

# London CIV

TCFD Report 2026

For the reporting year ending 31st December 2025

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



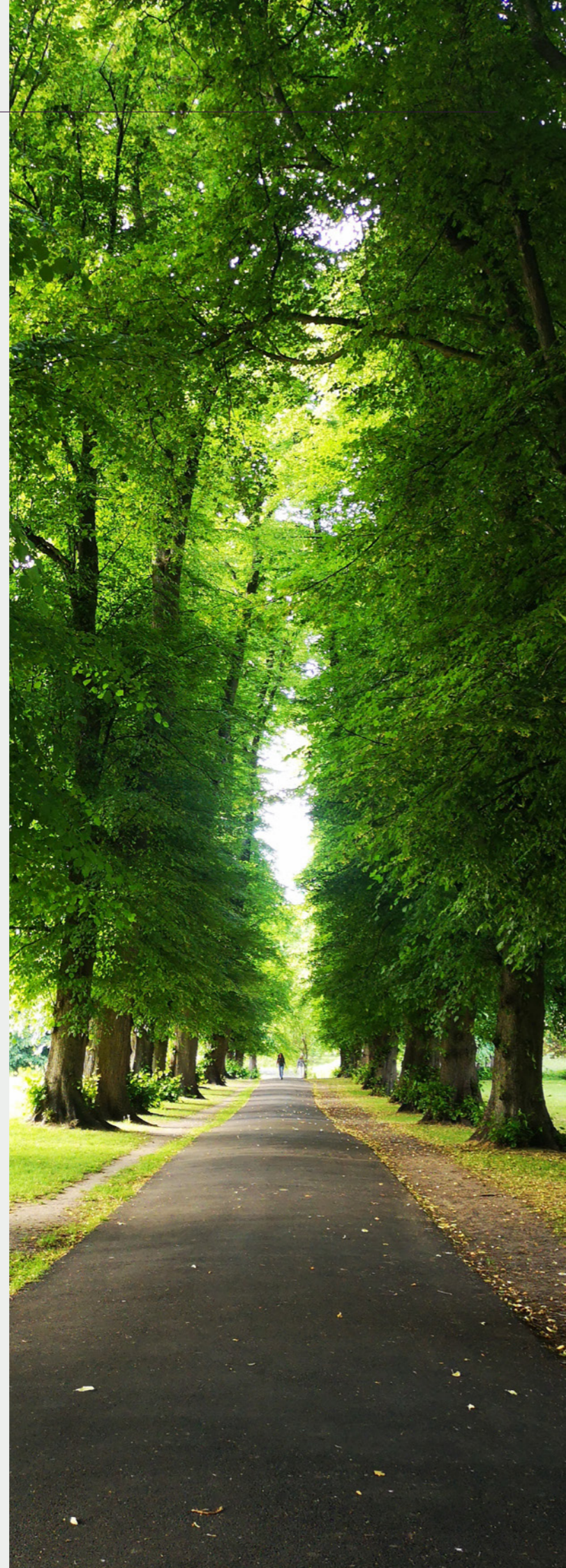
London  
CIV

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

[www.londonciv.org.uk](http://www.londonciv.org.uk)

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# CEO and Chair: Introduction

## Dean Bowden / Mike Craston



### We are proud to present LCIV's sixth Task Force on Climate-Related Financial Disclosures ("TCFD") Report as part of our ongoing commitment to climate action and responsible investment.

We believe that climate change is one of the most pressing challenges facing our planet and financial system. Climate risk is financial risk – increased disruption from both transition and physical risks causes widespread economic disruption, shifts in asset values and changes in the cost of doing business.

This was a contradictory year for climate. The scientific and empirical evidence continued to mount – every year from 2015 to 2025 was among the warmest years on record<sup>1</sup> – and we continued to see disruption from heatwaves, heavy rainfall and other extreme weather events. Meanwhile, we saw state, financial and corporate actors stepping back on their climate commitments, with the USA leaving the Paris Agreement in January, multiple financial institutions exiting collaborative climate initiatives like NZBA, NZAMi and CA100+, and major corporates like BP scaling back their energy commitments in response to investor pressure.<sup>2</sup> Then in early 2026, the eruption of war in Iran and the wider Middle East once again raised questions about energy security in Asia and Europe.

We believe this only strengthens the need to act clearly and decisively to manage climate-related risks. This is a view supported by our Partner Funds, with 30 of the London Local Authority Councils having declared a climate emergency. We believe that we have a responsibility to manage our external impacts, to help create a safe and stable future for our Partner Funds' beneficiaries and for wider society.

Some of the key highlights of our work on climate in 2025 included:

- Meeting our goal of reducing the carbon footprint of our ACS funds by 35% in 2025, compared to the baseline calculated in 2020.<sup>3</sup>
- Achieving carbon neutral corporate operational emissions through switching to a renewable energy contract and offsetting the residual emissions from our office, business travel, employee commuting, waste and supply chain. This was achieved through investing in two nature-based carbon removal projects with our offset partner Ecologi – one which produces biochar from waste biomass in Surrey, and a mangrove restoration project in Pakistan which has additional biodiversity and social benefits. We are also exploring other carbon reduction options with our building manager.

- Integrating decarbonisation, alignment and engagement targets into new and modified listed funds, including the LCIV Emerging Market Equity Fund.
- Getting our Climate Action Plan formally approved by our Board, incorporating feedback from our Partner Funds.
- Continuing to provide constructive challenge and support to our investment managers, and to engage with the highest-emitting companies in our portfolio on transition planning.
- Continuing to refine our climate model, which we use to calculate climate metrics for public markets funds. This has significantly improved data coverage, quality and ease of use, and working closely with our data provider, S&P, to improve data quality, particularly for Scope 3 emissions.
- Expanding and improving our client climate reporting dashboards to help our Partner Funds better understand their impacts.

This report sets out more detail on these activities and summarises our progress towards achieving our climate commitments.

In 2025, we also produced our first ever Taskforce on Nature-related Financial Disclosures (TNFD) report. Our work focused on identifying key dependencies and impacts across our ACS funds, complemented by questionnaires and interviews with our investment managers in public and private markets. Key themes which emerged from our analysis included water risk, particularly in the agriculture and semiconductor sectors, as well as deforestation, flood risk and environmental controversies. These areas will form the basis of our future research in this space. For more details on our findings, see our TNFD report, available on our website here.

Over the past year, much of our work also surrounded planning for the Government's highly anticipated "LGPS Fit for the Future" reforms, the outcome of which was recently codified in the Pension Schemes Act 2026. Under the reforms, Partner Funds remain responsible for setting their own responsible investment strategies and strategic asset allocations, whilst London CIV becomes responsible for delivery, manager selection and portfolio construction. To support this, we have co-designed a "Responsible Investment matrix" with three different levels of exclusions, as a way of respecting the unique RI strategies of each Partner Fund, whilst delivering the consolidation and scale that is being mandated by the government's reforms. We are committed to continuing to work with our Partner Funds to ensure considerations around climate risk management and responsible investment more broadly are incorporated into our evolving strategy.

We believe that action on climate is as important as ever, and we continue to maintain our focus on taking proactive steps to mitigate the impacts of and manage the climate risk exposure of our funds.

Signed on behalf of the Board,

**Mike Craston, Board Chair | Dean Bowden, CEO**

<sup>1</sup> <https://wmo.int/news/media-centre/wmo-confirms-2025-was-one-of-warmest-years-record>

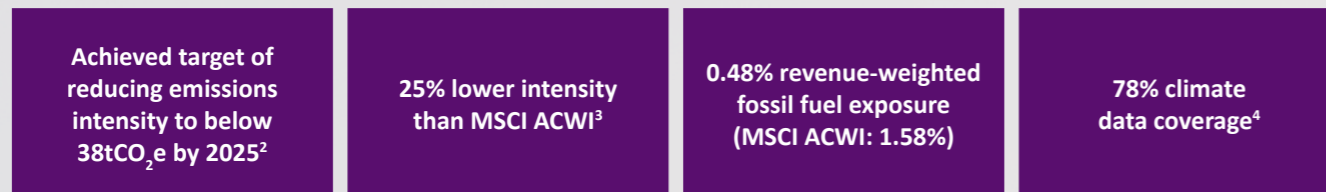
<sup>2</sup> <https://www.theguardian.com/environment/2025/dec/20/was-2025-the-year-that-business-retreated-from-net-zero>

<sup>3</sup> The London CIV climate model was updated in 2025. According to both the original and updated climate models, we achieved our target of reducing our emissions intensity to below 38tCO<sub>2</sub>e, which represents a 35% reduction compared to the baseline emissions intensity under the original model. Note that in line with best practice, baseline emissions were also recalculated and were found to be approximately 20% lower than the original estimate. London CIV has opted to retain the absolute value of the original target.

# Key metrics and achievements<sup>1</sup>

as of 31st December 2025

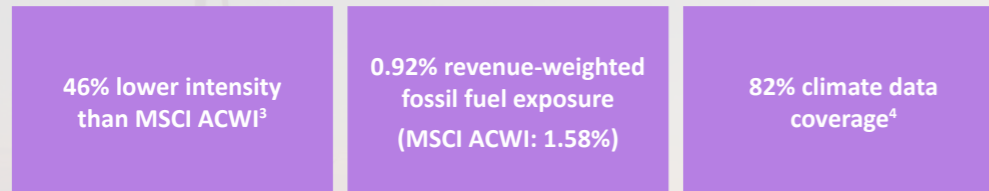
## LCIV ACS funds



## Private markets



## Passive pooled funds



## Own operations



# About Us

LCIV was established as a collective venture to pool LGPS pension assets. We are one of six LGPS investment pools in England and Wales, and support more than a third of local authority pension funds nationwide with assets of £38.5bn as of 31 December. During 2025, our shareholders were the 32 London Local Authorities (our “Partner Funds”), making us the pool with the largest number of Partner Funds. On 1 April 2026, Buckinghamshire Council also joined London CIV, taking us to 33 shareholders.

