature of such events highlights the limitations of relying purely on risk forecasting. This emphasises the importance of adopting a proactive approach, involving monitoring of human rights risks and a diversified investment strategy to effectively mitigate these risks.

Israel | Hamas

London CIV has reported its exposure to the companies accused of facilitating human rights abuses in the Occupied Palestinian Territories (OPT) to its partner funds since 2021, using resources flagged by United Nations Human Rights Office of the High Commissioner’s (OHCHR) A/HRC/37/39 Report, the WhoProfits Online Database and Information Centre[20], as well as the AFSC | Investigate flagged list[21].

In 2024, we started conducting quarterly screening and continue to engage with our investment managers, EOS and other relevant stakeholders to consider how we will support Partner Funds concerned about exposure to the issue.

Our Actions in 2024:

- Introduced quarterly screening of controversial weapons.
- Introduced quarterly screening for companies flagged by NGOs with exposures in the OPT.
- Joined Alliance for Human Rights’ Conflict-Affected and High-Risk Areas working groups.
- Engaged with NGOs with on-the-ground experience in international armed conflicts to assess and understand key risks.
- Ongoing engagement with our investment managers and engagement partner with exposure.
- Establishing a targeted engagement program with affected companies.

Looking Ahead

As part of our ongoing commitment to responsible investment, we are focused on enhancing the quality of data used in our decision-making processes. This includes strengthening our monitoring of adherence to global standards. In 2025, we will introduce screening data to monitor misalignment of global standards such as the UN Global Compact or The United Nations Guiding Principles on Business and Human Rights. We will also increase our engagement with collaborative initiatives aimed at investor education and broader systemic impact. In support of this, our streamlined stewardship priorities are now underpinned by specific action plans designed to translate intent into meaningful outcomes. Our stewardship provider, EOS, maps our engagement activities with the UN Sustainable Development Goals (SDGs), and we aim to continue supporting this alignment. Similarly, our Climate Action Plan sets clear engagement targets, reinforcing our commitment to accountability and progress in addressing climate-related risks and opportunities.

Implementing Voting and Engagement

This chapter details how we conduct our stewardship activities by utilising our two key stewardship tools, voting and engagement. We will provide a high-level overview of our voting and engagement statistics, in our Deep Dives section, we will showcase how this works in practice with detailed case studies.

Using Our Voting Rights

As stewards of capital, exercising voting rights is a vital part of our duty of care. We believe that voting is a powerful part of our stewardship strategy as it helps communicate our views to companies.

EOS makes voting recommendations for our segregated listed equities funds and provides engagement services across our public market funds. We work with EOS to develop our own Voting Guidelines which they provide voting recommendations on our behalf. We conduct periodic monitoring of EOS' voting recommendations to ensure they align with our guideline. We believe we can drive positive outcomes that are tailored to our priority themes by consolidating our votes across our ACS funds, rather than outsourcing voting activities to our investment managers. Our Voting Guidelines are reviewed and updated by the RI team on an annual basis.

For the Legal and General Investment Management and BlackRock passive funds and pooled funds (apart from the LCIV Absolute Return Fund), votes are cast by their investment managers.

The Voting Guidelines outline London CIV's voting approach, detailing our expectations of companies, as well as the execution of our voting process. Our Voting Guidelines can be accessed here.

Voting record

We publish our voting records on a quarterly basis to our clients. In 2024, our investment managers and EOS voted on 21,746 proposals compared with 22,688 proposals in 2023. This represents a 98% voting execution in 2024 compared to 94% in the previous year (Figure 8).

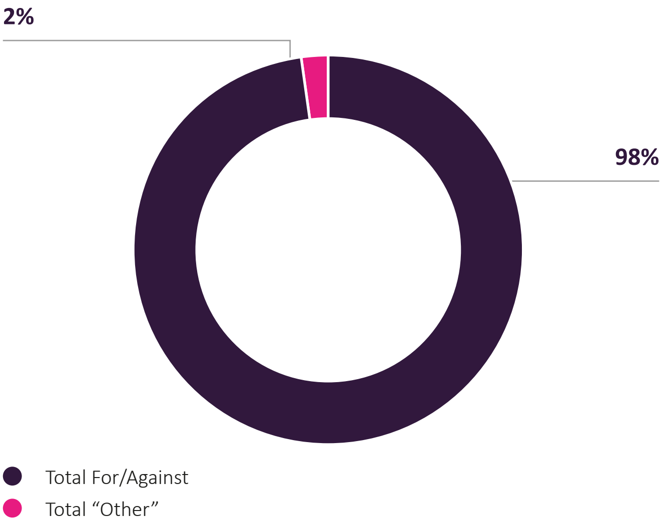
Investment managers and EOS voted against management propositions on 2,183 occasions. Director-related and non-salary compensation remain the areas of highest dissent (Figure 10).

Our investment managers and EOS also voted on 1,096 shareholder proposals in 2024 compared to 1,007 shareholder proposals in the previous year, supporting 51% (compared to 56% in 2023) of the proposals. Shareholder proposals may be submitted to encourage greater transparency in sustainability practices, changes in governance, or support improvements in corporate social responsibility. However, it's important to note that shareholder proposals vary in quality and are not necessarily aligned with EOS and/or London CIV's views as to changes that would be effective or appropriate. For example, EOS reviewed 561 shareholder proposals on the topic of Social/Human Rights. This topic includes instructions for companies to report on diversity and inclusion and assess human rights impacts. Of these 561 proposals, 51% of our voting instructions were in favour of these proposals.

We have also voted on 133 shareholder proposals regarding Health and the Environment, this topic includes instructions for companies to have more robust reporting on climate change and environmental impacts, set targets for GHG emissions in alignment with the Paris Agreement, or improve disclosure and policies on health, safety and wellbeing at work. 64% of our voting execution was in favour of these 133 proposals. We have included some examples of how we and our managers exercise our voting rights in the following case studies available in this report:

- **Case Study:** Toyota
- **Case Study:** Barclays
- **Short Case Study:** Apple

Figure 8: 2024 Total Voting Execution



2023 Total Voting Execution

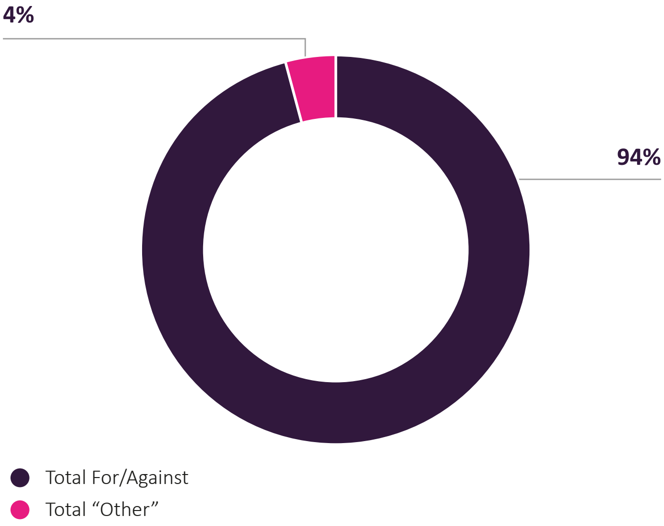
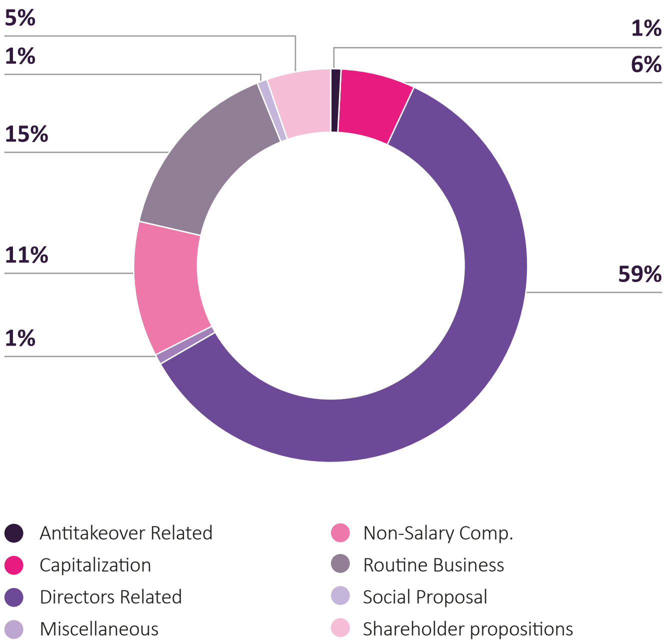


Figure 9: Source: 2023 vs 2024 Total Voting Execution, Source: Investment managers, EOS, As of 31 December 2024

Figure 9: 2024 Proposals breakdown



2023 Proposals breakdown

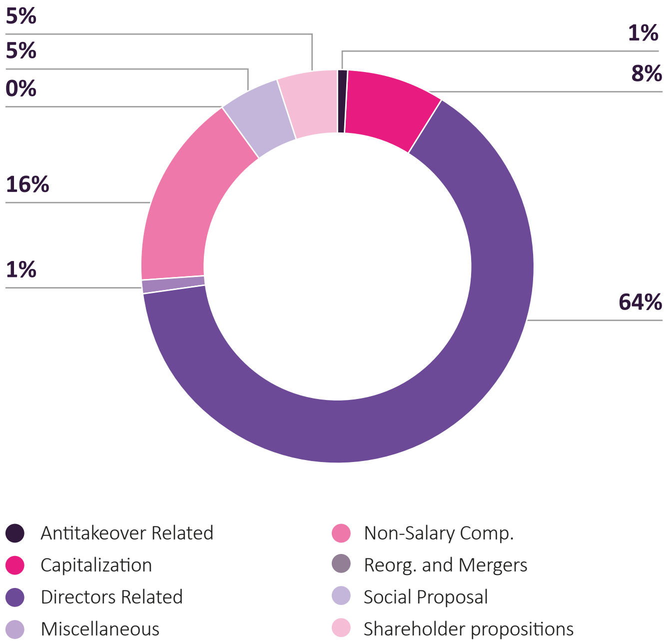
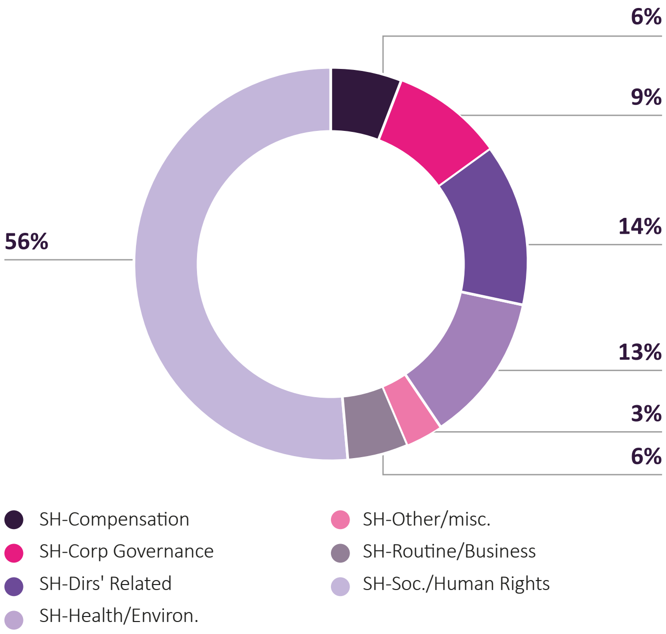


Figure 9: Source: Investment managers, EOS, As of 31 December 2024

Figure 10: 2024 Shareholder Proposals



2023 Shareholder Proposals

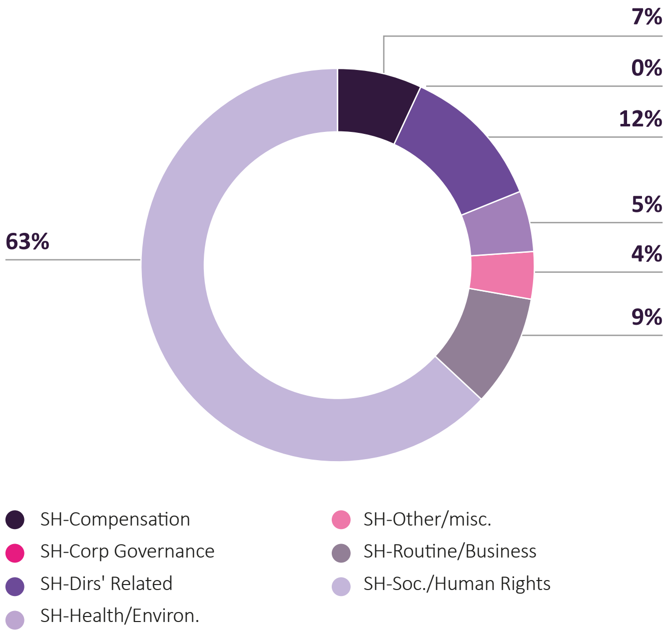
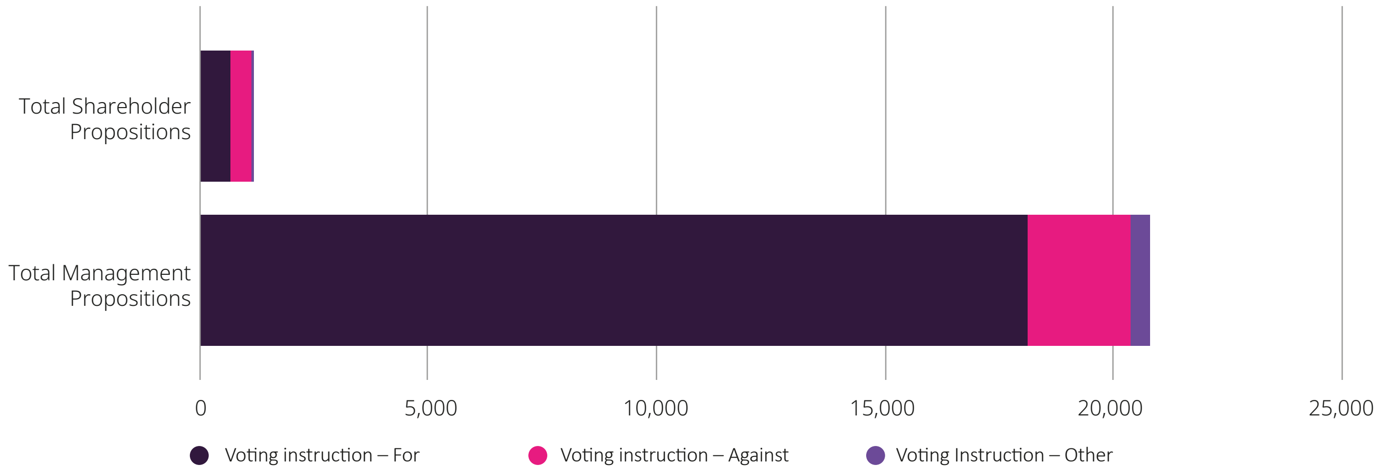