## 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

<sup>1</sup> All emissions metrics calculated on a Scope 1 and 2 basis, unless stated otherwise.  
<sup>2</sup> Carbon to value intensity. Covers listed equity and corporate bonds in our LCIV ACS funds. This represented a 35% reduction compared to our baseline emissions, which were originally calculated as 58tCO<sub>2</sub>e/mGBP using our original climate model. Under data from both the original climate model, and our current version which was updated in 2025, the emissions intensity achieved in 2024/5 was below 38tCO<sub>2</sub>e/mGBP, indicating that we achieved our target. Note that our updated estimate for our baseline 2020 emissions is 47tCO<sub>2</sub>e/mGBP. We have selected to retain the absolute value of our 2025 and 2030 targets. For more details, please refer to last year’s TCFD report, where we discuss the data update in detail.  
<sup>3</sup> Carbon to value intensity  
<sup>4</sup> Scope 1 emissions  
<sup>5</sup> Includes called capital in LCIV Infrastructure Fund and LCIV Renewable Infrastructure Fund.

# The Task Force on Climate-Related Financial Disclosures

**The Task Force on Climate-Related Financial Disclosures was established in 2015 by the Financial Stability Board (“FSB”) at the request of the G20 to review how the reporting on climate-related issues in financial reporting could be improved.**

In June 2017, the TCFD published its recommendations, providing a framework for financial institutions and non-financial organisations alike to reflect and report on their climate-related risks and opportunities.

As of October 2023, the Task Force had over 4,850 supporters globally, including over 1,800 financial institutions who were responsible for \$222.2 trillion in assets.<sup>1</sup>

Multiple jurisdictions have proposed or finalised laws and regulations to require disclosure aligned with the TCFD recommendations, including the UK, and in December 2021, the FCA published a policy statement introducing TCFD-aligned disclosure requirements for asset managers, life insurers, and FCA-regulated pension providers. For London CIV, these climate-related disclosure rules applied from 1 January 2023.

In late 2023, the TCFD was disbanded, and the recommendations have now become adopted into an IFRS report under IFRS S2. This is expected to be rolled out in the UK later in 2026 for UK-listed companies. More broadly the government has indicated that it will consider whether the changes should be extended beyond listed companies.

The TCFD recommendations provide a framework organised around four themes, as outlined in Figure 1: governance, strategy, risk management, and metrics and targets. The following report has been designed to provide disclosures across each of these topics.

Figure 1: The core elements of recommended climate-related financial disclosures



*As at October 2023, the Task Force had over 4,850 supporters globally, including over 1,800 financial institutions who were responsible for \$222.2 trillion in assets.<sup>1</sup>*



<sup>1</sup> <https://assets.bbhub.io/company/sites/60/2023/09/2023-Status-Report.pdf>

# Governance of climate-related matters

This section outlines how we manage climate-related matters, including roles, responsibilities and governance structures for climate-related matters.

## Board oversight

At London LGPS CIV Limited ("LCIV"), the Board of directors (the "Board") oversees, challenges and monitors LCIV's investment framework, including our purpose statement and investment beliefs. This includes ultimate accountability for our Responsible Investment approach, climate guidelines, emissions reduction targets and climate action plan. Strategic decisions about our decarbonisation strategy, including our Climate Action Plan, are subject to Board approval, taking into consideration the holistic investment needs of Partner Funds.

The Board maintains oversight by receiving regular reporting on:

- ESG, including climate-related risk
- Responsible Investment and climate-related items at the Board's Investment and Customer Outcomes Committee ("ICO")
- Progress against the Climate Action Plan and a triennial in-depth review
- Key climate risk disclosures including this TCFD report
- Deep dives on key topics as part of the Board's Development Programme.

The governance framework is designed to ensure that the Board is accountable for our overall strategy and governance, including items connected with climate-related risk. The s172 statement in our Annual Report and Accounts each year illustrates how the Board pays regard to our stakeholders during the year, including the wider community in which we operate.<sup>1</sup>

## Senior management responsibilities

The day-to-day responsibility for managing the Company not specifically reserved to the Board or delegated to a Board committee is delegated to the CEO. The CEO has established the ExCo to support them in discharging this responsibility. The Chief Investment Officer is a member of the ExCo and, along with the Chief Sustainability Officer, is responsible for integrating climate considerations into our investment and risk management processes:

- **ExCo:** develops and implements our corporate strategy, of which climate-related objectives are an integral part. They receive regular reporting on Responsible Investment-related matters including considerations around new products launches, and periodic deep dives into specific issues and projects.
- **Chief Investment Officer (CIO):** an ExCo member. Working with the CSO, the CIO, is responsible for managing the integration of climate change risk management into fund design, implementation, and overall investment decision making. The CIO meets regularly with the CSO and Responsible Investment team to discuss progress and strategy.

- **Chief Sustainability Officer (CSO):** reports directly to the CIO in recognition of the integral role ESG considerations play in our investment approach. The CSO is responsible for the oversight and management of operational climate-related matters, and for owning a Climate Action Plan for tackling investment-related emissions. This is described in more detail on page 12. The CSO is a member of Executive Investment Committee (EIC) to monitor integration of ESG considerations into investment products and decisions.

## Responsible Investment team

The CSO is supported by a team of four Responsible Investment ("RI") specialists. The RI team monitor climate performance across key metrics and meet with investment managers on a quarterly basis to monitor compliance with our Responsible Investment policy, and Climate Change and Stewardship guidelines. They work with the Public Markets, Private Markets and Risk and Performance teams to agree whether and how climate considerations and/or targets are built into the development of each new investment fund, which are then agreed at the EIC.

The RI team is also responsible for prioritising stewardship themes and companies for proactive engagement. Climate change has consistently been one of our priority areas, and our activities are supported by an outsourced voting and engagement service provider. This activity is steered by our Stewardship Policy and Voting Guidelines, which are reviewed annually, informed by our annual stewardship outcomes assessment. The RI team also oversees the voting process and considers other advice, such as that from the Local Authority Pension Fund Forum, and may make direct voting choices on this basis.

Further details are outlined in the Strategy and Risk Management sections of this report.

## Partner Funds

Our Partner Funds retain responsibility for setting their investment objectives and strategic asset allocation, including their approach to responsible investment. This in turn shapes their exposure to environmental, social and governance ("ESG") risks and opportunities, which are implemented through our investment management activities. Our role is to support our Partner Funds to implement their strategy by providing relevant products, engagement, services (such as our climate analytics reporting service), tools (such as our interactive climate dashboard) and disclosures. We have always worked closely with our Partner Funds on the development of our investment programmes and responsible investment goals.

As signatories to the Financial Reporting Council ("FRC") UK Stewardship Code, we are committed to ensuring that our governance structures and arrangements for strategic decision-making and leadership achieve best practice stewardship for the benefit of our Partner Funds. Climate change is widely recognised by both LCIV and Partner Funds as a key strategic risk. This informs our strategy, products and services, as well as our annual and medium-term financial planning, which is approved annually by our shareholders.

Governance continued

Our focus during the year was on strengthening the foundations of the pool to support effective delivery and the continued development of our investment and service offering, in line with the changes arising from the Fit for Future reforms. Through a series of consultations, we worked with Partner Funds to develop options for layering their ESG ambitions and climate considerations onto their overall investment objectives, including the formulation of an exclusion framework for public market funds to provide choice for Partner Funds (the "RI Matrix"). In the coming year, our focus will be on further embedding the changes arising from Fit for the Future into our business-as-usual activities, with particular emphasis on delivery. As part of this, we anticipate that our work on RI will continue to evolve and expand into new areas, such as policy development and training.

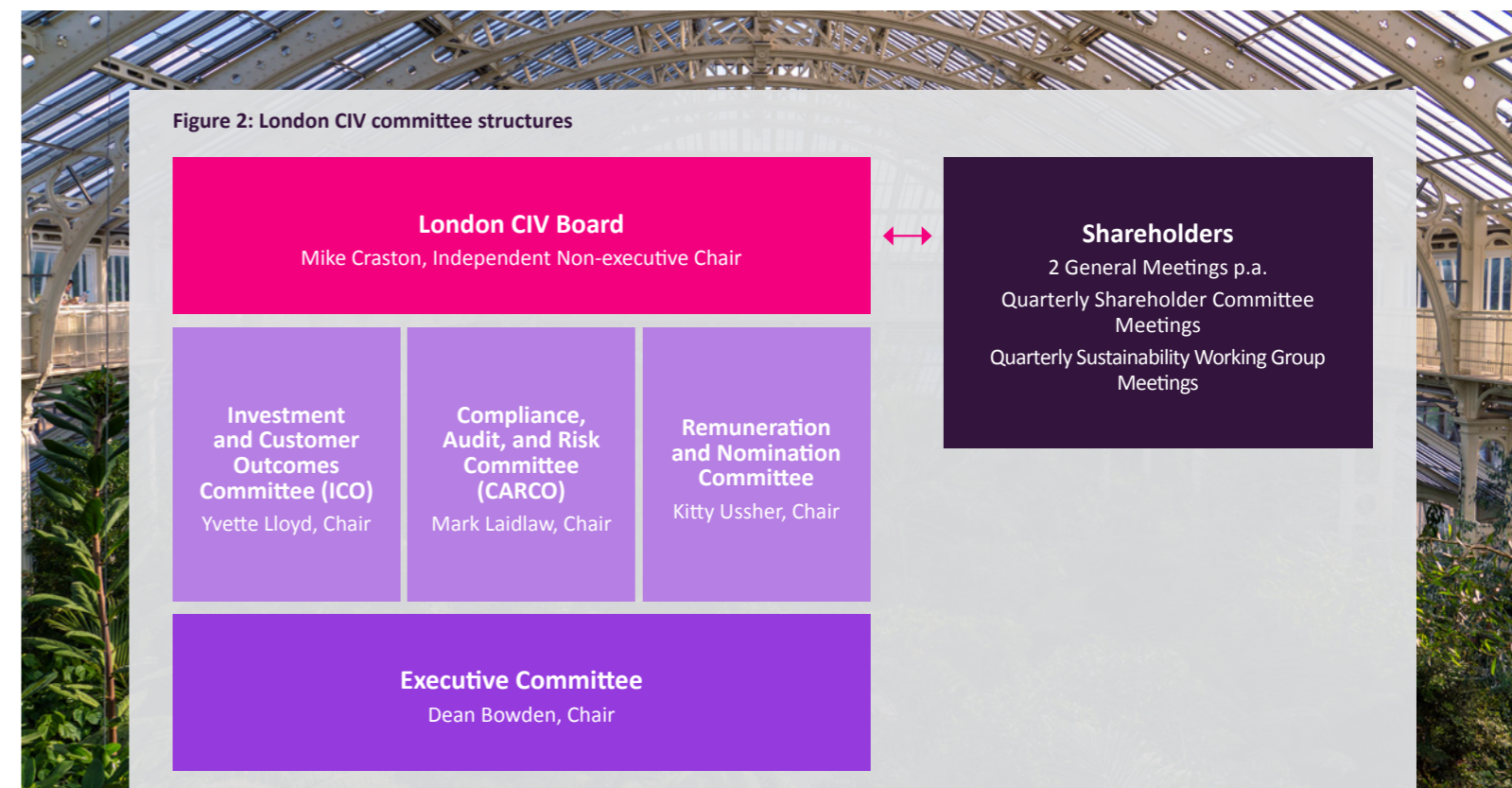
Positive engagement with our shareholders is crucial to our success. There are a number of formal and informal touchpoints throughout the year as outlined below, along with the illustration of our governance framework.

- **General Meetings (2 per year):** all shareholders invited to attend and exercise shareholder rights.
- **Shareholder Committee (at least 2 per year):** sub-set of shareholders consults on items such as our strategy, business plan, corporate performance, and shareholder reserved matters.
- **Sustainability Working Group (4 per year):** all shareholders invited to attend. The group considers a programme of ESG issues.

## How we work with our external investment managers

We act as portfolio manager for certain funds and delegate portfolio management for others within defined frameworks. The managers we delegate to are crucial to the delivery of investment performance and our Partner Funds' RI objectives through active engagement. We offer products across multiple asset classes – within our Authorised Contractual Scheme (ACS), this includes actively managed equities, fixed income and multi-asset funds. In private markets, we provide access to infrastructure, real estate, housing, private debt, and natural capital products.

RI considerations, including climate, are integrated into our strategy and product design, and our investment manager selection process. Each manager has their own approach to managing climate-related risks, which is assessed prior to manager selection. Once selected, our expectations for incorporating climate and wider ESG factors into their investment strategy and reporting are formalised in written agreements, as relevant for each fund strategy. We monitor our investment managers to ensure they meet our standards and engage with them on their own stewardship activities and goals. This approach aims to achieve appropriate risk-adjusted financial returns and support a fair transition to a sustainable world for our Partner Funds and their members.



<sup>1</sup> <https://londonciv.org.uk/reports-and-regulatory-information>

# Climate-related risks and opportunities

In this section we outline the key climate-related risks and opportunities with the potential to affect the assets in our funds, and which in turn may have an impact on London CIV and our partner funds.

## Our key climate-related risks and opportunities

The primary and most material way in which climate change is likely to affect LCIV is through its impact on the underlying assets within our funds. In line with the TCFD framework, we have identified several climate-related risks and opportunities which may have potentially material financial impacts on these assets, as outlined in Table 1.

As we invest across a wide range of sectors, geographies and asset classes, the range of potential impacts on a fund's portfolio is broad and will vary significantly across assets and asset classes. Disruption from physical climate risks is heavily dependent on location, vulnerability and preparedness, whilst transition risks are dependent on specific jurisdictions and markets, and other external factors like technology development, geopolitics and consumer preferences. 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.



Table 1: Climate-related risks and opportunities – based on TCFD framework<sup>1</sup>

Climate-related risks and opportunities	Timeframe to impact <sup>2</sup>	Potential impacts on assets within our funds
<b>Transition risks</b> <i>Risks associated with the transition to a lower-carbon economy</i>		
<b>Policy and legal:</b> Increased emissions costs, enhanced reporting obligations, regulation of products and services, exposure to litigation	Short, medium, and long term	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Write-offs, asset impairments and early retirement of assets</li> <li>Fines and judgements</li> <li>Reduced demand due to reputational impacts</li> </ul>
<b>Technology:</b> Substitution of products and services in favour of low-carbon alternatives, unsuccessful investment in new technologies, costs of transitioning to lower emissions technologies	Medium to long term	<ul style="list-style-type: none"> <li>Write-offs and early retirement of existing assets</li> <li>Reduced demand for products and services</li> <li>Research and development (R&amp;D) expenditures</li> <li>Costs to adopt/deploy new practices and processes</li> </ul>
<b>Market:</b> Changing consumer behaviour, uncertainty in market signals, increased supply chain costs	Short, medium, and long term	<ul style="list-style-type: none"> <li>Reduced demand due to shift in consumer preferences</li> <li>Increased production costs due to changing input prices</li> <li>Abrupt and unexpected shifts in energy costs</li> <li>Change in revenue mix and sources</li> <li>Re-pricing of assets (e.g., fossil fuel reserves, security valuations)</li> </ul>
<b>Reputation:</b> Shifts in consumer preferences, stigmatisation of high-emitting sectors, increased stakeholder concerns	Short to medium term	<ul style="list-style-type: none"> <li>Reduced demand for goods/services</li> <li>Reduced revenue from impact on production capacity (e.g. supply chain disruption)</li> <li>Reduced revenue from negative impacts on workforce management and planning</li> <li>Reduction in capital availability</li> </ul>
<b>Physical risks</b> <i>Risks related to the physical impacts of climate change. These risks can be event-driven (acute) or result from longer-term shifts in climate patterns (chronic).</i>		
<b>Acute:</b> Increased likelihood and/or severity of extreme weather events such as wildfires, heatwaves, extreme cold, coastal floods, fluvial floods, droughts and cyclones	Short, medium and long term	<ul style="list-style-type: none"> <li>Increased capital costs (e.g. damage to facilities)</li> <li>Increased operating costs</li> <li>Reduced revenues from lower sales / output</li> <li>Increased insurance premiums / reduced availability of insurance on "high risk" assets / locations</li> </ul>
<b>Chronic:</b> Rising mean temperatures, rising sea levels, increased water stress, changes in precipitation patterns, extreme variability in weather patterns		<ul style="list-style-type: none"> <li>Reduced production capacity (e.g. supply chain interruptions, disruption, productivity loss)</li> <li>Higher costs from workforce impacts (e.g. health, safety, absenteeism)</li> <li>Write-offs and early retirement of existing assets (e.g. due to damage)</li> </ul>
<b>Climate opportunities</b> <i>Opportunities arising from the transition to a low carbon economy</i>		
Resource efficiency and circular economy, changes in energy markets, changes in products and services, changes in consumer preferences, access to new markets, public-sector incentives, diversification	Medium to long term	<ul style="list-style-type: none"> <li>Reduced operating costs</li> <li>Increased value of fixed assets</li> <li>New / shifting revenue streams</li> <li>Reduced exposure to volatile input prices and stranded assets</li> <li>Increased access to capital</li> <li>Increased demand for products and services</li> <li>Improved competitiveness</li> <li>Improved reputation</li> <li>Improved resilience</li> <li>Increased production capacity</li> <li>Workforce benefits</li> </ul>