Figure 10: Source: Investment managers, EOS, As of 31 December 2024

Implementing Voting and Engagement continued

Figure 11: Shareholder Propositions vs. Management Propositions 2024



Shareholder Propositions vs. Management Propositions 2023

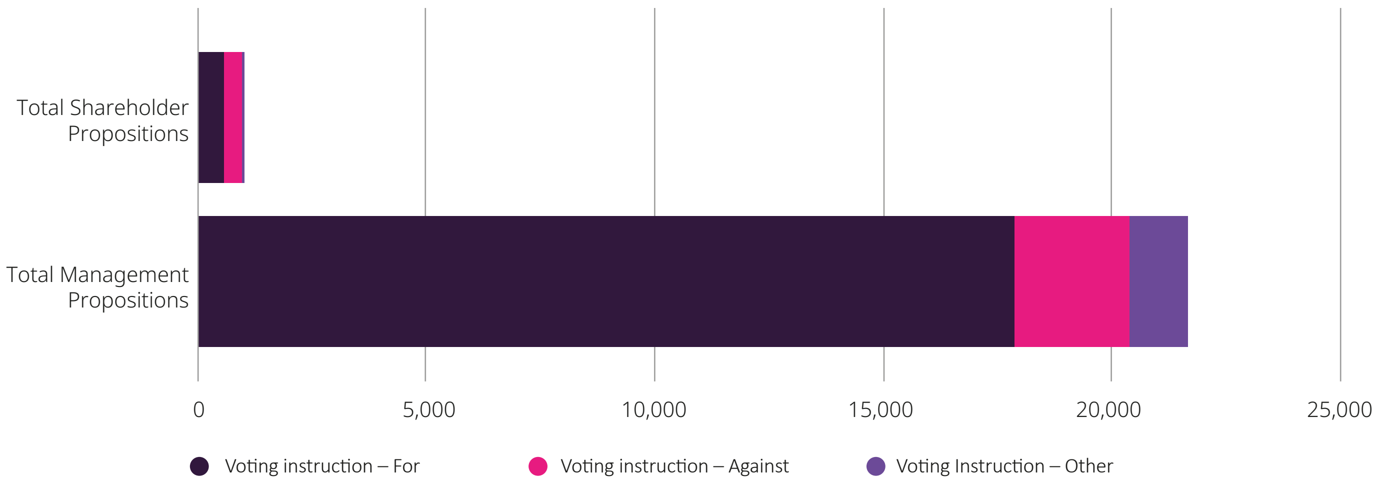
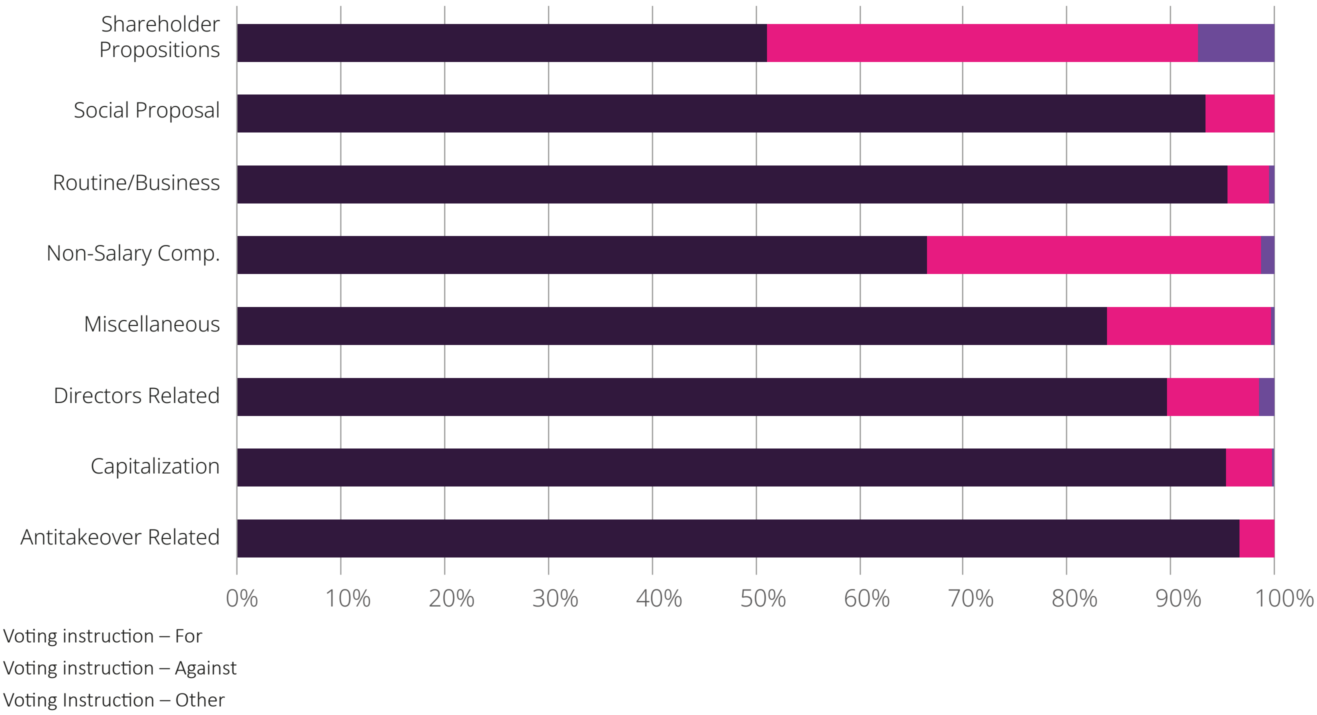


Figure 11: Source: Investment managers, EOS, As of 31 December 2024

Implementing Voting and Engagement continued

Figure 12: 2024 Voting Instruction Breakdown



2023 Voting Instruction Breakdown

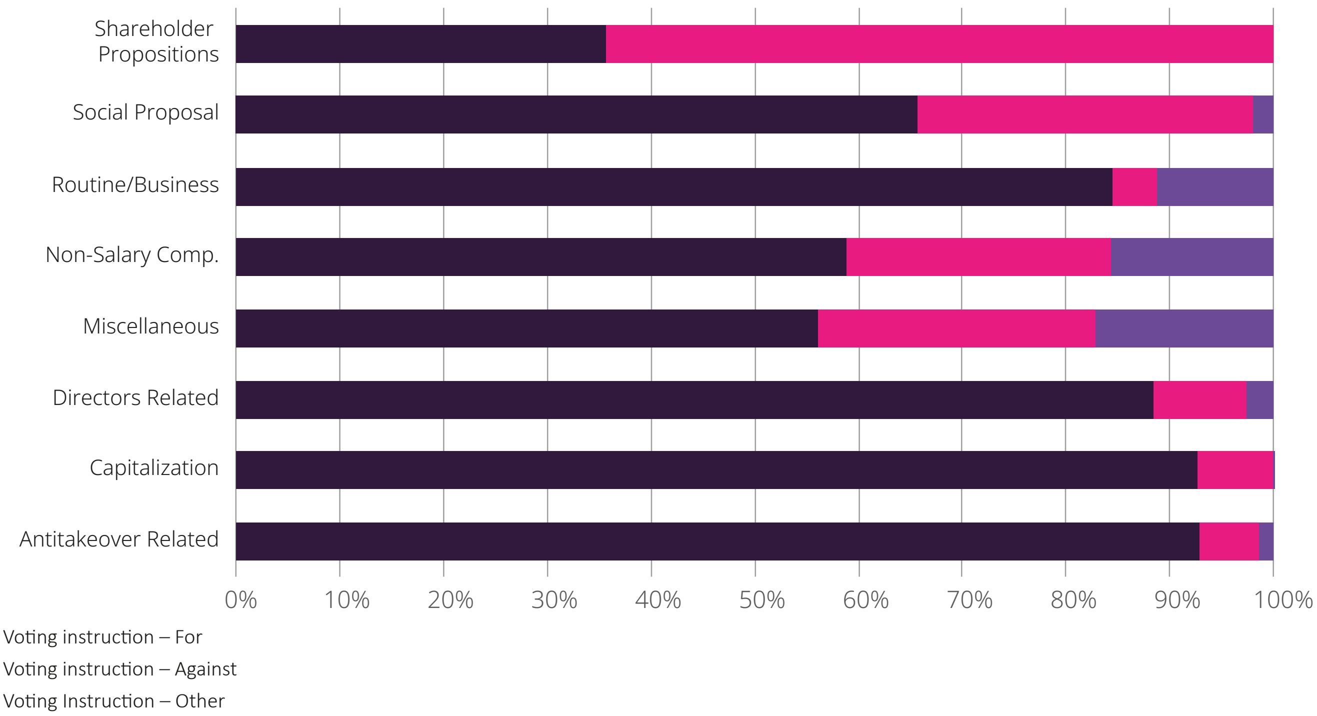


Figure 12: Source: Investment managers, EOS, As of 31 December 2024

Case Study:
Toyota Motor Corp (Vote Against Chairman)

Action: We voted against the chairman and chair of the board EOS enaged with Toyota on behalf of us and their other clients. According to EOS Mr. Akio Toyoda and Mr Shigeru Hayakawa raise concerns regarding overall group governance, especially the oversight of subsidiaries. The certification irregularities involving its subsidiaries Hino, Daihatsu, Toyota Industries and recent investigation by the authority the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) at its HQ raised significant concern about misalignment with the appropriate laws and regulations. We believe it is the responsibility of the board members to ensure that the group upholds proper internal controls and provides transparent and accurate public disclosures

London CIV also believes that the company's management should be held responsible for the effect these incidents have had on corporate value and the group's reputation. EOS states that Mr. Toyoda, who has served as the top management of the company since June 2009 should held responsible. Mr. Toyoda holds responsibility for failing to ensure that group maintained appropriate internal controls and for the failure to ensure appropriate governance measures were implemented at group companies. It also raises concerns around corporate culture which has developed under the leadership of Mr. Toyoda.

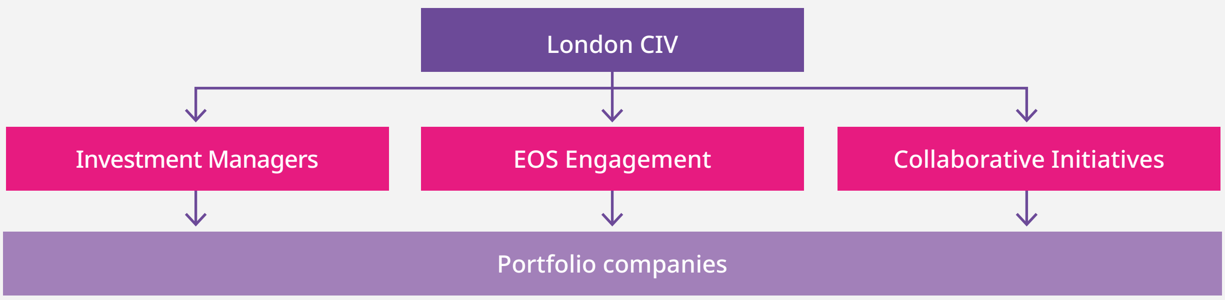
We have also voted for the shareholder proposal filed by Kapitalforeningen MP Invest. The proposal requests disclosure of a comprehensive and objective annual report on the company's climate-related lobbying activities with alignment to the goals of the Paris Agreement. This includes disclosure of any instances of misalignment with those goals, along with the planned actions to address these. While the company has improved its disclosure by expanding the scope of analysis and made a commitment to further improve transparency and comprehensiveness, support for this resolution would direct the company to continue enhancing its disclosure in line with the investor's expectations and narrow the gap between Toyota and some of its international peers in this area.

Outcome: The outcome of the vote saw 28.07% of shareholders voting against the election of Mr. Toyoda, with only 9.2% supporting the shareholder proposal. While we were disappointed by the result of the proposal, we believe it successfully highlighted important climate concerns to the board. Additionally, by voting against the Chairman, we have utilised our shareholder voice to express our dissatisfaction with Toyota's governance practices. We remain committed to engaging with the company and, in 2025, we plan to directly engage with Toyota at their UK facility with EOS and other investors.

Integrating Engagement

We believe that a strong engagement strategy is critical to help deliver real-world outcomes at scale and, in turn, improve the performance of our funds. We also believe that collaborating with other like-minded institutional investors and service providers is an effective way to pool knowledge and information.

We advance our engagement objectives through the following channels:



Investment Manager Engagement Breakdown

In 2024, our investment managers held 2,086 engagement meetings with portfolio companies. Specific areas of interest were climate change (discussed in 59% of 1,258 meetings) and human rights and human capital concerns (raised with issuers on 248 separate occasions (20%) (Figure 9).

Figure 13: 2024 Issues discussed: ESG coverage.

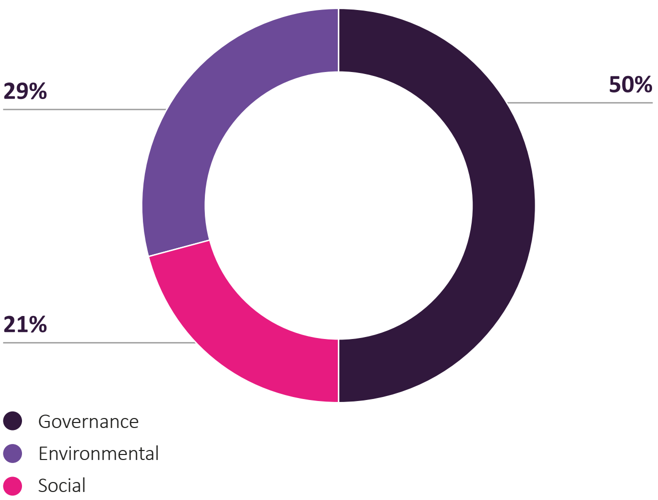


Figure 13: Source: Investment managers, As of 31 December 2024

Figure 14: 2024 Detailed engagement activity breakdown

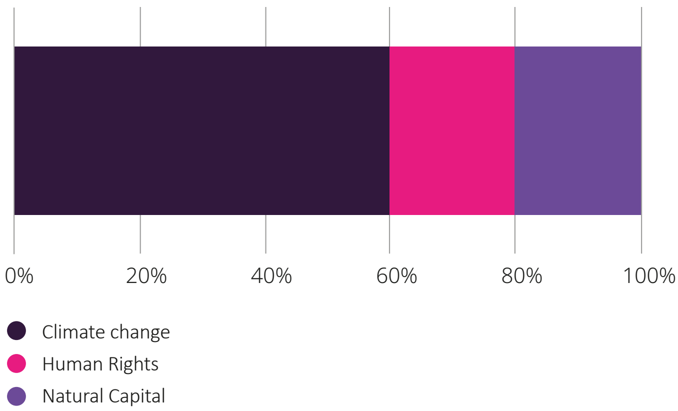


Figure 14: Source: Investment managers, As of 31 December, 2024

EOS Engagement Breakdown

EOS engaged with 456 companies across 2,351 ESG topics across London CIV's portfolio on behalf of their clients in addition to the engagements carried out by our investment managers.