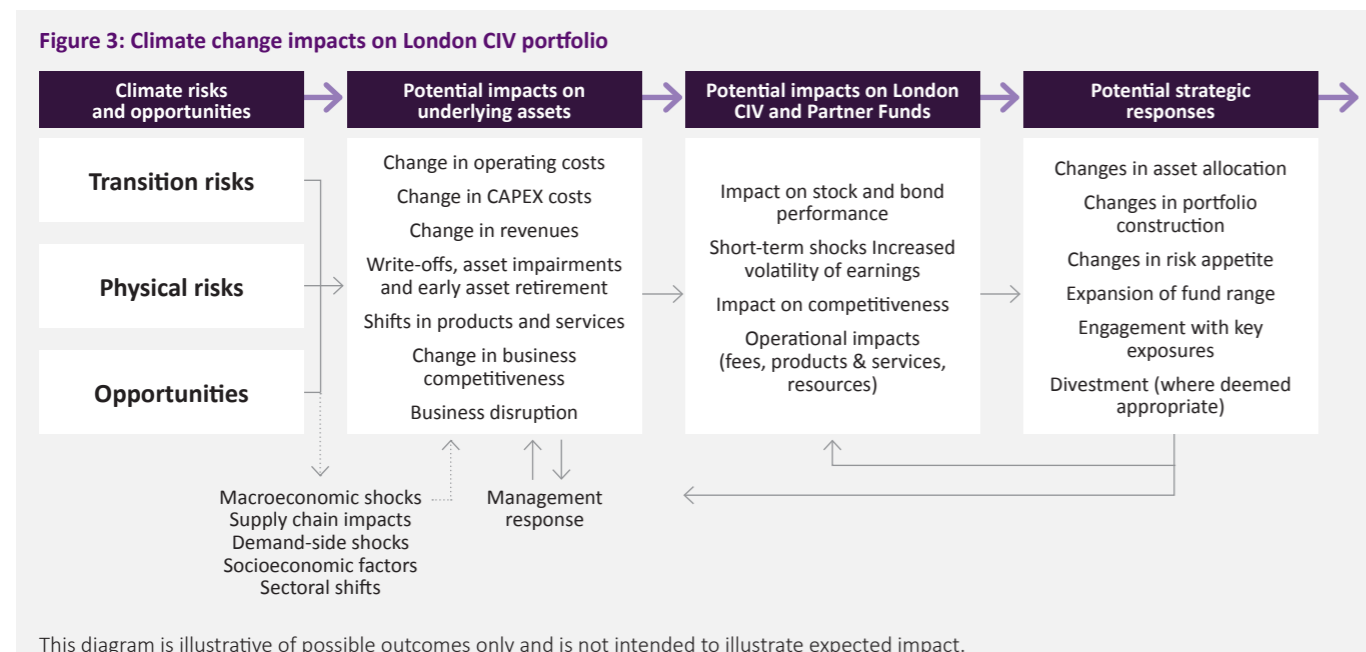
<sup>1</sup> <https://www.tcfhub.org/Downloads/pdfs/E06%20-%20Climate%20related%20risks%20and%20opportunities.pdf>

<sup>2</sup> London CIV uses the following timeframes for assessing climate-related risks and opportunities:- Short-term: within 2-3 years; Medium-term: within 5-10 years; Long-term: >10 years.

Climate-related risks and opportunities continued

### Potential impacts of climate risks and opportunities

The potential impact of these effects is outlined below. We attempt to quantify some of these impacts in the section on Scenario Analysis, on page 28.

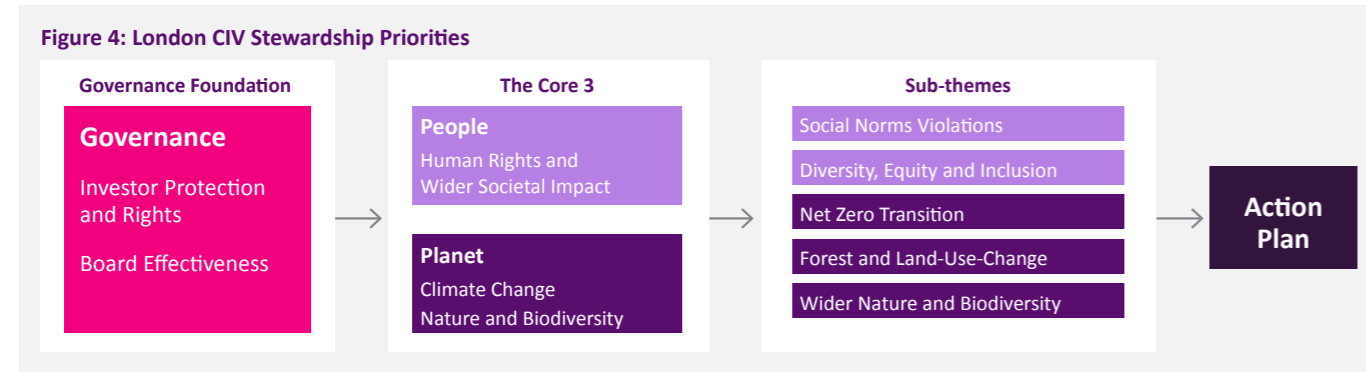


### Climate change and our wider ESG risk identification methodologies

While the TCFD framework has formalised climate risk reporting, we have long recognised the importance of proactively identifying and managing ESG risks. We identify key stewardship themes and risks through both top-down and bottom-up analysis, including the consideration of systemic, company-specific, societal, and financial risks. This process helps us set engagement priorities and guides our response to emerging issues and broader shifts in the global risk landscape. Below are the core elements of our methodology:

- 1 Global Risk Landscape Assessment:** We begin 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:** We layer over our own company level risks, including our client’s priorities and where we believe we can have influence.
- 3 Societal Materiality:** We aim to consider issues that will have the biggest impact on the world around us.
- 4 Financial Materiality Analysis:** We consider our financial materiality in relation to the potential stewardship theme
- 5 Reactive Event Response:** We may in some cases respond reactively to unforeseen events after a specific and significant incident.

Based on this exercise, we have consistently identified “Climate Change” as a priority theme for stewardship and engagement. In 2025, we conducted an annual review of our stewardship priorities and selected climate change as part of our “Core Three” stewardship themes.



## Case Study: Engaging with a top emitter | Global building materials provider

### Background

One of the most significant contributors to the carbon footprint of our public markets assets is a diversified building materials company specialising in the production and distribution of cement and other aggregates. Our investment manager, Baillie Gifford, has been engaging with the company since 2008 as part of its stewardship activity, aiming for it to become an influential example of good practice within an emissions-intensive and hard-to-abate sector. We also escalated our own engagement with them by becoming a contributing investor through Climate Action 100+ (CA100+) in 2024.

Relative to some peers in the sector, the company has already demonstrated strong leadership and ambition on carbon, meeting its 2025 emissions reduction target. They have also set an SBTi-validated absolute carbon reduction target of 30% by 2030 (from a 2021 base year) which is supported by a detailed emissions reduction roadmap, and have an ambition to be Net Zero by 2050. However, some European firms have demonstrated more advanced transition-planning and carbon capture deployment.

### Action and Engagement

Baillie Gifford continues to monitor developments related to the company’s decarbonisation strategy beyond 2030. The cement sector remains heavily reliant on Carbon Capture, Utilisation and Storage (CCUS), and the company highlighted ongoing uncertainty around the timelines for scaling and integrating CCUS, which continue to limit its ability to set decarbonisation targets beyond 2030.

Other areas of engagement focussed on differences between the US and European environments. The company noted that there is a greater upside for low-carbon products in the US, where they can leverage industry know-how developed in Europe. They also noted that both the European industry body (CEMBUREAU) and the implementation of the EU’s Carbon Border Adjustment Mechanism (CBAM) are facing challenges arising from sluggish economic growth in Europe.

### Outcomes and Next Steps

- Decarbonising the cement industry remains a challenge, with the company positioned between leading European peers and lagging US peers. Uncertainty around CCUS timelines continues to constrain its ability to define decarbonisation targets beyond 2030.
- The company is progressing research and development in lower-carbon products, including reductions in clinker content and increased use of supplementary cementitious materials. Their vertically integrated model and the US incentive-focussed regulatory environment may improve the upside potential of these investments.
- We will continue to engage with the company via CA100+ and our investment manager, focusing on: progress towards their 2030 decarbonisation targets; longer-term transition planning; stewardship of divested assets; decarbonisation of existing assets; improving climate-related disclosures including quantification of potential financial impacts; integration of climate risks into capital allocation; resilience planning and long-term strategy; and enhanced climate policy advocacy.