Figure 15: EOS Engagement Breakdown

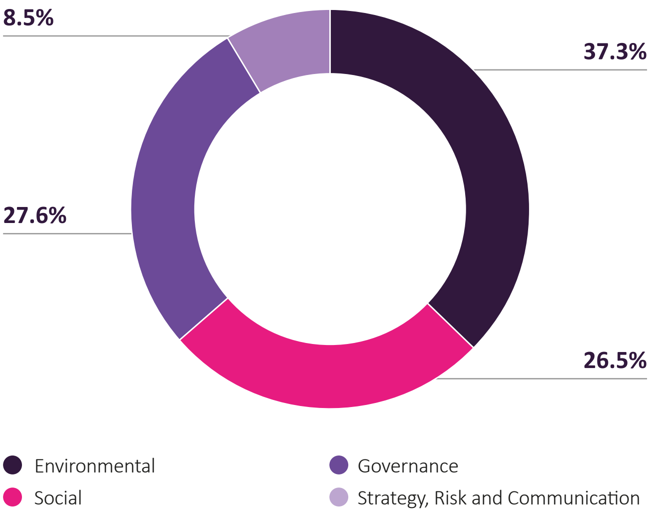


Figure 15: Source: EOS 2024

Engagement Progress (2024)

The below chart demonstrates how much progress has been made in achieving milestones set for each engagement. During 2024, 46% of objectives moved forward for at least one milestone . We have included a case study of how this works in practice on pg.36 on Carrefour.

Figure 16: Engagement Progress (2024)

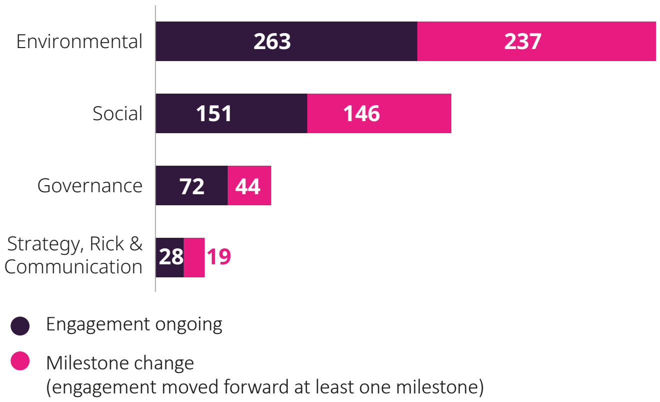


Figure 16: Source: EOS 2024

Engagement Milestones

EOS use a proprietary milestone system that tracks engagement progress against their objectives set with the company. They categorise these milestones as illustrated below:

- **Milestone 1** Concern raised with the company at the appropriate level
- **Milestone 2** The company acknowledges the issue as a serious investor concern
- **Milestone 3** Development of a credible strategy/stretching targets set to address the concern
- **Milestone 4** Implementation of a strategy or measures to address the concern

Linking Engagement to Sustainable Development Goals ("SDGs")

The SDGs provide a common framework and language for investors and companies to work towards the achievement of the shared goals, with measurable indicators of progress. Our stewardship provider EOS' engagement methodology links each engagement objectives to SDG targets.

Supporting the UN Sustainable Development Goals

The chart below illustrates the proportion of **1,468** engagement objectives and issues on which EOS has engaged on behalf of London CIV's portfolio in 2024, which we believe are directly linked to an SDG (noting that one objective or issue may directly link to more than one SDG).

Source: EOS 2024 (note: EOS also engages on behalf of other clients during their engagements)

Figure 17: EOS Milestone Progress of SDG-linked Engagements Bar Chart

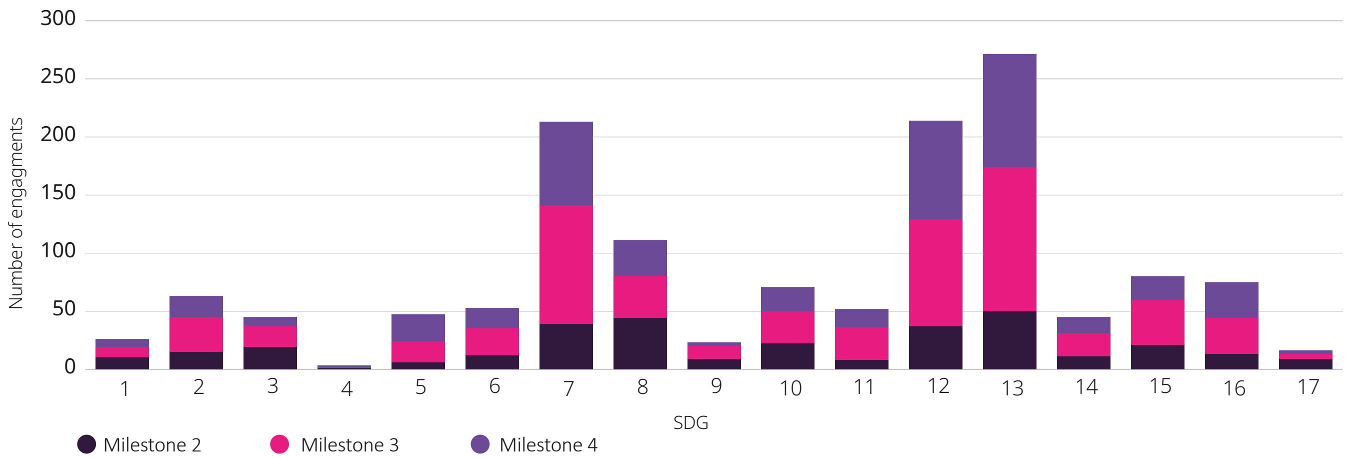


Figure 17: Source: EOS data for 2024

Deep Dive: Climate Change

Climate change is a systemic risk that affects the global economy. It has the potential to disrupt markets and supply chains through both physical impacts and the transition to a low-carbon economy. For investors, this introduces volatility, long-term uncertainty, and potential financial impact, making it essential to incorporate climate risk into investment decisions. As asset managers, we recognise our role in driving the transition to a Net Zero economy. We believe that engagement is one of our most powerful tools to encourage emissions reductions across the real economy. In 2024, EOS engaged on **443** climate related objectives and our ACS Investment Managers have had **1,329** meetings where they discussed topics including Climate Change.

We consider it in our clients' best interests to manage both the impacts of climate change on investments and the impacts of investments on climate change- an essential part of our fiduciary duty in addressing this systemic risk.

Our approach in 2024 includes:

1) Engaging with portfolio companies through our Investment Managers and our stewardship partner.
2) Enhancing the climate criteria of our existing funds.
3) Escalating efforts through co-filing opportunities and collaborating with like-minded investors.
4) Supporting our Partner Funds in improving their climate-related disclosures, enabling them to set their own climate goals.
5) Initiated our updated climate action plan and data gathering for our private market funds.

This section highlights our key stewardship activities throughout 2024, showcasing our commitment to these efforts.

Case Study: London CIV Climate Enhancements for Fixed Income

Background: In 2024, London CIV enhanced the ESG requirements for both our LCIV Global Bond Fund and LCIV MAC Fund, based on our own net-zero ambitions, client feedback, and progress observed across the fixed income market.

Action and Outcome: ESG enhancements for our Global Bond Fund were first introduced in 2022, including normative screens, exclusions related to global norms, and the introduction of sustainable bonds. In 2024, we further enhanced the ESG guidelines for both the Global Bond Fund and the MAC Fund, omitting corporations that score poorly on ESG criteria, particularly those with low environmental scores. Additional exclusions have been implemented, aimed at restricting exposure to fossil fuels, cannabis production, gambling and other areas. Most importantly, the fund is now on a pathway to achieving net-zero.

Case Study:
CRH (Listed Equity)

Background: CRH is London CIV's largest Green House Gas (GHG) contributor in 2024. We have provided an engagement case study conducted by our Investment Manager, Baillie Gifford, last year and have followed up to track its progress in 2024. Furthermore, **London CIV has escalated our engagement efforts and became a 'contributor' for CRH on CA100+ in 2025**.

CRH is a diversified building materials company specialising in producing and distributing cement and other aggregates. Baillie Gifford's long-term objective for CRH is for the company to become an influential example of good practice in an emissions-intensive sector.

Action and Engagement: Baillie Gifford has been engaging with CRH since 2008. Throughout 2024, the engagement focused primarily on two key areas: **1) Remuneration** and **2) Climate**. On remuneration, Baillie Gifford provided feedback on proposed revisions to executive pay, particularly noting the shift towards US-style compensation structures due to CRH's increasing presence in the US market. This included discussions about the increased quantum of pay and revisions to the long-term incentive framework.

On climate, discussions highlighted CRH's integration of carbon pricing into all strategic decisions, including acquisitions and divestments. Baillie Gifford specifically sought clarification on ongoing sustainability disclosures and scenario analysis following regulatory changes in the US market. Discussions also focused heavily on the changing regulatory environment and the divergence between the US and the EU. CRH explained their lobbying approach, which is often locally focused—such as improving the sustainability of material standards and building regulations at the municipal level. Further engagements emphasised understanding CRH's decarbonisation trajectory beyond 2030, particularly given uncertainties around Carbon Capture, Utilization, and Storage (CCUS) technologies. Though CRH has detailed strategies and targets for 2030, long-term directionality remains less clear due to the reliance on speculative technological innovation.

Our Investment Manager encouraged deeper transparency regarding CRH's internal carbon cost calculations and their impact on business operations. They also encouraged further dialogue around how CRH supports low-carbon product innovation through their CRH Ventures project.

Outcomes and Next Steps: The engagements throughout 2024 year resulted in several notable outcomes:

- Enhanced clarity on executive succession plans and recruitment.
- Increased understanding of the balance between maintaining long-term strategic focus of the executive remuneration structures and US market practices.
- Assurance from CRH that recent acquisitions were assessed thoroughly regarding their compatibility with decarbonisation targets, confirming their confidence in achieving 2030 emissions reductions goals.
- Recognition that while CRH's interim (2030) emissions targets remain credible, longer-term strategies for 2050 are less clear due to reliance on technological innovation. We will continue to monitor these developments closely.
- Confirmation from CRH that the price of carbon is deeply integrated into strategic decision-making processes across the business, including in board-level reviews.

Looking ahead into 2025, our Investment Manager will maintain regular dialogue with CRH management and pay particular attention to the strategic implications of regulatory divergence between US and EU policies. They remain committed to supporting CRH's transition towards net zero emissions by 2050 through constructive engagement and ongoing stewardship efforts.

Case Study:
ArcelorMittal (Listed Equity)

Background: ArcelorMittal is a long-term holding for our investment manager, Ruffer, and a significant contributor to London CIV's GHG across our portfolio. Ruffer has engaged with the company for several years, both individually and collaboratively through the Climate Action 100+ initiative as a co-lead investor. The steel producer operates in an energy-intensive and hard-to-abate sector, which means it is challenging to reduce emissions.

Engagement and Outcome: Ruffer notes that in ArcelorMittal's 2021 Climate Action Report, the company announced a $10 billion gross investment (including government support) to reduce emissions intensity by 35% in Europe by 2030. It also aims for a 25% global emissions intensity reduction by 2030 and carbon neutrality by 2050. Given global inflation and supply constraints, Ruffer asked if the company has considered revising its decarbonisation budget to account for these pressures. This budget supports the construction of five direct reduced iron (DRI) facilities and ten electric arc furnaces (EAFs) in Europe, with both new builds and potential retirements contributing to emissions reduction goals.

The 2024 AGM allowed investors to question the Board on climate transition strategy, including the potential revision of the $10 billion decarbonisation budget. Ruffer, along with the Climate Action 100+ group, submitted a letter seeking clarity on the Board's oversight of ArcelorMittal's strategy. Key questions focused on the decarbonisation budget, potential adjustments due to inflation, competitor responses, sufficiency to meet goals, and performance indicators for progress and transition risk. Ruffer also requested details on capital allocation and plans for an updated Climate Action Report.

The company reiterated that it does not plan to revise its $10 billion decarbonisation budget (including state support) and remains focused on meeting its carbon emissions reduction target. In response to requests for more details on the DRI facilities and EAFs, including potential capital allocation implications, the company indicated these will be addressed in its updated Climate Action Report, set for release before the 2025 AGM.

ArcelorMittal tracks progress on emissions reduction through KPIs like operational emissions intensity and the competitive advantage and return rates of decarbonisation projects. This combination of decarbonisation and financial KPIs allows the Board to evaluate projects within the context of the company's overall strategy. The company also provided a balanced response on its capital allocation policy, emphasising dividends, share buybacks, investments in assets and joint ventures, and research and development spending

Outcomes and Next Steps: Our investment manager will continue to monitor the company's decarbonisation progress through its financial reporting and the upcoming Climate Action Report. Ruffer has requested the publication of marginal abatement cost curves aligned with the 2030 intermediate target and 2050 Net Zero target. Additionally, Ruffer asked ArcelorMittal to release the Climate Action Report at least two months before the next AGM, providing investors ample time to review the information and guide ongoing stewardship activities.

Case Study:
Climate Escalation- Barclays (Co-Filing Shareholder Proposal)

Background: London CIV worked with ShareAction and other investors to support a co-filing opportunity regarding Barclay's energy policy. The group engaged with the bank requesting it to issue a report describing how they 1) address stranded asset risk associated with financing new oil and gas infrastructure and; 2) systemic risk to the financial system of stranded assets. Following engagement and applying pressure, Barclays updated its climate policy to include:

- No project finance, or other direct finance to energy clients, for upstream oil and gas expansion projects or related infrastructure.
- Restrictions on non-diversified energy clients engaged in long lead expansion.
- Additional restrictions on unconventional gas and oil, including extra heavy oil.
- Requirements for energy clients to have 2030 methane reduction targets, a commitment to end all routine/ non-essential venting and flaring by 2030 and near-term net zero aligned scope 1 and 2 targets by January 2026.
- Expectation for energy clients to produce transition plans or decarbonisation strategies by January 2025.

Following these major announcements and after engaging with Barclays and informing them of the shareholder proposal, ShareAction and the group of investors decided the new updates to Barclays climate policy sufficiently addressed their concerns and made the decision to withdraw from the shareholder resolution before it went into vote at Barclay's Annual General Meeting.