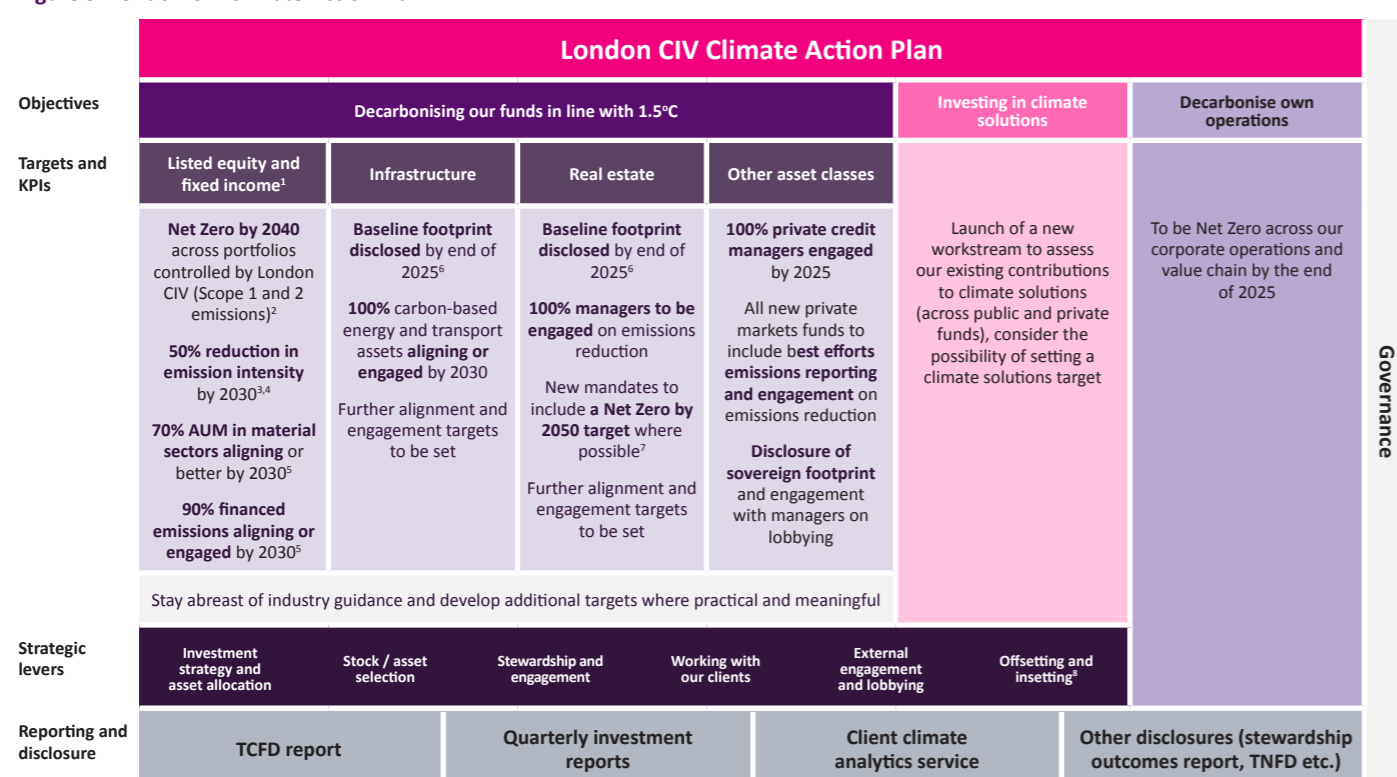
# Our decarbonisation strategy

This section outlines our overall climate and net zero targets and plan for achieving them.

## Climate Action Plan

Setting decarbonisation targets is one of the key elements of managing our exposure to climate transition risks. Our Climate Action Plan is an ambitious statement of our ambitions and targets across our funds. It is built based on the IIGCC's Net Zero Investment Framework 2.0, and sets out a series of disclosure, decarbonisation, alignment and engagement targets across public and private markets. The diagram below summarises the key aspects of our strategy:

Figure 5: London CIV Climate Action Plan



In 2025, our climate strategy was formally approved by our Board, following the integration of feedback from our Partner Funds. In the second half of the year, we worked to implement the plan by integrating objectives and guidelines aligned with the plan into the legal documentation for new and modified funds.

Our Climate Action Plan is an evolving document, that will continue to be adapted alongside regulatory and legislative changes, improvements in data and changes to our business.

1 Passive funds held with Blackrock and LGIM but which are deemed pooled are currently considered out of scope of our targets, but will be included in reporting and manager engagement activities.  
 2 Scope 3 emissions will be reported on to the extent possible, but have been excluded from the current target scope due to ongoing concerns about data quality.  
 3 Relative to 2020 baseline  
 4 The London CIV climate model was updated in 2025. In line with best practice, baseline emissions were recalculated and were found to be approximately 20% lower than the original estimate. London CIV has opted to retain the absolute value of the original target, which represents a ~50% reduction compared to the updated baseline.  
 5 Based on definitions aligned to IIGCC's Net Zero Investment Framework  
 6 Subject to data availability and quality  
 7 Excludes inherited portfolios and secondary market positions  
 8 To be used only as a potential final resort in future

## Products and strategies

Although we do not determine the strategic asset allocation for our Partner Funds, we aim to provide a range of investment programs to suit their needs and allow them to meet their own objectives, including on climate. Across our funds, to the extent possible, we:

- Monitor climate metrics on an annual basis, or quarterly for public markets funds
- Engage with our investment managers to challenge them where relevant on their climate performance and engagement activities, and work with them to review leading responsible investment practices and improve processes on a best-efforts basis.
- Where we have voting rights, conduct voting and engagement in line with our Voting Guidelines and Responsible Investment policy.

For more details on how we manage climate risk across our funds, please see **Risk Management Section B**.

## Public Markets

In 2025, we worked on integrating specific legal wording aligned with our Climate Action Plan into a number of our fund legal agreements. This is an ongoing process as we continue to develop our fund range in response to Partner Fund needs.

Our fund's legal agreements comprise the prospectus, which sets out each fund's targets and objectives, and the investment management agreements ('IMAs') with each delegated investment manager, which set out additional guidelines agreed between London CIV and the relevant manager.

As of 31st December 2025, the following ACS funds have climate-related objectives and guidelines:

Table 2: London CIV ACS Funds

Fund	Does the fund have climate targets and/or guidelines?	Do(es) the IMA(s) underlying the fund align to our Climate Action Plan?
LCIV Global Alpha Growth Fund	In progress	Alignment planning in progress
LCIV Global Alpha Growth Paris Aligned Fund	Yes, at prospectus and IMA-level	Alignment planning in progress
LCIV Global Equity Value Fund	Yes, at prospectus and IMA-level	Aligned
LCIV Emerging Market Equity Fund	Yes, at prospectus and IMA-level	Partially aligned
LCIV Passive Equity Progressive Paris Aligned Fund	Yes, at prospectus and IMA-level	Partially aligned
LCIV Global Equity Quality Fund	Yes, at prospectus and IMA-level	Partially aligned
LCIV Global Equity Fund	No	Not currently aligned
LCIV Sustainable Equity Fund	No	Not currently aligned
LCIV Sustainable Equity Exclusion Fund	No	Not currently aligned
LCIV Global Equity Focus Fund	No	Not currently aligned
LCIV Short Duration Buy and Maintain Credit Fund	Yes, at prospectus and IMA-level	Aligned
LCIV Long Duration Buy and Maintain Credit Fund	Yes, at prospectus and IMA-level	Aligned
LCIV All Maturities Buy and Maintain Credit Fund	Yes, at prospectus and IMA-level	Aligned
LCIV Alternative Credit Fund	Yes, at IMA-level only	Partially aligned
LCIV MAC Fund	Yes, at IMA-level only	Partially aligned
LCIV Global Bond Fund	Yes, at IMA-level only	Partially aligned
LCIV Absolute Return Fund	Yes, at IMA-level only	Aligned
LCIV Diversified Growth Fund	No	Not currently aligned

Key:

- **Aligned:** Sub-fund legal agreements include key climate-related wording agreed in the Climate Action Plan implementation plan. Note that some minor wording and/or metrics may differ for funds which were last updated prior the development of the implementation plan – we plan to adjust these at the next fund update. In some cases, funds may have targets which are more ambitious than the Climate Action Plan.
- **Partially aligned:** Sub-fund legal agreements include some of the climate-related wording agreed in the Climate Action Plan implementation plan, but some key points are missing. This may be due to factors related to the fund strategy (e.g. for passive funds or emerging market strategies), or because of historical updates.
- **Not aligned:** Sub-fund legal agreements currently have no climate-related wording, or wording is not aligned to Climate Action Plan.

We expect to see the proportion of our AUM which is aligned to the Climate Action Plan grow over the next few years.

## Private markets

For our private markets funds, we include requirements for our general partners to report climate-related metrics and support the TCFD recommendations into fund legal agreements wherever possible. Specific funds with climate-related objectives include:

Table 3: Private market funds with climate-related objectives

Fund	Does the fund have climate targets and guidelines?
LCIV Renewable Infrastructure Fund	The fund focuses on investing in renewable energy infrastructure including generation, transmission and distribution and enabling assets across greenfield and brownfield sites.
LCIV Nature Based Solutions Fund	The fund seeks to invest in strategies which protect, sustainably manage or restore natural ecosystems (land and/or water-based) and address challenges related to climate change, human wellbeing and biodiversity.

# Managing climate risks

This section outlines how London CIV identifies, assesses and manages climate-related risks.

## Identifying and assessing climate-related risks

The Responsible Investment team are responsible for identifying and assessing the materiality of climate-related risks on an annual basis. Climate risks may also be initially identified by our external investment managers, or through our internal quarterly reporting and due diligence and monitoring processes.



### Investment manager responsibilities

Our investment managers review exposure to climate risks during pre-investment and post-investment analysis. This may involve the application of risk modelling tools such as scenario analysis as well as qualitative due diligence. The processes and tools used will vary depending on the manager and factors like asset class, strategy, sector and geography. Risks may be reviewed at the security, issuer or sector level. Investment managers are ultimately responsible for developing their own climate risk assessment tools and reviewing leading practice to improve processes on a best-efforts basis.



### Internal due diligence and monitoring

We also monitor climate change risks internally using qualitative and/or quantitative analysis as appropriate. We consider the impact of climate-related risks and opportunities in the design of new strategies, as part of our due diligence processes, and through our ongoing portfolio monitoring efforts. The RI Team may also conduct supplemental research to consider qualitative and/or forward-looking factors such as new and emerging regulation affecting certain sectors or holdings, and to respond to external headlines and events. This may also be triggered as part of broader ESG engagement strategy – for example when reviewing voting alerts from our voting and engagement provider EOS, as well as the Local Authority Pension Fund Forum (“LAPFF”), responding to management actions and shareholder proposals or as part of industry-wide initiatives. For more details on our stewardship and engagement work, please see our [2025 Stewardship Outcomes Report](#).

Assessing the relative importance of different climate risks is the responsibility of the Responsible Investment team and incorporates a range of both quantitative and qualitative factors. The RI team reports on climate risks and opportunities to senior management and the Board via the relevant internal bodies, in line with the governance framework outlined earlier in the report.