Deep Dive: Nature and Biodiversity

Biodiversity and Deforestation

In 2024, we maintained our focus on biodiversity and deforestation as critical areas of our stewardship efforts. This is because we believe it is important for investors to address the urgent need to protect natural capital, including forests, and its link to climate, biodiversity, and human rights. Natural capital plays a crucial for addressing climate change because it refers to the world's stocks of natural assets, such as forests, water, soil, and biodiversity, that provide essential ecosystem services. These services help regulate the climate and support life on Earth.

Our actions in 2024:

- Launched a Nature-Based-Solutions fund focused on Sustainable Forestry and Sustainable Agriculture.
- Recalculated our exposure to deforestation risk based on the Forest500 database to use as a basis for accelerating our engagement activities in 2025. In 2024, 7.29% of ACS holdings (96 companies) are exposed to deforestation risks according to the Forest500 database —Amazon alone accounts for 2.26%, with the top five totaling 4.19%.
- Incorporated deforestation considerations in legal side letters when appointing new Investment Mangers (where material).
- Deepened our engagement on the Investor Policy Dialogue on Deforestation (IPDD) by joining the Consumer Countries Working Group.

In 2024, stewardship activities by EOS on natural capital for London CIV and its other clients spanned multiple regions and progressed through various milestone stages. Progress is categorised based on four primary milestones:

- M1 (Raising Concerns): Our concern is raised with the company at the appropriate level.
- M2 (Acknowledging Concerns): The company acknowledges the issue as a serious investor concern, worthy of a response.
- M3 (Planning): The company develops a credible strategy to achieve the objective, or stretching targets are set to address the concern.
- M4 (Implementing): The company implements a strategy or measures to address the concern.

Case Study: London CIV invests in Nature Based Solutions (Private Market, Forestry and Agriculture)

In 2023, in response to client requests and aligned with our responsible investment strategy, London CIV initiated the development of its first Nature-Based Solutions Fund. This fund will focus on two core asset classes: Sustainable Forestry and Sustainable Agriculture, with additional scope for exposure to carbon or other environmental credits. The fund will seek to invest in strategies which protect, sustainably manage, or restore natural ecosystems (land and/or water-based), and addresses challenges related to climate change, human well-being, and biodiversity.

Outcome: In late 2024, London CIV, in collaboration with consultant Reddington, shortlisted nine investment managers and ultimately selected three for the launch of London CIV's first Nature Based Solutions Fund. We look forward to sharing detailed case studies and updates on fund activities in next year's Stewardship Outcomes Report.

We aim to showcase the engagement milestones in our portfolio through the following charts. These charts illustrate: (i) how our engagements are distributed by region and milestone stage; (ii) how these engagements progressed from one milestone to the next; and (iii) which SDGs are most commonly addressed.

Engagement Stage by Region: The bar chart highlights each region's concentration of engagements across M1 to M4, with "Objective Complete" used when the company has concluded the requested steps. North America and Europe register higher numbers at more advanced stages (M3, M4). Meanwhile, regions such as Australia & New Zealand and Emerging & Developing Markets show a smaller volume of engagements at earlier stages, many initiated at M1 or M2.

Figure 18: Milestone stage of engagements

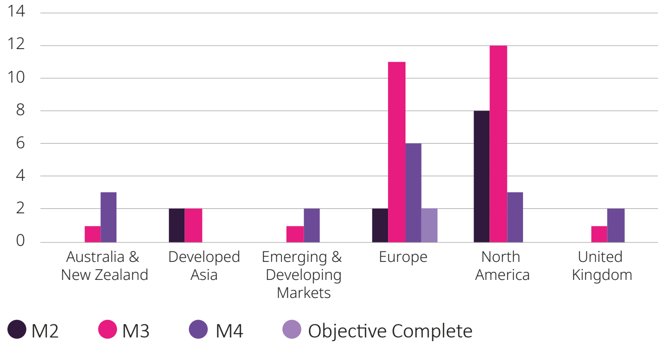


Figure 18: Source: EOS, As of 31 December 2024

Engagement SDG Impact across Regions: This chart underscores the specific UN Sustainable Development Goals (SDGs) our engagements addressed, grouped by region. Certain SDGs—such as Life on Land (SDG 15), Clean Water and Sanitation (SDG 6), and Responsible Consumption and Production (SDG 12)—are more frequently referenced in regions whose economies depend on agriculture, forestry, or water-intensive industries. This distribution helps pinpoint how engagements align with particular environmental challenges and policy concerns in distinct geographies.

Figure 19: Proportion of SDG-linked engagements by regions

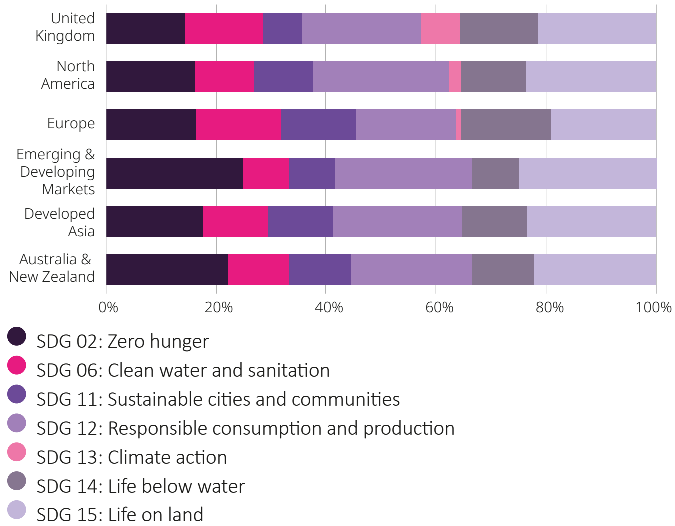


Figure 19: Source: EOS, As of 31 December 2024

Engagement Milestone Progress: The Sankey chart visualises the flow of engagements from their starting milestone (e.g., "New" or M1) toward advanced or completion milestones. It displays how many engagements successfully moved from M2 to M3, M3 to M4, or ended in "Complete," as well as those that remained at the same stage. This approach illuminates areas where discussions have deepened and shows the momentum for further steps toward addressing biodiversity, deforestation, or water resource impacts. The Carrefour case study highlights a completed milestone (from M3 to Complete).

Figure 20: Progression of engagements based on EOS milestones

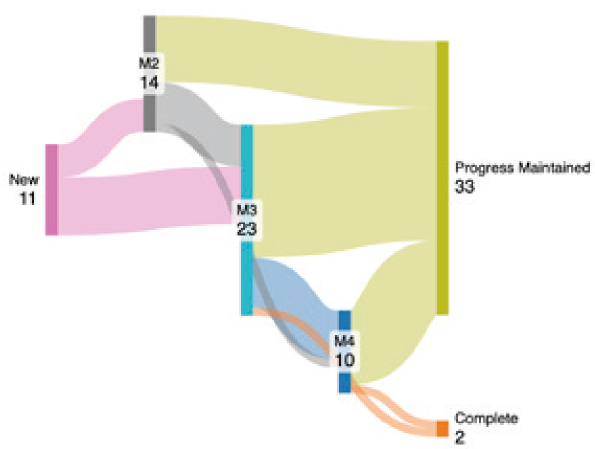


Figure 21: Source: EOS, As of 31 December 2024

Snapshot:
Tyson Foods (Deforestation Risk Vote)

Tyson Foods, Inc. engages in the production of processed food. It operates through the following segments: Chicken, Beef, Pork, and Prepared Foods. In 2024, we voted in favour of a shareholder proposal that request Tyson accelerate its efforts to eliminate deforestation, native vegetation conversion, and primary forest degradation from its supply chains to achieve independently verified deforestation-free supply chains by 2025. The proposal recommends Tyson Foods to:

- Include native vegetation conversion and primary forest degradation in the company's deforestation-free goal.
- Disclose the company's forest footprint and annual reporting of deforestation-free commodity volumes.
- Complete a material biodiversity dependency and impact assessment in line with the Task Force for Nature Related Financial Disclosures (TNFD) Framework.
- Disclose scope 3 emissions related to deforestation and other land-use change.

Unfortunately, the proposal only received a disappointing 3.3%. However, we will continue to engage through EOS to promote better management of natural capital.

Case Study:
Carrefour (Fixed Income via EOS)

Biodiversity impact and dependence assessment [Progress during the reporting period M3 > Complete]

Background: EOS has been engaging with Carrefour, a leading French supermarket operator, since 2008. Over the last two years our stewardship provider has intensified their engagement on biodiversity given Carrefour's significant impacts and dependencies as a food retailer.

Engagement: EOS started their engagement on biodiversity in 2022, outlining their requests in a letter for the company to identify, assess, and measure its most material impacts and dependencies on biodiversity, including any associated risks. EOS encouraged it to develop a strategy to address these factors and articulate a plan with milestones to deliver this. EOS also shared their biodiversity white paper with Carrefour and followed up with the company later that year, asking it to provide more information on its sourcing of raw ingredients and its approach to deforestation. EOS was pleased to hear that it was working on assessing its impacts on biodiversity through its supply chain and stores. They pressed for the company to publish these results and for Carrefour to develop a biodiversity roadmap and asked if it could commit to having a positive impact on biodiversity. Carrefour stated that its intention was to have a neutral impact on biodiversity. EOS also asked for increased disclosure on water quality and quantity impacts in the supply chain. The company acknowledged our stewardship provider's request. EOS reiterated their requests in early 2023 and recognised that the company had taken a step forward as Carrefour was working with the Science Based Targets for Nature (SBTN) programme. The company was responsive to the engagement and spoke of its intention to define a biodiversity strategy. In early 2024, as part of the Farm Animal Investment Risk and Return (FAIRR) collaborative engagement on protein diversification, EOS was pleased to hear from the company that it intended to report against the Taskforce on Nature related Financial Disclosures (TNFD) framework. FAIRR is a leading investor network focused on the material ESG risks and opportunities in the global food sector, with a particular emphasis on the environmental and financial impacts of intensive animal agriculture. Protein diversification is a key lever in mitigating nature-related risks such as deforestation, land degradation, and biodiversity loss, all of which can pose systemic financial risks to companies and investors. That year, EOS also joined the Nature Action 100 (NA100) collaborative engagement as a lead engager for Carrefour and held their first NA100 meeting with the company in mid-2024 to challenge the biodiversity impacts it had disclosed in its report

Outcome: In early 2024, the company published its 2023 universal registration document, which outlines its biodiversity impacts and dependencies, and related risks and opportunities. The company assessed its entire value chain, in line with EOS's recommendations. It provided a representation of the group's biodiversity footprint by country and type of pressure, showing that its most significant impacts were in Brazil and France due to land use change. It also showed the pressures exerted on biodiversity from several raw materials identified as high impact by the SBTN, including palm oil, beef, cocoa, soy, fishery products, aquaculture products and cotton. The report provided a narrative on pollution-related risks, including air, water and soil pollution and microplastics. Carrefour outlined an action plan to promote responsible consumption and sustainable agriculture. Carrefour also followed EOS's suggestions on water disclosures, reporting that it seeks to limit the water footprint of its products in the procurement process. For example, it supports suppliers in managing water by helping them set up efficient irrigation systems. The company also identified textile supply chains as a major water pollution risk. It has developed a programme to raise awareness, and to train and audit textile suppliers. EOS will continue their discussions on nature through our direct engagement and the NA100 group.

Case Study:
Nestle (Listed Equities)

Background: The European Union introduced the Deforestation Regulation (EUDR) in June 2023, this regulation aims to ensure that products placed on, or exported, from the EU market are not linked to deforestation or forest degradation. It requires companies to confirm that products like beef, wood, cocoa, soy, palm oil, coffee, and rubber are not linked to deforestation. The regulation will achieve this through stricter traceability and due diligence requirements. At the time of this engagement, the EUDR was scheduled to become enforceable on December 30, 2024. However, since then, the date has been pushed back by a year.

Our investment manager Pyrford engaged with Nestle to evaluate the company's readiness ahead of the enforcement of the regulation. Specifically, Pyrford wanted to ensure the company has the sufficient resources, supply chain transparency, and systems in place to cover the extensive requirements of the regulation.

Engagement: A number of topics were covered during the engagement. Nestle confirmed with our investment manager that they have been committed to be deforestation-free sourcing since 2021. In 2020, they achieved 99% deforestation-free sourcing for 5 commodities, including cattle, soy, and paper, which was independently audited by Ernst and Young. Nestle stated that they are pleased that the EUDR is using some of the key requirements that they've been using since 2010, including due diligence statements, traceability data, farm polygons and satellite imagery. Nestle felt that based on their knowledge on the matter, they are quite advanced in their preparations and are ready for the regulation. However, they are still working on resolving issues with the EU's data exchange system and expect to participate in further testing. While Nestlé believes the EUDR requirements will become a global norm, they acknowledge it will take time to implement, and some regions may face temporary supply chain adjustments.

The company faces challenges with traceability in some commodities like cocoa, where mixing occurs in factories, and they are considering dedicated factories to mitigate this. In other areas like coffee, they already have strong traceability programs in place but have made adjustments to simplify certain products to meet the regulation. The company already accounts for the costs of compliance, as they began these efforts years ago. They are also making an effort to including small farm holders in their sourcing, using area-based verification methods. Regarding secondary supply chains, Nestlé is discussing with the EU whether derivatives or byproducts should be included under the regulation.

Outcomes: Pyrford believes that Nestle has taken a proactive approach towards sustainable sourcing and supply chain transparency starting well before the implementation of this regulation. Nestle's actions not only ensure compliance with the stringent regulation, but also contribute significantly to the company's broader climate action plan. Nestle has a Forest Positive strategy and its own Global Reforestation Program, independent of the EU's requirements. They are committed to restoring nature, protecting biodiversity, and promoting regenerative farming practices. Our investment manager will continue to monitor the situation, as the scope and enforcement of this regulation is still unknown.

Separately, through our stewardship provider EOS. EOS has initiated an engagement objective on Regenerative Agriculture in Q2 2022. Since then, Nestlé has developed plans and publicly committed to developing its regenerative agriculture strategy across five pillars: biodiversity, water stewardship, soil health, diverse cropping systems and livestock integration, and collective and landscape action.

In this section of the report, we will cover the 'People' theme of our engagement. First, we will provide an overview of our human capital, focusing on diversity, equity, and inclusion initiatives, followed by an examination of human and labour rights.

Deep Dive:
Wider Societal Impact - Diversity, Equity and Inclusion

Diversity, equity and inclusion (DEI) continues to be a priority sub-theme for London CIV. We believe better data and greater transparency is key to improve progress on racial, gender and socioeconomic equality. This data can be used to evaluate companies on key social issues such as pay parity, employee discrimination and other diversity and inclusion policies. These risks, if not effectively managed, can lead to reputational harm, an inability to attract and retain a quality workforce and even legal action. We note going forward, with the new political landscape in the U.S. DEI initiatives may encounter more challenges. London CIV will remain attentive in monitoring this space and reinforcing the importance to its partner funds.

Regarding our engagements, 26.5% of EOS' engagements conducted on our behalf were on social factors, 45% of those were in Human & Labour Rights, 41% were on Human Capital and 13% were on Wider Societal Impacts.

Regarding voting, our guidelines relating to DEI advocate for representation of women and ethnic minorities on boards and in leadership teams. In 2024, we opposed 183 director election proposals due to concerns about insufficient diversity.

Snapshot:
Apple – Voting for Gender and Racial Pay Gap Report

During Apple's 2024 AGM, we voted in support of Shareholder Proposal #6 – Racial and Gender Pay Gaps, as we believe the UK-style median pay gap disclosures could be applied in the US and key global markets. These disclosures offer more meaningful insights than the pay equity data for the same job, which is typically reported by US companies. While 31% of shareholders voted in favour of the proposal (and a proposal requires over 50% support to pass), we are pleased with the outcome, as it effectively brings shareholder concerns to management's attention.

Starbucks – Voting Against Discrimination Related Shareholder Proposal

We voted AGAINST the discrimination related shareholder resolution #5 because, while on the surface the proposal seems to promote anti-discrimination audit but the focus is on 'non-diverse employees' in the resolved clause. This indicates that the proposal appears to be an attempt to thwart progress on the company's inclusion efforts.

Case Study: London CIV Asset Owner Diversity Charter

Background: Since 2020, London CIV has been a founding member, a signatory and steering group member for the Asset Owner Diversity Charter (AODC). The charter has two key components: the asset manager diversity and inclusion questionnaire and the asset owner charter toolkit. The questionnaire aims to standardise diversity metrics to enhance disclosures, with results informing a progress report to support engagement and improve DEI efforts. The toolkit supports the charter's implementation and covers essential topics such as manager selection and monitoring.

The lack of harmonisation of metrics in DEI adds extra burdens for asset managers, as their clients and stakeholders may request workforce data in various metric categories. The AODC quantitative questionnaire aims to resolve this issue, as we seek to provide a comprehensive template for asset managers containing metrics that are important to asset owners and consultants.

Progress and Outcomes: In 2024, we continued our support for the AODC, with the Charter successfully completing the appointment of their advisory board. The board comprises experts in human resources, academia, and senior leadership.

London CIV has taken on the role of co-chair, and led in the establishment of, the AODC Investment Consultant Taskforce, driving forward efforts to advance DEI within the investment community. Looking ahead, we plan to remain actively involved in the AODC and take proactive steps to track and enhance the questionnaires from both our managers and other industry participants. We have also continued to request any new investment managers to complete the AODC questionnaire every year.

Case Study: Bayer (Listed Equities)

Background: EOS began engagement with Bayer on female representation in senior management in 2019. Our expectation is that the company achieves greater than 30% female representation in both the management board and group leadership circle for this region. EOS first sent a letter to the chair of the supervisory board with their corporate governance principles highlighting their expectation. EOS also encouraged a public ambition of approximate gender parity across the business to support the pipeline of future female senior managers.

The company appointed a woman to the management board in February 2019. Following this, EOS continued to engage on the topic in 2019 and 2020. The company showed its commitment to improving gender diversity in senior management by announcing new targets as part of its ESG target setting programme. These were to increase the proportion of women in top management to 33% by 2025 (compared to 23% in 2020) and 50% by 2030; and to increase the proportion of women at all other management levels to 50% by 2025 (including upper and lower management which had reached 43% and 36% in 2020). In a visit by the company's ESG team to EOS's London office in 2022, EOS reiterated the importance of greater gender balance at the leadership level. As of the end of 2022, only one out of six (17%) management board members were female.

Outcomes and next steps: The company's 2023 annual report showed strong progress against the targets set in 2021. During the reporting period, the proportion of women in top management (circa 550 employees), which encompasses the highest levels of management including the board of management, was made up of 32% women and the proportion of women in management reached 44%. In 2024, the company reported the proportion of women in top management increased to 35% and all management level at 44.1%. This shows progress towards the company's 2025 goals. The company also maintained its 2030 target for gender parity across management levels to support the pipeline of future female senior managers. EOS states that they will continue engaging about gender diversity on the management board and they expect to see a minimum of 20% for DAX40 companies.

Deep Dive:
Human Rights

As an institutional investor, London CIV has a duty to respect human rights – a responsibility grounded in international frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Beyond duty, we believe that upholding human rights and labour standards is fundamental to long-term, sustainable value creation. Companies that fail to respect these rights can face reputational damage, operational disruption, and regulatory penalties – all of which represent material risks to investors. This issue has been a priority for us since 2021 as detailed in our Stewardship Policy , and our approach applies across all our people-related themes. In 2024, 41.6% of EOS' engagements on Social focused on Human and Labour Rights.

Our Actions in 2024:

- Introduced quarterly screening of controversial weapons.
- Introduced quarterly screening for companies flagged by NGOs as having exposures in the Occupied Palestinian Territories with human rights concerns.
- Joined Alliance for Human Rights' Conflict-Affected and High-Risk Areas working groups.
- Engaged with NGOs with on-the-ground experience in international armed conflicts to assess and understand key risks.
- Planning a direct engagement program with targeted companies flagged by NGOs with exposures in the OPT with human rights concerns.

Figure 21: Social themes -EOS Engagement (2024)

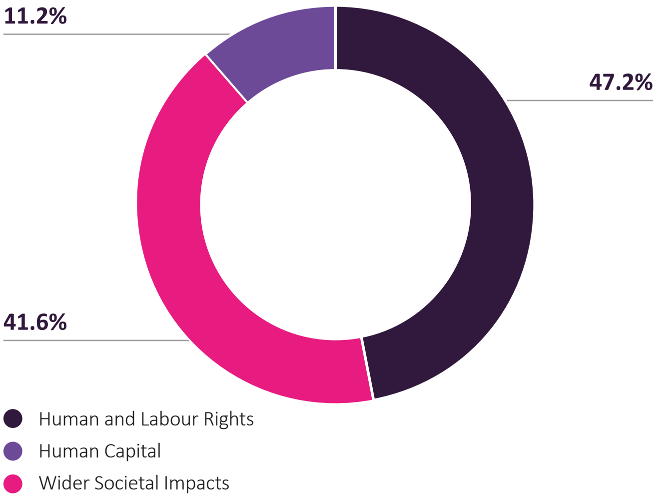


Figure 21: Source: EOS, 2024

Snapshot:
Voting for Human Rights- Meta Platforms, Inc

We voted to support the shareholder proposal filed by Akademiker Pension, which calls for a report on human rights risks in non-US markets. The company already provides disclosure on how it addresses human rights risks in these markets. However, we would appreciate more information on how the company allocates its limited resources for content moderation, including across different markets. This could help mitigate perceptions that the company under-resources content moderation in certain markets relative to others.

We also voted to support the shareholder proposal filed by Mercy Investment Services and NEI Investments, which calls for a human rights impact assessment on AI systems driving targeted advertising. Meta's Advertising Policies are publicly available and include explanations on how the company decides which advertisements to show users. Advertisements must not discriminate or encourage discrimination based on personal attributes such as race, ethnicity, religion, age, or disability. However, we believe the company falls short in obtaining user consent for its collection, inference, sharing, and retention of data for targeted advertising.

Although just 5.5% of shareholders voted in favour of the human rights report proposal and 14.5% supported the advertising impact assessment, we are pleased to have highlighted these shareholder concerns to management.

Case Study:
Freeport-McMoRan (Listed Equities)

Background: London CIV holds Freeport-McMoRan in our PEPPA Fund, Global Equity Value Fund and Real Return Fund. Freeport McMoRan is an American mining company. In 2017, EOS asked Freeport-McMoRan to undertake a human rights impact assessment (HRIA) for its PT-FI Grasberg operations in Indonesia. This assessment would help identify, prevent, mitigate, and account for the adverse effects of the business on human rights in line with the UN Guiding Principles on Business and Human Rights (UNGPs). This request was in response to reports of adverse human rights impacts on Indigenous and local communities since the opening of the mine[11] and criticism from the Indonesian Human Rights Commission related to labour rights.[12] EOS encouraged the company's HRIA to follow the best practices outlined within the UNGPs.

Between 2019 and 2022, EOS reiterated their request that the company undertake a HRIA. The company made progress in 2021 confirming that it had engaged a consultant to conduct the HRIA for its PT-FI Grasberg operations. The process was delayed due to the Covid-19 pandemic. In 2023, EOS shared additional expectations for the HRIA, specifically, to ensure that stakeholder engagement was robust and transparent, to assess the effectiveness of grievance mechanisms, and to clarify whether PT-FI Grasberg operations were aligned with the specific considerations for Indigenous Peoples' rights within the UNDRIP, including free, prior and informed consent (FPIC). EOS followed up with the company on the status of its HRIA in 2024.

Outcomes and next steps: In 2024, the company completed the HRIA and published a public summary[13]. According to the third party, the results of the HRIA confirmed the overall strength of PT-FI's existing business systems as they relate to human rights. Out of 18 priority areas assessed, eight were considered "aligned to international good practice," seven were considered "managed" and three were considered "basic." Key recommendations included dedicating priority attention to strengthening management capacity related to decision-making, training and knowledge management, stakeholder engagement and gender; strengthening its current human rights training materials; and implementing a campaign to raise awareness about its Principles of Business Conduct.

In May 2024, EOS thanked the company for completing the HRIA and doing similar assessments at other mines as part of its human rights due diligence. The public summary showed evidence of stakeholder engagement and assessed the effectiveness of grievance mechanisms. It stated that PT-FI was aligned to international best practice on Indigenous Peoples and cultural heritage. EOS sought to clarify whether PT-FI was aligned with the specific considerations for Indigenous Peoples' rights within the UNDRIP, including FPIC. In response, the company shared that PT-FI follows its policy on FPIC and maintains agreements and good relations with Indigenous Peoples in the area. PT-FI is also designated as "fully meets" for the Copper Mark requirement for Indigenous People's rights.

11 FIFTY YEARS OF CORPORATE EXPLOITATION: ENVIRONMENTAL, LABOR, & HUMAN RIGHTS ABUSES BY US MINING GIANT FREEPORT (PART II) — Corporate Accountability Lab
12 Indonesian Human Rights Commission calls for reinstatement of Grasberg workers | IndustriALL (industriall-union.org)
13 HRIA-Grasberg.pdf

Integration by Asset Class, Funds and Geographies

London CIV prioritises stewardship across all asset classes as our core duty of care. This is reflected in our fund design, selection, appointment, and monitoring of investment managers.

Our investment mandate's asset class, geographic focus, and risk objectives determine which responsible investment and ESG factors we prioritise. We select external managers with consistently strong ESG integration and stewardship practices, with clear responsible investment criteria and standards defined in our agreements. We hold managers accountable through ongoing monitoring and reporting to ensure they meet the ESG criteria of their fund mandates. We expect all our investment managers to adhere to best practices in engagement and stewardship. Our Stewardship Policy provides further details on our approach across different asset classes. In the following section, we will take a deep dive across all our various asset class's stewardship activities.

Snapshot: Voting on Reporting on Freedom of Association – Amazon

In Amazon's 2024 AGM we voted FOR in support of shareholder proposal requesting additional reporting on freedom of association. The company's stated policies respecting freedom of association run counter to widespread reports from workers and third parties, necessitating the importance of independent review. The company says that an independent review is unnecessary given National Labor Relations Board (NLRB) regulations, but we found this response is unsatisfactory especially given the company's active litigation against the NLRB and public comments criticising its authority. This proposal received 31.8% of support from shareholders.

Case Study: GSK – Responsible Use of AI and Human Rights (Listed Equity)

Background: GSK plc is a British multinational pharmaceutical and biotechnology company. By using artificial intelligence, GSK is enhancing its ability to manage and analyse vast amounts of molecular data. This allows the company to more effectively identify causal disease associations, uncover new therapeutic strategies, and accelerate drug discovery. Ultimately, these innovations help bring vaccines and medicines to patients more swiftly and efficiently.[14]

Action and Engagement: EOS have been engaging with GSK on a range of topics since 2011, including on executive remuneration, drug development pipeline plans and its sustainability strategy. At a meeting in November 2023, our stewardship provider raised the topic of artificial intelligence (AI) as part of their discussion in order to understand how the company views AI and what potential use cases it may have. Given the importance of research and innovation to its future growth, we encouraged the company to develop a public position and policy on AI, to demonstrate that it is developing and using AI within a responsible and ethical framework. The company acknowledged EOS's concerns and said that it would reach out to them as it sought to develop a public position and policy on AI.

At the beginning of 2024, the company reached out to EOS with its draft Responsible Use of AI Policy and offered them the chance to provide feedback and additional input on the policy. EOS provided feedback to the company based on our review of peer disclosures, and also shared EOS' own Digital Rights Principles for consideration. Feedback provided included a request for explicit detail on which board members had oversight of AI usage, as well as clarity on what reporting structures and procedures were in place for AI use. The company thanked EOS for their feedback and stated that they would seek to implement our feedback where plausible.

14 https://www.gsk.com/en-gb/behind-the-science-magazine/ai-medical-innovation-ethics-responsibility/

Deep Dive: Listed Equity

We believe well-governed companies are critical to the creation of long-term value for shareholders, other stakeholders, society and the environment.

Our approach to voting, engagement, voting escalation for listed equities in segregated accounts is detailed in our Stewardship Policy. A segregated account is one in which the shares are held separately from other investors, and we can instruct votes directly at company meetings on behalf of our Partner Funds to support engagement. Please see page 25 for our voting activities. We have also included a number of case studies on listed equity in the following section:

- **Case Study:** Tyson Foods
- **Case Study:** Apple
- **Case Study:** Barclays
- **Case Study:** Toyota Motor Corp

Deep Dive: Fixed Income

Engagement in fixed income is a critical tool that investors can leverage to identify, monitor and manage ESG opportunities and risks .

Bond investors possess a unique advantage as they are a recurring source of capital for companies. They can also encourage companies during the fundraising phase to make strong sustainability commitments from the outset. Moreover, holding a financial stake grants bondholders the right and the obligation to engage with the company.

We view engagement holistically and believe that our fixed income managers and EOS should apply best-in-class practices to engagements with our corporate fixed income holdings.

We see fixed income engagement as an exciting opportunity for innovation and expect ESG factors to directly affect issuance.

Examples of strategies we encourage include promoting issuance of well-designed 'purpose of use' or sustainability bonds and offering margin rachets to borrowers who score more highly on ESG criteria. We see all ESG factors as financially material to whether loan repayments can be made and thus believe it should affect creditworthiness.

Case Study: PIMCO – Financial Services Issuer (Fixed Income)

Context and Engagement Objectives: PIMCO engaged with Investment firm specialised in in renewable energy and energy efficiency and recurring green bond issuer. PIMCO has previously engaged with the issuer on its green bond framework. The issuer has notably updated the framework in 2024 with the incorporation of a second party opinion. Our Investment Manager aimed to clarify allocation details and the company's management and mitigation of broader environmental risks and opportunities (e.g. water and biodiversity).