### Variations by products or strategies

- For funds with specific climate objectives, we monitor climate performance as part of our ongoing investment oversight.
- For corporate equity and fixed income instruments within our ACS funds, we conduct quarterly monitoring of the portfolio, including calculation of key climate metrics such as carbon intensity and fossil fuel exposure. This enables us to identify key contributors to our climate footprint at both a fund and issuer level, and to identify areas of concern, which are addressed as part of our regular due diligence meetings with our investment managers and help inform our stewardship and engagement strategy. Our approach is consistent across ACS funds, but data coverage is higher for our equities portfolio compared to fixed income and multi-asset funds (see “Improving climate data” below). This may have an impact on our ability to effectively monitor climate risks across certain asset classes and more diversified products.
- For private market funds, we consider climate risk and impact at the pre-investment stage, as part of our wider ESG review. The RI Team also monitor key climate metrics provided by our investment managers on an annual basis and attend monitoring meetings as needed to address any potential ESG issues, including on climate.
- For passive pooled funds held with BlackRock and LGIM, we conduct climate analytics on an annual basis. This is due to the limited control we have over assets in these funds.

## Managing climate-related risks

Managing risks associated with climate change is a fundamental part of our corporate and investment strategy. Our approach was established in partnership with Partner Funds who can provide ongoing feedback through the Sustainability Working Group. Consideration of climate risk is integrated throughout the design, development and management of new and modified funds. Key elements of our processes include:

- **Product design:** When developing new funds (or modifying existing funds), we consider how climate risk should be considered for the fund strategy, accounting for factors like asset class, sectors and geography, and outline minimum and preferred requirements.
- **Due diligence:** All investment managers must be able to clearly demonstrate their approach to managing climate risk exposure. This is assessed based on Sub-fund climate policies and the investment manager’s set of responses to our ESG Due Diligence questionnaire.
- **Executive Investment Committee (EIC):** Material, climate risks are discussed at EIC meetings and key investment-related decisions (such as the choice of a new fund or investment manager) are approved.
- **Legal agreements:** Contractual agreements with external managers include climate-related clauses as relevant. For ACS funds these focus on disclosure, initial portfolio intensity, decarbonisation, alignment and engagement, as well as stewardship commitments in line with the UN Principles for Responsible Investment (“PRI”). For private markets funds, the focus is on regular disclosure of climate data, as well as reporting in line with the TCFD and wider ESG-related commitments.
- **Monitoring:** We conduct quarterly monitoring on the carbon intensity of our ACS funds. We also conduct annual manager-level assessments, using a framework that includes responsible investment and climate alongside other factors like strategy and business risk, to make sure that Partner Funds’ needs are considered comprehensively. For private market funds we collect and analyse climate data annually, to the extent possible. We use the data from our monitoring processes to identify significant shifts in emissions intensities, new acquisitions which affect the climate risk exposure of a fund, overarching trends and areas for engagement. We can also compare funds in the same sectors and look for reasons for variance in emissions intensity.

- **Manager meetings:** We meet with our investment managers on a quarterly basis which provides us with an opportunity to address any key climate issues identified in our quarterly climate monitoring, as well as any wider concerns. We prioritise funds and securities based on the most material impacts in our portfolio from a carbon intensity and/or stranded asset exposure perspective. As part of our ongoing stewardship efforts, we also challenge managers to provide engagement case studies and examples of investment decisions that were influenced by climate factors, and may also meet with our managers on an ad-hoc basis where we have cause for concern. In private markets, our focus is on how managers work to implement best practice climate risk management for the asset class. For example, we might consider how a property manager works with energy contracts, or how a private debt manager uses ratcheted loan arrangements.
- **Voting and engagement:** Our stewardship work is key to managing our exposure to both physical and transition risks and having a real-world impact on global decarbonisation efforts. Key areas of focus include transition planning for high emitters, emissions reporting, and managing exposure to high-risk sectors. This is discussed in detail on page 18.
- **Reporting and disclosure:** We report on key climate metrics (carbon intensity and fossil fuel exposure) and top contributors for each corporate public markets fund, alongside performance figures and other information in our quarterly reporting to our Partner Funds. We also produce detailed climate change reports to Partner Funds upon request, covering both pooled and off-pool holdings.

Managing climate risks continued

## Integration into wider risk management frameworks

Throughout the stages described above, climate risk management is integrated into our wider investment processes, and the RI team work closely with other investment teams to ensure that climate concerns are appropriately addressed within each fund strategy, based on materiality. In addition, climate considerations are embedded in our:

**Investment Beliefs:** These are the established set of principles which underpin the way we invest. Effective management of climate risks forms the basis of Principle 3c, and is considered alongside our wider duty of care, our commitment to responsible investing, and sound risk management.

**Enterprise-wide risk management framework:** Our Risk Management Framework ("RMF") is used to identify threats to the business and outlines the processes for mitigating those risks. The RMF establishes the three lines of defence risk management model, which is summarised as: (1) risk and control ownership; (2) oversight, support and challenge; and (3) oversight from the Depositary and assurance from corporate and fund auditors. The RI Team owns the processes established to identify and manage climate risk and is a first line of defence function. The second and third lines of defences carry out independent oversight of first line risk and controls and report directly to senior management.

## Working with our Partner Funds

Our Partner Funds recognise the material financial risks that climate change presents, with 30 of the London Local Authority Councils having declared a climate emergency, and 15 having set Net Zero commitments for their pension funds, with an average target date of ~2045.

We work closely alongside our Partner Funds to support them in achieving their decarbonisation goals and managing their exposure to climate-related risks, including for off-pool holdings. Since 2022, we have been providing a climate analytics service to Partner Funds, free of charge, which includes in-depth analysis of their carbon footprint and climate risk exposure of both on- and off-pool holdings. In 2025, we expanded and refreshed our offering to provide more dynamic insights and commentary on their exposures, providing more decision-useful data to inform the development of their decarbonisation strategies, internal risk management and strategic asset allocation. The updated service was delivered to 5 clients in 2025, alongside tailored climate training and/or presentations to their pension committees.

We also consult our Partner Funds through relevant forums (such as the Sustainability Working Group in critical decisions related to climate and wider responsible investment, including our Net Zero ambitions and Climate Action Plan).

## Improving climate data

Our ability to effectively monitor climate risk is heavily dependent on data availability and quality. Missing or poor-quality data risks us drawing incorrect conclusions about our exposures. Whilst for listed equities, public climate data is generally readily available, coverage is limited for the fixed income universe, particularly sub-investment-grade debt, and the problem is further exacerbated for alternative asset classes and private markets, where data is often inconsistently reported or missing altogether. Data quality also varies significantly, and a significant proportion of data is still modelled where company reporting is unavailable or of poor quality.

We welcome the improvements in climate data coverage we have seen in recent years. However, there is still a long way to go, particularly for Scope 3 emissions, and to improve quality standards across the industry. We have taken several steps to support this, including:

- Working closely with our data provider, S&P, to improve data quality, particularly for Scope 3 emissions.
- Engaging with investee companies through EOS and our Investment Managers to improve their climate data disclosures.
- Including contractual commitments for our private markets managers to provide climate data on an annual basis to the extent possible. Inability to provide this is viewed negatively at the due diligence stage.
- Engaging with our investment managers and data provider, particularly where we note low data coverage for a fund or discrepancies in climate data from different providers.
- Joining S&P Global's Executive Advisory committee to help influence the market and improve disclosure.
- Updating the London CIV Climate Model in 2025, which has significantly improved data coverage and quality.
- Setting an example by reporting on key climate metrics in our mainstream financial filings, TCFD report and regular client reporting.

*"We work closely alongside our Partner Funds to support them in achieving their decarbonisation goals and managing their exposure to climate-related risks, including for off-pool holdings."*



# Stewardship and engagement

Active ownership is one of the most effective ways to manage climate risk, have a real-world impact on global decarbonisation efforts and protect long-term portfolio value on behalf of Partner Funds.

## Voting

Our Voting Guidelines outline our expectations on climate change management. Our stewardship services provider, Federated Hermes EOS (“EOS”) votes on our behalf, subject to review and approval from our Responsible Investment team. We also review voting recommendations from the Local Authority Pension Fund Forum (“LAPFF”).

For more details on how we conduct our voting in practice, please see our Stewardship Outcomes Report available on our [website](#).

## Engagement

A critical component of our climate risk management strategy is engagement.

We believe that engagement is one of our most powerful tools to encourage emissions reductions across the real economy. We conduct engagement primarily through our stewardship services provider EOS and our investment managers. Consistent climate-related themes include emissions reduction, energy transition plans, Scope 3 emissions reporting, interim target setting and transition financing.

In 2025, EOS engaged on 2,359 ESG issues and objectives on behalf of London CIV and its other clients, of which 36.9% of issues were related to Environment and Climate.