Recent Engagement: PIMCO shared their guidance on best practices for ESG labelled bond issuance and highlighted the need to substantiate the green bond reporting with impact KPIs for its new biodiversity-related categories. Recommended that the issuer include a clear decarbonization roadmap that lays out levers in the business strategy in order to achieve their 80% absolute reduction target in scope 3 emissions by 2050 (from a 2019 base), preferably with interim goals.

Progress to date on milestones and looking forward: The issuer is actively working on addressing recommendations on green bond reporting and framework improvement, as well as incorporating KPIs for biodiversity and water management. PIMCO looks to follow up during the next green bond issuance and sustainability report publication expected next year.

Our Green, Social and Sustainable Bond Exposures

In the evolving landscape of sustainable finance, green, social, sustainability, and sustainability-linked bonds are important because they fund projects that address environmental and social challenges, such as renewable energy, affordable housing, and healthcare. They offer issuers favorable financing terms and help investors align their portfolios with sustainability goals. These bonds also provide accountability, and encourage positive change while addressing environmental and social risks. We have a number of these labelled bonds across our fixed income portfolio.

As of December 2024, our investment manager PIMCO from LCIV Global Bond Fund has achieved a noteworthy allocation of 17.8% categorised as green, social, sustainability, and sustainability-linked bonds. This is significantly higher compared to the Global Aggregate Credit Index Benchmark, which only has 10.6% in these sustainable bond categories. A breakdown of the bond exposure is shown in the below table. This highlights the strategic emphasis on ESG considerations within our investment manager's approach. which the table below illustrates.

Summary Statistics – as of 31.12.23	Account	Benchmark
Number of Corporate Issuers	514	3168
Green Bond Exposure (% PMV)	12.4%	5.7%
Social Bond Exposure (% PMV)	1.2%	1.4%
Sustainability Bond Exposure (% PMV)	1.4%	2.7%
Sustainability-Linked Bond Exposure (% PMV)	2.8%	0.8%

Figure 21 As at 31 December 2024, Source PIMCO, MSCI

We believe there is still room for improvement in reporting on the use of proceeds and engagement for these bonds. We have previously challenged our investment managers to disclose more quantitative evidence of the impact of these investments. We were pleased to note that our investment manager, PIMCO, has pushed their issuer for the better green bond reporting and framework practices during the reporting year. We have included a case study below.

We appointed Insight to manage the three funds listed in the table below in December 2023 and October 2024. These funds also include bonds with sustainability attributes, and their exposures are shown in the table. Furthermore, CQS, the manager of our LCIV Alternative Credit Fund, holds 1.93% in these labeled bonds.

Figure 22: Labelled Bonds Exposure - LCIV Buy and Maintain Credit Fund Range

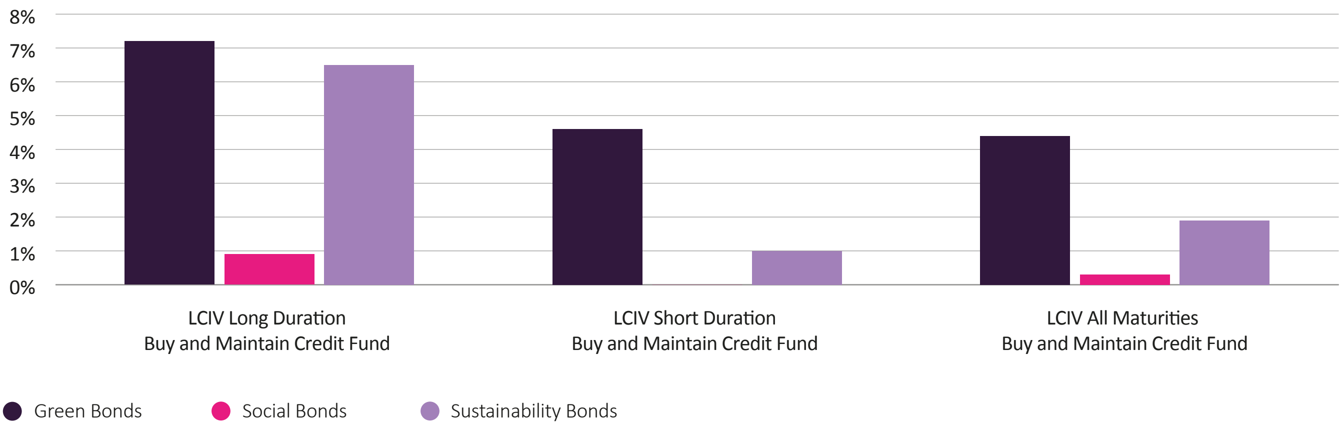


Figure 22: Source: As at 31 December 2024, Insight

Deep Dive: Private Markets

Private markets capture investments in asset classes such as infrastructure, renewables, real estate, private equity, and private debt. We see private markets as an attractive way to diversify our Partner Funds' investment portfolios and enhance long-term returns. Active ownership is a critical part of investment in private markets due to the degree of influence London CIV can have and the long-term nature of the investments that are made.

The key milestones in 2024 for our Private Markets strategies include:

- **Infrastructure:** Dedicated to NPUK's UK-focused solar strategy.
- **Renewable Infrastructure:** Executed first co-investment of approximately $60 million into a US Offshore Wind project and made two primary fund commitments totalling approximately £250 million.
- **UK Affordable Housing:** Committed to three more UK affordable housing strategies, totalling approximately £200 million.
- **Natural Capital:** Launched a dedicated Natural Capital strategy.

Case Study: Exercising our voting rights on the Limited Partner Advisory Committee (LPAC)

Background: A LPAC (Limited Partner Advisory Committee) is a group formed by the limited partners (LPs) in a private equity or other alternative investment fund. This committee is typically composed of a select group of LPs who play an advisory role, offering input and guidance on various matters that can impact the fund. The LPAC does not have a direct decision-making role in the management of the fund, but its input is sought on certain issues that might arise. For asset owners (LPs), having an LPAC is a way to protect their investment, ensure alignment of interests with the GP, and maintain a voice in how the fund is operated. It helps to ensure that the fund's operations and strategies are transparent, well-governed, and in the best interest of the LPs. The LPAC is an important channel for London CIV to engage with its Private Market Investment Managers.

LPAC decisions over 2024 included:

- Approval of a reforestation pilot project related to the GP's nature recovery strategy. The project is located in Europe and will aim to generate carbon credits to offset emissions from their portfolio.
- Extension of fundraising timelines
- Amendments of geographical, sector and lifecycle limits
- Approval of redemption strategy

Deep Dive:
Private Debt

We recognise that private debt presents unique challenges, such as limited sustainability data and smaller borrower enterprises. As a result, we understand that our managers will need to adopt an innovative ESG approach distinct from asset classes with more established ESG practices, such as listed equities and corporate fixed income. By creating incentives for borrowers to report on key ESG metrics, we believe that our managers are leading the way to address the lack of ESG data (especially GHG data) in private markets, which cannot be ignored when addressing climate change and other ESG risks.

An important engagement tool in the Private Debt asset class to incentivise progress on sustainability performance are ESG-linked margin ratchets which reduces the loan interest rate if the borrower delivers against pre-defined ESG-related targets.

In our previous report, we highlighted Pemberton's ESG Margin Ratchet, introduced in 2020 which has since been enhanced. In total, Pemberton has negotiated margin rachets on 76 investments as of March 2024, since first launched in 2020. Below is a live example of one of Pemberton’s portfolio company.

Case Study:
Example of ESG Margin Ratchet – Project Planet

Background: This company offers video surveillance solutions that prevent theft/vandalism in outdoor areas like wind farms, solar parks, infrastructure, construction sites. Analysis shows that a significant portion(~two-thirds) of emissions tied to these products (remote surveillance units-RSU) originate from the Sourcing/Manufacturing and Usage stages of its lifecycle. From this assessment, reduction opportunities were identified.

Sustainability Key Performance Indicator (KPI): The company’s product, specifically the usage stage, accounts for 30% of total carbon emissions (Scope 3). Pemberton’s discussion with the PE Sponsor and the borrower focused specifically on transition away from diesel consumption by the remote surveillance units (‘RSU') to clean power. Alternative solutions used will be primarily solar, with 12% being hybrids that use HVO100 diesel (fossil-free with 90% lower emissions).

Supporting alternative clean power solutions – 5bps reduction in the loan interest margin

Initiative delivery: 7% y-o-y increase in clean power from 2023 baseline, to achieve a complete phase-out of diesel power systems by 2031.

Lifecycle assessment of the environmental impact of the product offering.

Sourcing/ Manufacturing	Upstream Logistics	Assembly	Downstream Distribution	Usage	End-of-Life
Processing emissions from extraction of raw materials and the transformation into finished products.	Transportation emissions of finished products from primary suppliers to Project Planet's operational facilities.	Assembly of an RSU unit, with the majority of emissions stemming from energy consumption.	Distribution of RSU units, generating further transportation emissions.	Operation of the RSU unit; resulting in emissions from energy consumption over its lifetime.	Disposal of RSU components generating emissions during the waste processing.

Deep Dive: Real Assets and Infrastructure

We work with our real assets investment managers to incorporate social and climate considerations into investment due diligence and decision-making. We believe infrastructure has an essential role to play in mitigating and adapting to climate change as well as driving positive societal outcomes.

Real Estate

The Local Pensions Partnership Investments ("LPPI") and London CIV jointly set up "The London Fund" in 2020 to help access investment opportunities in Greater London across real estate, infrastructure, and growth capital opportunities, including digital infrastructure, and clean energy. The London Fund has a secondary objective to invest in projects with sustainable outcomes that address social needs in Greater London such as job creation, area regeneration and projects that have a positive environmental impact.

As of December 2024, the London Fund had made four investments:

1. A primary fund investment in DOOR, a residential investment vehicle that comprises investment from Delancey co-mingled funds, Oxford Properties, Alecta, Allianz, the London Fund, and LPPI. This portfolio in 2024 continued to provide exposure to a mix of private rental sector, student accommodation and affordable housing. These assets are held within Get Living, a Real Estate Investment Trust which has achieved a 5-star GRESB rating in 2024.

2. A primary fund investment in Yoo Capital Fund II, an investment vehicle that provides exposure to mixed use real estate repositioning opportunities that incorporate offices, life sciences, affordable housing, retail, hospitality, and performing arts, including the regeneration of Shepherds Bush Market.

3. A co-investment into Edge London Bridge, a 275,000 sqft sustainable London office development designed to achieve an upfront embodied carbon goal of below 600kg CO_2e/sqm. The development is targeting both Well Platinum and BREEAM Outstanding certificates. The building is expected to top out (reaching the building's maximum height) in Q4 2025 and practically complete in Q4 2026. The design incorporates a new landscaped public park which will connect to the building's publicly accessible ground floor, providing amenities not only for its occupants, but also for the surrounding community.

4. A co-investment into Virtus Data Centres, a data centre platform. Virtus has set a Net Zero target for 2030 and matches its grid electricity consumption to 100% renewable power procurement.

In December 2024, the LCIV UK Housing Fund made a £100m investment commitment into Legal and General's Affordable Housing Fund ("L&G AHF"). This latest investment brought LCIV's total pooled allocated investments in affordable and community housing (through the LCIV UK Housing Fund) to over £470m – less than two years since the fund was launched (March 2023). Through the commitments made to date into L&G AHF as of 2024 calendar year end, L&G expects to deliver approximately 3,500 to 4,000 homes.

Just prior to the L&G transaction in November 2024, a combined £104m anchor commitment was made by LCIV UK Housing Fund with the Church of England into Man Group's Man RI Community Housing Fund 3 LP (London CIV: £100m / Church of England: £4m). The initial capital investment into Man Group's Community Housing Fund is expected to help enable more than 350 energy efficient, affordable family homes to be built in areas of constrained affordability across the UK and is the first step towards an initial capital raise of £300m that aims to fund the delivery of 1,000 homes over the next few years.

Also in 2024, the LCIV UK Housing Fund committed £75m into Savills IM's Simply Affordable Homes Fund and made a £45m secondary commitment in CBRE UK Affordable Housing Fund. 2024 was also a busy year for our other manager, Octopus. LCIV UK Housing Fund committed £50m in November 2023 into Octopus Affordable Housing Fund. Highlights since then include the acquisition of 180 affordable homes (existing stock) and two forward commitment deals to acquire 218 homes in total upon practical completion.

Case Study:
Octopus Energy to Increase Supply of 'Zero Bills' Afforable Homes

Background: An objective of the Octopus Affordable Housing Fund (the 'Fund') is reducing fuel poverty by delivering quality, new-build affordable homes. The Fund intends to fund the development of sustainable homes with renewable energy solutions, crucial for achieving the Fund's Net Zero targets.

In 2022, Octopus Energy, part of the Octopus Group, launched their 'Zero Bills' initiative. The initiative aims to provide homes with no energy bills by equipping them with advanced green technologies. These homes are fitted with solar panels, heat pumps, and batteries, enabling them to generate and store their own renewable energy. This setup allows residents to live comfortably without worrying about energy costs for at least ten years, as guaranteed by Octopus Energy.

Action and Engagement: The Fund has been exploring opportunities to develop 'Zero Bills' affordable housing, engaging with Octopus Energy and developers to develop a long-term strategy to roll out low carbon technologies into UK affordable housing.

The Fund has engaged with Department for Energy Security and Net Zero, and is exploring how 'Zero Bills' properties would work within the existing benefits regime.

Outcomes and Next Steps: The Fund's relationship with Octopus Energy is helping us to improve our strategy towards decarbonising properties and achieving Net Zero.

The Fund is currently finalising heads of terms for the acquisition of its first 'Zero Bills' affordable homes and is excited to deliver high-quality, sustainable homes to people in housing need.

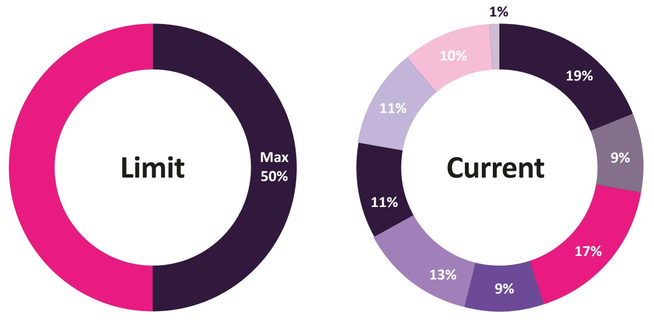
Infrastructure

We believe investing in renewable energy infrastructure allows us to both maximise our opportunities and support the low-carbon transition. Infrastructure has an essential role to play in mitigating and adapting to climate change.

We launched the LCIV Renewable Infrastructure Fund in 2021, which invests in renewable energy infrastructure assets, including generation, transmission, and distribution assets. The fund focuses on renewable energy sources such as wind, solar, biomass, biogas, hydroelectricity, and enablers, both in brownfield and greenfield investments. As of December 2024, the fund had a total commitment of £1.1bn. The chart below displays the current commitment by market segment since its launch:

LCIV Renewable Infrastructure Fund

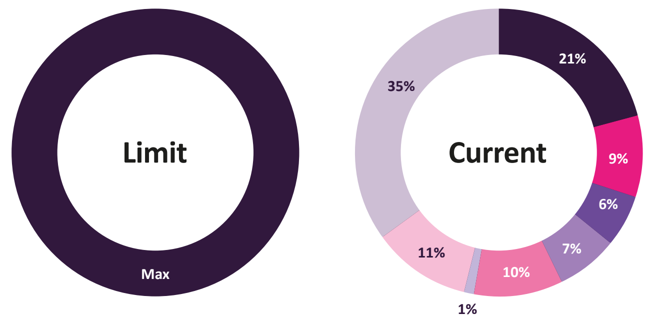
Figure 23 Fund Allocation of Commitments



- No more than 50 percent. of the Net Asset Value may be invested with a single fund Sponsor (including Primary Investments and Secondary Investments managed by such Sponsor and co-investments made alongside such Sponsor).

- Blackrock
- Quinbrook Infrastructure Partners
- Stonepeak
- Stonepeak (Co-investment)
- Foresight Group
- Macquarie Asset Management
- NextEnergy Capital
- Copenhagen Infrastructure Partners
- Uncommitted Reserves

Project Type by NAV



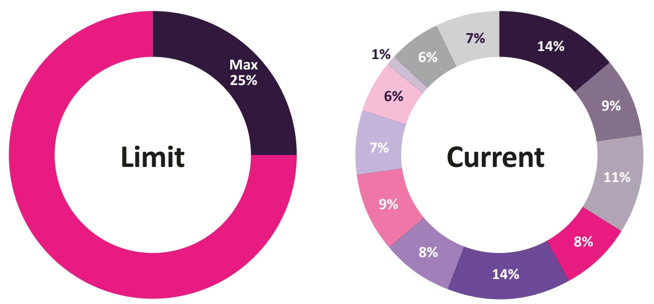
- The Fund will focus on investing in renewable energy infrastructure assets ('renewables').

- Onshore Wind
- Solar PV
- Offshore Wind
- Synchronous Condenser
- Battery Storage
- EV Charging
- Mixed Portfolio
- Other

Figure 23: Source London CIV as of 31 December 2024

LCIV Infrastructure Fund

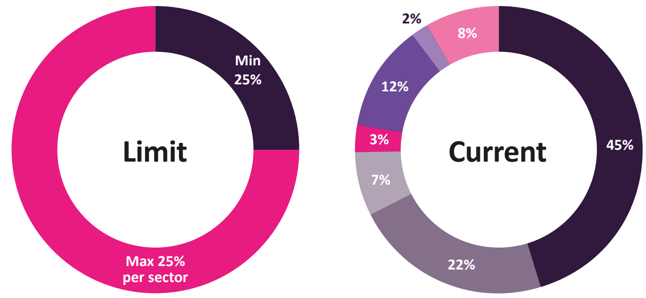
Figure 24 Fund Allocation of Commitments



- Invested with a single fund Sponsor

- Macquarie Asset Management
- Arcus Infrastructure Partners
- Equitix Investment Management
- Basalt Infrastructure Partners
- Igneo Infrastructure Partners
- Capital Dynamics Holding AG
- Brookfield
- Meridiam Infrastructure Partners
- KKR
- Global Infrastructure Partners
- NextEnergy Capital
- Uncommitted reserves

Sector breakdown by invested capital

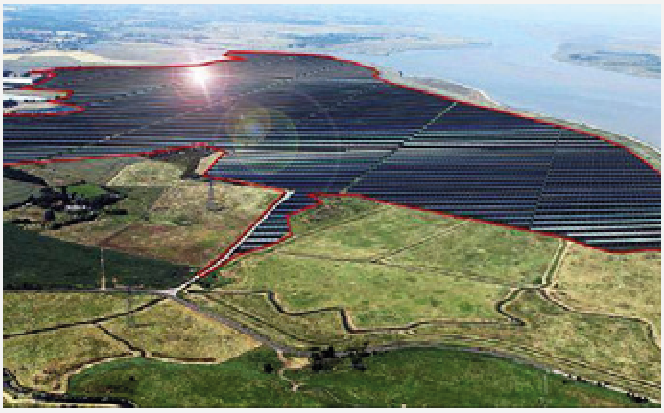


- Renewable investments
- Other Sectors

- Renewables
- Transport
- Communications
- Utilities & Power
- Social
- Unallocated commitments
- Uncommitted reserves
- Other

Figure 24: Source: London CIV as of 31 December 2024

Case Study:
Cleve Hill Solar



Background: Our Renewable Infrastructure Fund investment manager Quinbrook invested in Cleve Hill which is a solar and storage site located in Kent, UK. At 373 MW of solar PV capacity and 150 MW of battery capacity, Cleve Hill is the UK's first Nationally Significant solar and storage project. Cleve Hill is situated on a wetland area of high biodiversity significance. The area historically was used for low grade arable land but was under local community pressure to re-wild the area and support local wetland birds and wildlife. Drawing on the economic benefits of solar and storage, the site has avoided higher intensity property development, and established an extensive biodiversity net gain plan. In 2023, the project actively commenced its Landscape and Biodiversity Management Plan (LBMP), implementing extensive rewilding and habitat management, including dedicating 15% of the total site to biodiversity improvements, to actively create wildlife and biodiversity benefits and gain.

Action and Engagement:

Quinbrook's leadership in integrating biodiversity with infrastructure is exemplified by Cleve Hill, through:

- a full-time, on-site ecology team
- creation and enhancement of grassland, grazing marshland, riparian, and reedbed habitats
- initiatives to support hedgehogs, badgers, bats, bees, lapwings, marsh harriers, great-crested newts, water voles, eels, bearded tits, reed and sedge warblers, reed buntings, brent geese, golden plovers.

The project includes full-time on-site ecologists to support a 40-year biodiversity monitoring program, working with the Natural England, the UK Environment Agency, Kent Wildlife Trust, and the Royal Society for the Protection of Birds. Ornithological surveys are being undertaken to monitor aquatic habitats used by target bird species, including marsh harrier and the breeding bird community and to demonstrate the efficacy of riparian and aquatic management of the ditches on the site. A baseline BNG assessment conducted by ecologists in 2019 estimated that the project would generate a 67% increase in biodiversity units.

Escalation

We apply our escalation approach across asset classes, geographies and funds, while recognising market-specific and non- listed equity asset class factors. One-on-one engagement is not always effective. However, we do not view selling holdings as an immediate solution, as it results in losing influence and the opportunity for future dialogue. Therefore, escalation remains a key tool in our engagement strategy. The below illustrate some channels related to listed equities. When necessary to trigger corporate reaction. We choose escalation in cases where prior engagement with companies through our Investment Managers or EOS has proved unsuccessful, or where we need to exercise our voting rights on a key issue. Actions may include:

- **Voting:** voting against management on key resolutions, including voting against the chairs of relevant committees and the company chair.
- **Attending AGMs:** to trigger more dialogue with boards and executives.
- **Filing or co-filing shareholder resolutions:** supporting requests to improve company strategy, board accountability and ESG disclosures.
- **Divestment:** selling a holding. London CIV only use this as a last resort when previous persistent engagement activities were unsuccessful.

Please see Barclays Case Study for escaltion example

Collaboration

How we work collaboratively

We believe that our voice has greater influence and is more effective when we work together with stakeholders . We are committed to collaborating with peers and Partner Funds around initiatives covering a range of ESG issues.

Initiative	Description	London CIV's Role
Asset Owner Council (AOC)	The AOC is group of asset owners, convened under their own initiative, and focused on responsible investment. The AOC maintains links with the UK Stewardship Regulators Group. Members of the UK Stewardship Regulators Group act as a sounding board for AOC initiatives. The AOC was formed in 2024 as a result of a merger between the Occupational Pensions Stewardship Council (convened by the Department for Work and Pensions, secretariat: Share Action), and the UK Pension Scheme Responsible Investment (RI) Roundtable.	We became a memeber of the AOC in late 2024 since then we have joined their steering committee to work alongside with other like-minded asset owners.
Asset Owner Diversity Charter	An asset owner led initiative set to develop a formal set of actions the industry can commit to in order to improve diversity, in all forms, across the investment industry.	We have supported the initiative by contributing to consultations with investment managers to date and developing the questionnaires. In 2024, we established and became the co-chair of the Investment Consultant Taskforce.
ClimateAction100+	An investor initiative to drive corporate action on climate change. Over 700 investors responsible for $68 trillion in assets under management are engaging 170 systemically important emitters (accounting for two thirds of global emissions) on improving governance, curbing emissions and strengthening disclosures.	We have been a supporter of the CA100+ since 2021. In 2024, we have become a contributing investor for CRH engagement.
Cost Transparency Initiative (CTI)	The CTI was launched in 2018 by the Pensions and Lifetime Savings Association (PLSA), the Investment Association (IA) and the Local Government Pension Scheme Advisory Board (LGPS SAB) to improve transparency by providing standardised templates for the disclosure of investment costs and charges to institutional investors.	By 2020 London CIV achieved agreement from 100% of our investment managers to disclose cost in line with CTI for public markets and we have been reporting CTI for private markets since 2021.
Deforestation Working Group	This working group was established by Global Canopy, Systemiq and Make My Money Matter to develop a practical guidance to enable pension funds to identify, address, and eliminate deforestation, conversion, and associated human rights abuses from their investments.	We are a member of the Deforestation- working group with the ambition to provide practical guidance and consultation for Global Canopy and partners.
FSDA	Launched at COP26, the Finance Sector Deforestation Action (FSDA) brings together more than 30 financial institutions that have committed to using best efforts to end commodity-driven deforestation in their investment and lending portfolios.	By signing the Financial Sector Commitment Letter on Eliminating Commodity-Driven Deforestation we have joined FSDA to support our commitment to deforestation. We attend their workshops and calls to help address key challenges.
ICEV	In 2022, Railpen, the Council of Institutional Investors (CII) and several US pension funds launched the Investor Coalition for Equal Votes (ICEV) to challenge unequal voting rights in the US and UK.	We joined the ICEV in late 2024 and are excited to collaborate with the group to promote the adoption of capital structures that support equal voting rights.
Investor Alliance for Human Rights	The alliance is a collective platform for responsible investment that is grounded in respect for people's fundamental rights. The initiative helps investors to navigate their responsibility to respect human rights. They utilise corporate engagements to drive positive business conducts and set human rights standards for businesses.	We are a signatory and have joined two working groups focused on human rights issues in the technology sector and concerns in conflict-affected and high-risk areas. Through these working groups, we are able to better understand the key human rights risks when engaging with our investment managers and EOS.
IPDD	The IPDD is an investor sovereign engagement initiative created in July 2020 to tackle deforestation by engaging with public agencies and industry associations in select countries. Its aim is to promote sustainable land use and forest management, respect for human rights, and ensure long-term financial sustainability of investments in tropical forests and natural vegetation. It works with stakeholders to encourage the adoption and implementation of regulatory frameworks that protect natural assets and human rights. The TFA provides secretariat support, and the PRI supports the IPDD.	We joined the IPDD in 2022 to support our commitment to deforestation and its associated human rights issues. In 2024, we joined IPDD's Consumer Countries Working Group.

Collaboration continued

Initiative	Description	London CIV's Role
LAPFF	LAPFF promotes high standards of corporate governance to protect the long-term value of local authority pension funds. The Forum leads the way on issues such as executive pay, reliable accounting and a just transition to a net zero economy.	We're a pool member of the Local Authority Pension Fund Forum (LAPFF) and track LAPFF guidance on voting against our own voting where they cross over.
Investor Coalition on Microfibre Pollution	This initative convene like-minded investors, to engage with the manufacturers of domestic and commercial washing machines to fit, (as standard), filters to their products to prevent plastic microfibres entering the world's precious marine ecosystems.	We are a supporter of this initiative. Outcomes of the engagement programme will help to contribute to Sustainable Development Goal 14, "Life under Water" specifically Target 14.1, "Reduce Marine Pollution".
Pensions for Purpose	A collaborative initiative of impact managers, pension funds, social enterprises and others involved in impact investment. Aimed at promoting understanding of impact investment.	As an affiliate of Pensions for Purpose, we participate in thought leadership discussions and publications to enhance and share our knowledge of impact investment.
ShareAction: The Good Work Coalition	An evolution of its existing Living Wage Coalition, The Good Work Coalition focusses on a broader range of international topics including: Living Wage, Insecure Work and Gender Equality for Low Paid Women.	We attend workshops to discuss these challenging issues and help to contribute ideas for a way forward.
ShareAction: Healthy Markets Coalition	A group of investors with over $1 trillion in AUM aimed at increasing accountability of food retailers and manufacturers for their role and impact on people's diets and the growing concerns surrounding increasing levels of obesity.	We attend workshops to discuss these challenging issues and help to contribute ideas for a way forward.
TCFD	A market-driven initiative, which later became a legal requirement, was set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings.	We will continue to publish a climate risk analysis in line with TCFD guidelines.
TNFD Forum	The TNFD Forum is a consultative group consisting of institutions from various disciplines across the globe. Membership is open to a diverse range of institutional types, such as corporates, financial institutions, public sector institutions (including regulators), pension funds, sovereign wealth funds, academic and research organisations, business associations, inter-governmental organisations, conservation groups, and civil society organisation.	We became a member of the TNFD Forum in 2023 to support our nature and biodiversity stewardship theme and disclosures and we will be an early adopter for TNFD reporting in 2025.
UN backed Principles for Responsible Investment (PRI)	The PRI is the world's leading proponent of responsible investment which encourages institutional investors to commit to and promote six guiding principles including incorporating ESG issues into investment decision making, active ownership, better disclosure, collaboration and reporting on progress.	In signing the Principles, we have committed to adopting and implementing them where consistent with our fiduciary responsibilities.
UNPRI Advance	The PRI launched Advance in 2022, focused on advancing human rights and social issues through investor stewardship. The initiative aims to drive change primarily by leveraging investors' influence with portfolio companies. The PRI will facilitate collaborative engagement between investors and companies, and support further escalation if necessary. Additionally, the PRI will assist investors in engaging with policymakers and other stakeholders to achieve the overarching objective.	We've been a member of Advance since 2022, which continues to support our key stewardship themes. We attend their workshops to understand challenges with human rights and social issues.
UNPRI Tax Reference Group	The PRI established this working group to collaborate closely with investors and broader stakeholders on corporate tax responsibility and transparency. The lack of corporate disclosure on tax issues is a key impediment for investors that want to understand companies' positions on tax issues and assess tax risks in their portfolio.	We've been a member of the working group since 2022. The group meets regularly to discuss tax disclosures, engagements and tax escalations. However, this group is now dormant.