Our engagement provider EOS's four-stage milestone system measures progress over the long term against the objectives set for each company. Progress is regularly assessed and evaluated against the original engagement proposal, and categorised using four primary milestones:

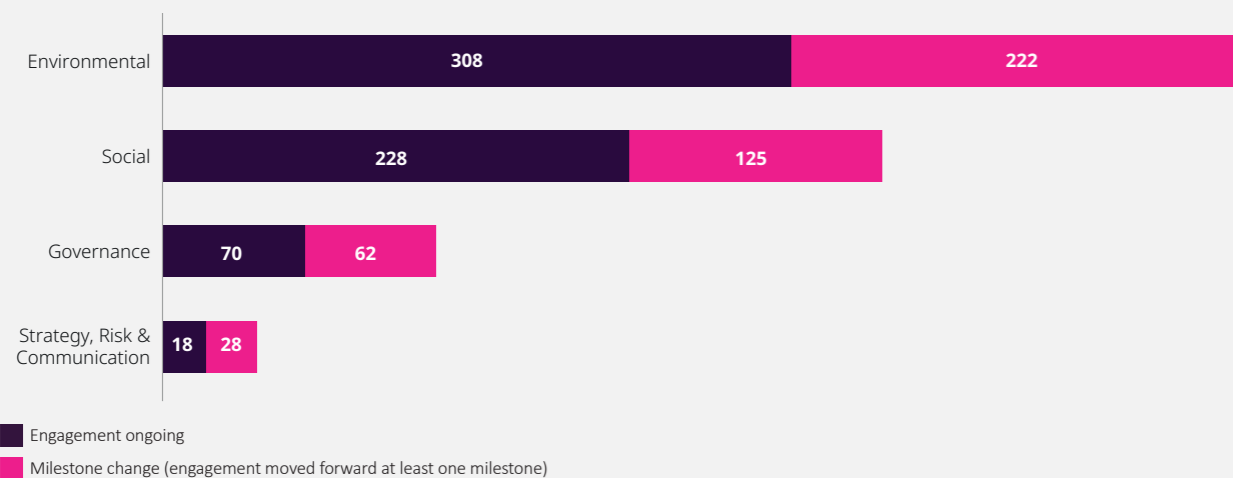
- **M1 (Raising Concerns):** Our concern is raised with the company at the appropriate level.
- **M2 (Acknowledging Concerns):** The company acknowledges the issue as a serious investor concern, worthy of a response.
- **M3 (Planning):** The company develops a credible strategy to achieve the objective,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

The chart below demonstrates the progress made in achieving the milestones set for each engagement. In 2025, EOS engagements on environmental factors, including climate objectives, saw 41% of objectives advance by at least one milestone.

## Collaboration

We recognise that policy advocacy and collaborative engagement are essential to bring about the industry-wide change needed to meet climate goals. For example, we worked with LAPFF, ACCR and other investors to co file a shareholder proposal requesting BP to disclose how it applies disciplined capital allocation to new upstream oil and gas projects, including how such projects are expected to generate acceptable shareholder returns. We are also a supporting investor for engagement with, a cement firm which is one of the top contributing companies to our carbon footprint in our public markets funds, through Climate Action 100+.

Figure 6: Engagement Progress (2025)



# Case Study:

## Fossil fuels | Multinational oil and gas company

### Background

Through our investment manager, Ruffer, we have been a long-time investor in a multinational oil and gas company. Ruffer has engaged with them over an extended period on its role in the energy transition, alongside broader social and governance issues. In recent years, the company has faced a particularly challenging period, characterised by a declining share price, leadership turnover, and increased pressure from an activist investor. At a recent strategic reset in early 2025, the company announced the expansion of oil and gas investments and a rollback of several previous climate commitments.

### Action and Engagement

Ruffer engaged with the company ahead of its AGM and in the aftermath, to discuss climate targets and transition planning, low-carbon investment strategy, and capital discipline.

To express dissatisfaction in the rollback of their climate commitments and hold the Board to account, Ruffer voted against the re-election of the three longest-serving non-executive directors (LCIV conducts its own voting for this fund and has voted against several BP directors. For more information, please see the significant vote case study below.). These directors had served during the appointment and departure of a former CEO and oversaw the company's transition towards an integrated energy strategy which, in Ruffer's view, delivered neither shareholder value nor a credible transition pathway. Ruffer met with the company ahead of the AGM to explain its voting rationale and continued to engage closely with the company following the vote, seeking greater clarity on strategic direction and priorities.

Ruffer encouraged the company to publish an updated climate transition plan setting out a clearer pathway to its 2050 net zero ambition, particularly given that interim targets have been softened and capital allocation to low-carbon activities reduced. While it has not set detailed targets beyond 2027, citing evolving investor priorities and energy market dynamics, the company reaffirmed its net zero commitment and stated it would continue to report progress through its annual and sustainability disclosures.

Ruffer also examined the company's decision to scale back low-carbon investment, questioning whether this reflected the returns profile of renewables or broader strategic considerations. Management attributed the shift to weaker returns rather than a change in strategic intent, referencing external shocks including the pandemic, the war in Ukraine and tariffs. They outlined what they claimed to be a more pragmatic and capital-disciplined approach, with continued investment in areas such as biofuels, biogas, hydrogen and renewables, often through capital-light structures such as joint ventures.

### Outcomes and Next Steps

Ruffer will continue to monitor the company's disclosures, particularly in relation to its climate transition plans, and will continue to encourage a stronger focus on capital discipline and return resilience in strategic decision-making.

## Significant Vote: Multinational oil and gas company

At the company's 2025 AGM, LCIV voted against several director re-election resolutions to express concerns with the company's strategic reset, which marked a departure from its previous transition approach by increasing focus on oil and gas and reducing investment in low-carbon activities:

- LCIV voted against the re-election of the CEO and Chair, holding the view that both executive and board-level leadership should be held accountable for the strategic reset and its implementation. This also reflected concerns around the composition of the nominations committee.
- LCIV voted against the re-election of the Chair of the Remuneration Committee, due to misalignment between the company's revised strategy and its remuneration policy, which has not been formally updated or re-approved by shareholders

despite changes to remuneration metrics following the strategic reset. LCIV considered this inconsistency, and the effective change in how remuneration is applied without a shareholder vote, to be a material governance concern.

- LCIV also voted against the re-election of one of the Senior Non-Executive Directors for their role in the strategic reset.

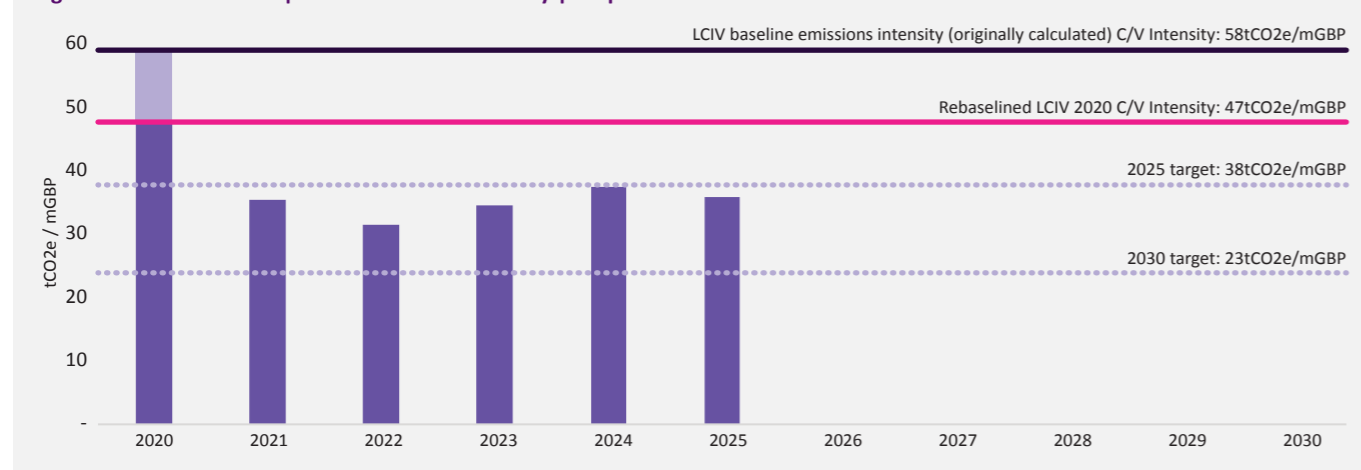
Through these voting decisions, LCIV sought to reinforce expectations around board accountability, clear strategic alignment and robust governance, particularly in the context of material shifts in corporate direction.

# Our carbon footprint: public markets

## Meeting our 2025 target

This year, we are very pleased to announce that we met our target of reducing the Scope 1 and 2 emissions intensity of our funds to below 38tCO<sub>2</sub>e/mGBP. This represented a 35% reduction relative to our 2020 baseline emissions.<sup>1</sup> The target was achieved through a mixture of launching new, less carbon intensive funds such as the LCIV Global Alpha Growth Paris Aligned Fund and LCIV Passive Equity Progressive Paris Aligned Fund, closing high-emitting funds, introducing climate objectives, exclusions and guidelines across a range of strategies, and decarbonisation of underlying issuers over time.<sup>2</sup>

Figure 7: LCIV ACS Funds | Carbon to Value Intensity | Scope 1 & 2



Whilst we are very proud of our achievement, we recognise that there is still work to be done over the next five years to meet our 2030 target, and eventually our Net Zero by 2040 ambition. Our Climate Action Plan, associated implementation plan and engagement strategy aim to address this gap. As these are rolled out across the fund range, and the companies in our funds work to achieve their own 2030 decarbonisation targets, we hope to see further progress. It is also important to note that as a pension pool we are dependent on the investment allocation and strategic asset allocation decisions of underlying Partner Funds, as well as on underlying issuers to meet their own decarbonisation commitments.