We continue to consider whether further formal partnerships are appropriate and collaborate in initiatives where issues align with our priority areas and/or where we feel we can have a positive impact.

Disclosure and Transparency

We are committed to best practice disclosure and transparency. We take account of client and beneficiary needs and expect to communicate the activities and outcomes of stewardship and investment activities on a quarterly and annual basis.

The information in this report sets out how we have complied with the UK Stewardship Code 2020 during the 2024 calendar year. The information in this report sets out how we have complied with the FRC's UK Stewardship Code (UKSC) as an asset owner.

The UKSC sets high expectations for how investors, and those that support them, invest on behalf of UK savers and pensioners, and how this leads to sustainable benefits for the economy, the environment and society. We have used the FRC's 12 Principles coupled with guidance from the PRI to shape our approach to active ownership. A summary of how we have addressed the 12 Principles is detailed in the Appendix.

Limitations of the data

Engagement, voting and outcomes data referred to in this report has been aggregated from the activities and reports of each of our investment managers and EOS in 2024. As a result, the way in which we categorise themes may be inconsistent and the quality of outcomes has relied on the quality of our managers' own engagement policies, which vary from manager to manager.

Governance and Review

All policies, public disclosures and reports published by London CIV are required to go through a formal review and internal review process. This is to ensure that our policies and communications are in line with London CIV's objectives and are fair, clear and accurate. RI policies and reports are drafted by the RI Team and reviewed by the Governance Team, Compliance and Risk ('C&R') Team and Chief Investment Officer (CIO) before seeking approval in line with our governance arrangements.

The C&R Team undertake periodic reviews of the RI framework as part of the company's regular risk-based compliance monitoring program to ensure we are compliant with our regulatory obligations and identify and assess any risks.

Governance

Governance Structures

As signatories to the UKSC, London CIV is committed to ensuring that our governance structures, resources and incentives support best practice stewardship. The diagram below outlines our governance structure and the arrangements for engagement with our 32 Partner Funds, who are also our shareholders. These arrangements, which are kept under ongoing review, provide a high level of engagement on Responsible Investment and ESG matters, including the development of funds. The framework also provides for shareholder decision-making in setting London CIV's budget and strategic objectives. This leverages the impact of the invested assets of the LGPS pooled funds.

The Executive Committee supports the CEO in his leadership of London CIV and the Chief Sustainability Officer (CSO) reports directly to the CEO, in recognition of the strategic significance of sustainability and responsible investment.

London CIV Board
Mike Craston, Independent Non-executive Chair

↔

Shareholders
2 General Meetings p.a.
Quarterly Shareholder Committee Meetings
Quarterly Sustainability Working Group Meetings

Investment and Customer Outcomes Committee (ICO)
Yvette Lloyd, Chair

Compliance, Audit, and Risk Committee (CARCO)
Mark Laidlaw, Chair

Remuneration and Nomination Committee
Kitty Ussher, Chair

Executive Committee
Dean Bowden, Chair

↔

Partner Fund Engagement

Our Stewardship Responsibilities and Incentives

The Board is collectively responsible for London CIV's overall strategic direction and governance. The Board approves London CIV's Statement of Investment Beliefs and Responsible Investment Policy, including its Stewardship Priorities. The Board approves the Company's annual budget and objectives, including responsible investment and ESG objectives, including London CIV's own corporate Net Zero ambition.

The CEO is responsible for the day-to-day management of the London CIV. The CEO is supported in his leadership by an Executive Committee ("ExCo") which includes other senior managers. This day-to-day management includes the delivery of our corporate strategy, the active ownership strategy and ensuring the business meets best practice standards.

ICO oversees the implementation of our investment strategy including its approach to active ownership and engagement.

The CIO is responsible for managing the integration of ESG considerations into portfolio construction, implementation and overall investment decision making.

We now have a dedicated ESG team of four staff together with an outsourced voting and engagement service provider. Operational accountability on a day-to-day basis is held by the CSO who reports to the CEO. The team also has two specialist managers, one of whom leads on stewardship and engagement, and the other on climate activity.

The Investment Team works closely with investment managers to ensure that London CIV's Stewardship Policy and Voting Guidelines are integrated in their engagement activities.

The integration and implementation of responsible investment is explicit in the roles of all members of the Investment and Commercial teams, and in the purpose statement and values that underpin the work of London CIV.

This report has been approved on behalf of the Board by the Board Chair and the CEO following reviews by the Board and the ExCo. It is informed by ongoing reporting throughout the year to the Board, ICO, Shareholder Committee, SWG, and the quarterly Business Updates.

Managing Conflicts of Interest

London CIV is required by the FCA to maintain and operate effective organisational arrangements to ensure all reasonable steps are taken to prevent conflicts of interest from adversely affecting the collective interests of Partner Funds invested in any particular fund.

Our **Conflicts of Interest Policy** describes the circumstances that could give rise to a conflict of interest principles to be followed in order to identify, assess and prevent or mitigate potential conflicts, or in the event that conflicts prevention or mitigation are t not possible, to disclose clearly to our Partner Funds so they can make informed decisions.

Conflicts of Interest in Practice

We may vote or engage with companies in which our Partner Funds have commercial relationships, the outcome of which could benefit one Partner Fund more than another. This is mitigated by our Stewardship Policy and Voting Guidelines which are independent from the commercial interests of any Partner Fund. We share voting and engagement reports with Partner Funds via the client portal on a quarterly basis.

The following conflicts may also arise during our voting and engagement activities:

- We may engage with or vote shares of a company where staff own securities or have a personal relationship with senior staff members in a company
- We may engage or vote shares of a company where Partner Fund representatives work on the Board of the organisation
- We may engage with a government or government body which is the sponsor or associate of the sponsor of one of our Partner Funds
- We may otherwise act on behalf of Partner Funds who have differing interests and priorities in the outcome of our activities

London CIV maintains policies and procedures that mitigate perceived or potential conflicts. Examples of how we reduce the risk of conflicts occurring include:

- Any potential conflicts arising over our approach to voting or engagement are escalated to the CIO if required
- Split voting in exceptional circumstances in the event of a potential conflict

London CIV places the interests of our Partner Funds and their beneficiaries first at all times and demands that when acting on our behalf, our suppliers do the same and publicly disclose their Conflict of Interest policies. The Conflict of Interest Policy by our current stewardship and engagement provider can be viewed here.

Appendix

Principle 1	We explained the purpose our organisation, services it offers, values, and strategy in the following sections: • Investment Beliefs • Responsible Investment Strategy and Policy • Partner Funds • We provided case studies and quantitative data (engagement and voting data) on our actions to promote effective stewardship.
Principle 2	The following sections demonstrate our governance, resources and incentives to support stewardship in the following sections: • Governance • Governance and Review • Our Stewardship Responsibilities and Incentives
Principle 3	Conflicts of interests considered in the following section: • Managing Conflicts of Interest
Principle 4	How we identify and respond to market-wide and systemic risks to promote a well-functioning financial system in the following sections: • Market-Wide and Systemic Risk • Collaboration • Case studies and our action for systemic risks that we have identified e.g. Climate Change and Nature and Biodiversity are in the Deep Dives sections of the report.
Principle 5	We discuss how we review our policies to ensure they enable effective stewardship in the following sections: • Responsible Investment Strategy and Policy • Governance and Review • Governance
Principle 6	We discuss how we take into account of our clients needs and communicate the activities and outcomes of our stewardship and investment in the following sections: • Partner Funds • Disclosure and Transparency • Responsible Investment Strategy and Policy
Principle 7	We describe how we set our stewardship priorities in the following sections: • How We Identify and Manage Stewardship Priorities • Market-Wide and Systemic Risk • The "Deep Dives" sections of the report showcases how we have addressed our key priority themes and across different asset classes. • How We Work with Our Stewardship Partner • How We Work with Investment Managers
Principle 8	We describe how we hold managers and service providers to account in the following chapters: • How We Work with Our Stewardship Provider • How We Work with Investment Managers
Principle 9	We appointed EOS as our service provider for voting and engagement in 2021. Our Stewardship Policy provides the framework for manager engagement to monitor that they are undertaking monitoring as we expect. This is described in the following sections: • Responsible Investment Strategy and Policy • How We Work with Our Stewardship Provider • "How We Work with Investment Managers" • Case studies throughout the report
Principle 10	Our collaborations and our roles are set out I the following section: • Collaboration • Case studies throughout the report
Principle 11	Our Stewardship Policy explains the expectations we have set for investment managers that escalate stewardship activities on our behalf. Please see the following sections on how keep our providers accountable and escalation: • How We Work with Investment Managers • How We Work with Our Stewardship Partner • Escalation
Principle 12	We have described how we actively exercise our voting rights in this report, we have a standalone Voting Guidelines which details our voting principals. We have included Please see the following sections: • Voting Record • Voting Snapshots throughout the report • Case studies throughout the report • Integration by Asset Class, Funds and Geographies

Glossary Acronyms and Terms

Antitakeover Related	Typically include proposals to adopt or remove anti-takeover provisions like poison pills or supermajority voting requirements.
Capitalisation	Typically include proposals to add additional shares to the charter or affect stock splits.
Directors Related	Typically include proposals to elect directors or change the board composition.
Emissions:	We report some metrics against multiple emission scopes: • **Scope 1 & 2:** Emissions generated from sources owned or controlled by a company (Scope 1), plus indirect emissions from purchased electricity, heat and steam (Scope 2). • **Scopes 1, 2 and 3 (First-Tier):** Covers Scope 1 and 2 emissions, plus emissions from the first tier of a company's supply chain. • **Scopes 1, 2 and 3:** Covers Scope 1 and 2 emissions, plus emissions generated through a company's upstream and downstream value chain, where material.
Miscellaneous	Proposals to that are atypical or one-off requests.
Non-Salary Comp	Proposals to adopt or amend equity plans; say-on-pay.
Preferred/Bondholder	Proposals to amend aspects of a preferred share class or bond covenant.
Reorg. and Mergers	Proposals to merger with or acquire another company.
Routine/Business	Proposals to approve the annual report or prior meeting minutes.
SH-Compensation	Shareholder proposals to affect some aspect of executive pay.
SH-Corp Governance	Shareholder proposals to change some aspect of the company's governance profile, like classified board structure.
SH-Dirs' Related	Shareholder proposals to committee or board structure, like adopting a new board committee.
SH-Health/Environ.	Shareholder proposals to enhance disclosure around an environmental or health issue.
SH-Other/misc.	Shareholder proposals on one-off issues.
SH-Routine/Business	Shareholder proposals to separating the chair/CEO position.
SH-Soc./Human Rights	Shareholder proposals to enhance disclosure on human rights issues.
SRD II	The Shareholder Rights Directive II is a European Union (EU) directive, which sets out to strengthen the position of shareholders and to reduce short termism and excessive risk taking within companies traded on EU regulated markets.
Social Proposal	Shareholder proposals to address worker or supply chain issues.

Use of data providers

We utilise a variety of data sources to inform our stewardship activities. We recognise that ESG data is an ever-evolving discipline and we consistently encourage improved disclosure from our investment managers. In addition to our investment managers' and London CIV's own analysis of ESG exposure within our portfolio, we use third party proprietary and public data sources. At present these include:

Provider	Description
Sustainable1 part of S&P Global	Sustinable1 part of S&P Global, assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. Data includes carbon emissions for scope 1, 2 and 3 emissions, coal power generation, fossil fuel reserves, physical risk, transition risk and broader environmental factors. London CIV uses its data sets to inform our environmental portfolio risk analysis.
Forest500	Global Canopy's Forest 500 has tracked the policies and performance of the 350 most influential companies and 150 financial institutions linked to deforestation in their supply chains and investments.
Transition Pathway Initiative (TPI)	The LSE Transition Pathway Initiative Centre (the TPI Centre) is an independent, authoritative source of research and data on the progress of the financial and corporate world in transitioning to a low-carbon economy. The TPI Centre's analysis considers corporate climate governance and carbon emissions.
S&P Sustainable1 Solutions	Sustainable1 Solutions provides Global Business Involvement screens that are used to assess exposure to weapons and defense, as well as other sectors such as tobacco and gambling.
United Nations Human Rights Office of the High Commissioner's A/HRC/37/39 Report	The United Nations Human Rights Office of the High Commissioner (OHCHR) is responsible for promoting and protecting human rights globally. It supports human rights standards, monitors violations, provides technical assistance, and advocates for justice and equality through international cooperation and dialogue.
WhoProfits database	Who Profits Research Center is an independent research center which investigates links between the private sector and the economy in the Israeli-occupied territories.
American Friends Service Committee (Investigate) watchlist	AFSC (American Friends Service Committee) is a nonprofit organisation focused on promoting peace, social justice, and humanitarian service.

A lack of standardisation and transparency across ESG data means that analysis can be subject to inconsistencies. To ensure the quality of our data outputs we review the quality and underlying methodologies of any new datasets, and aim to implement internal checks on our data analysis. Owing to the complex and nuanced nature of ESG data, analysis is always reported alongside qualitative insights. As ESG data evolves, we review our provision and aim to increase the information available to us on an annual basis. Whilst our focus has been largely on climate risk to date, we seek to increase our analysis on other material ESG factors in order to work effectively with our managers on a broader spectrum of investment risks.

EOS regional principles

Australia	The ASX Corporate Governance Principles
Brazil	Brazilian Corporate Governance Code
Canada	The Canadian Coalition for Good Governance
Mainland China & Hong Kong	The Code of Corporate Governance for Listed Companies The Corporate Governance Code
Denmark	Committee on Corporate Governance Recommendations for corporate governance
France	Corporate Governance Code of Listed Corporations
Germany	The German Corporate Governance Code
India	2013 Companies Act
Italy	The Italian Corporate Governance Code
Japan	The Asian Corporate Governance Association's "White Paper on Corporate Governance in Japan
Mexico	The Code of Best Practices in Corporate Governance
The Netherlands	Dutch Corporate Governance Code
Russia	The Federal Commission for the Securities Markets' "Code of Corporate Conduct", and the OECD's "White Paper on Corporate Governance in Russia
South Africa	King Code of Corporate Governance
South Korea	Act on Corporate Governance of Financial Institutions
Spain	The Comisión Nacional del Mercado de Valores' "Unified Good Governance Code of Listed Companies
Sweden	The Swedish Code of Corporate Governance
Switzerland	The Swiss Code of Best Practice for Corporate Governance
United States	EOS US Corporate Governance Principles

London CIV

Getting in touch with the team

If you have any questions or comments about this report please email
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