## Progress in 2025

In 2025, our Scope 1 and 2 emissions intensity fell by ~5%. This was caused by:

- Substantial decreases in the emissions intensities of several funds, particularly the LCIV Sustainable Equity Fund (43% reduction in intensity, driven by the sale of Valero, amongst other factors), and LCIV Global Alpha Growth Fund (30% reduction in emissions intensity, driven by lower reported emissions intensities for CRH plc and Ryanair Holdings, amongst other factors).
- The closure of the LCIV Global Total Return Fund and LCIV Real Return Fund, previously two of our highest emitting funds.<sup>3</sup>
- This was partly offset by an increase in the emissions intensity of the LCIV Emerging Market Equity Fund, which was restructured in 2025, as the previous portfolio was under-performing. To address this, we redesigned the fund, appointing a new multi-manager structure. Due to the strategies of the underlying managers, the new fund at inception has a significantly higher footprint than the original (which had an unusually low intensity for emerging markets). However, both new managers have committed to climate targets, including a commitment to increase the % of financed emissions aligning, aligned, achieving or engaged on Net Zero to 90% by 2030.<sup>4</sup> In this way, we aim to have more of a real-world impact on global decarbonisation efforts than just avoiding high-emitting sectors entirely. We also added exclusions on certain types of fossil fuel extraction (including thermal coal mining, oil sands/tar sands, shale oil and gas, ultra deep sea drilling and arctic drilling) as well as fossil fuel power generation, aiming to avoid some of the most high-risk activities from a climate perspective.

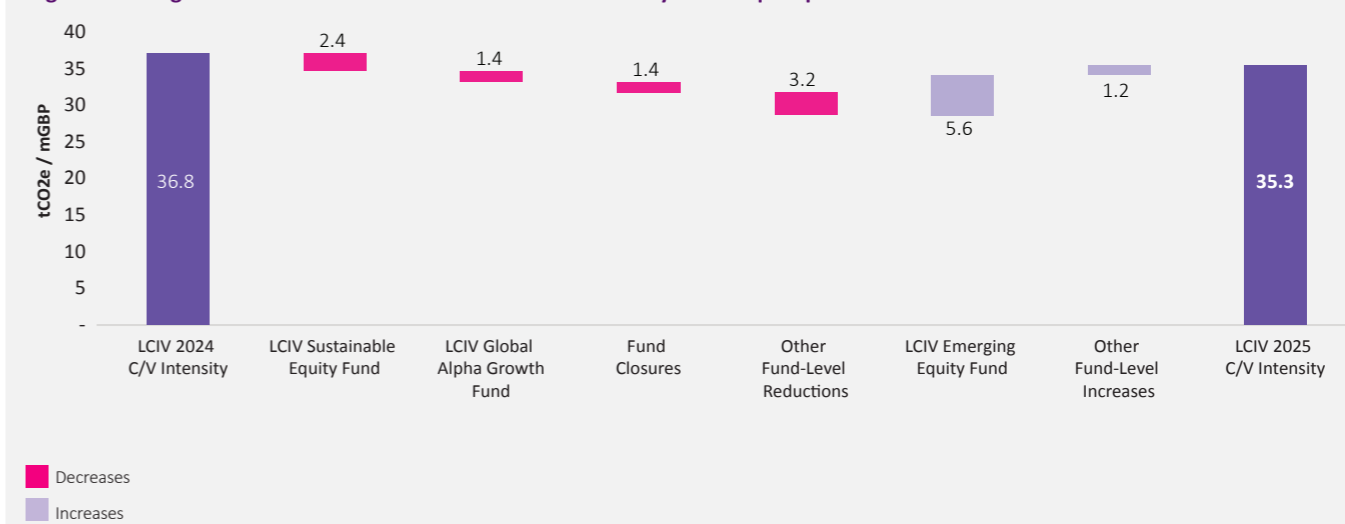
<sup>1</sup> Our baseline emissions were calculated as 58tCO<sub>2</sub>e/mGBP, using our original climate model, and a 35% reduction was calculated as 38tCO<sub>2</sub>e/mGBP. Under data from both the original climate model, and our current version which was updated in 2025, the emissions intensity achieved in 2024/5 was below 38tCO<sub>2</sub>e/mGBP, indicating that we achieved our target. Note that our updated estimate for our baseline 2020 emissions is 47tCO<sub>2</sub>e/mGBP. We have selected to retain the absolute value of our 2025 and 2030 targets. For more details, please refer to last year's TCFD report, where we discuss the data update in detail.

<sup>2</sup> We note that the initial sharp reduction observed in 2020 and 2022 is likely due to pandemic-related slowdown, which is seen with a lag in our results as climate data is usually reported a year or two in lieu. This impact has since subsided.

<sup>3</sup> Please note that the decision to close these funds was not related to their carbon exposure.

<sup>4</sup> Measured in line with the IIGCC's Net Zero Investment Framework 2.0. This includes factors like setting ambitious decarbonisation targets, developing credible transition plans and capital allocation alignment.

Figure 8: Changes in LCIV ACS Carbon to Value Emission Intensity in 2025 | Scope 1 & 2



## Our top contributors

This year, our two top contributors to our carbon footprint were once again CRH plc and Ryanair Holdings plc. Together, they make up ~23% of our total ACS footprint.

This year, we saw some movement in our top ten contributors, with Valero Energy Corporation dropping out, and Cheniere Energy Inc, Packaging Corporation of America and Aluminium Corporation of China as new entrants.

Of our top ten contributors, five, including the top two contributors have set near-term decarbonisation targets approved by the Science-Based Targets institute, and six have longer-term ambitions to become Net Zero by 2050 or earlier. All but two have been assessed by the Transition Pathway Initiative (TPI), which provides data on their alignment different climate scenarios, as well as how seriously management take climate-change-related issues. Both CRH and Ryanair were rated Level 5 for management quality, indicating they are actively planning for climate transition. Although they both operate in high-emitting sectors which are difficult to decarbonize (cement and aviation), both have demonstrated leadership and innovation in their respective industries.

Table 4: London CIV ACS Funds | Top contributors

Company Name	Carbon/ Value Contribution 2025	% change YoY	SBTi Target	Net Zero by 2050 ambition?	TPI Level*	In LCIV Engagement Plan? <sup>1</sup>
CRH Plc	14.7%	-1.0%	Near-Term Target Set	Yes	5	Yes
Ryanair Holdings Plc	8.3%	-0.9%	Near-Term Target Set	Yes	5	Yes
EPH Financing International, A.S.	3.4%	0.9%	None	Yes	None	No
InterContinental Hotels Group Plc	3.3%	1.5%	Near-Term Target Set	No	4	No
Sysco Corporation	3.2%	1.4%	Near-Term Target Set	No	4	No
Taiwan Semiconductor Manufacturing Company	2.0%	0.0%	None	Yes	5	Yes
Martin Marietta Materials, Inc.	1.9%	-0.2%	Near-Term Target Set	Yes	3	Yes
Cheniere Energy, Inc.	1.9%	1.2%	None	No	3	No
Packaging Corporation of America	1.8%	NA	None	Yes	3	No
Aluminium Corporation of China Limited	1.5%	NA	None	Carbon neutral by 2060	None	No

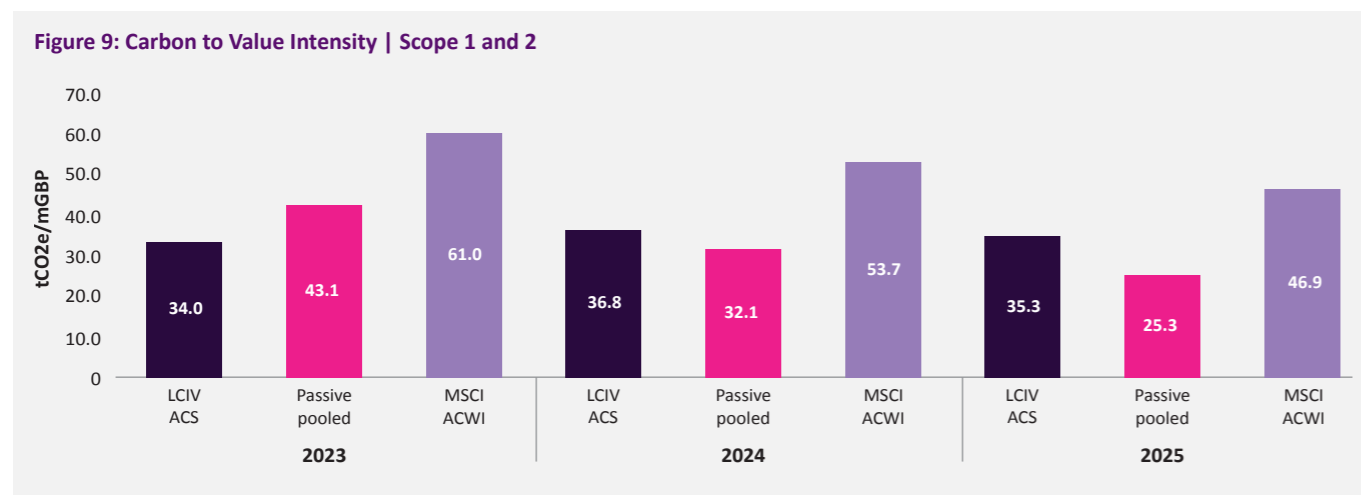
### \*Transition Pathway Initiative (TPI) Management Quality Level Key

- 0 – Unaware of climate change as a business issue
- 1 – Acknowledges climate change as a business issue
- 2 – Building capacity to manage climate-related risks
- 3 – Integrating climate change into operational decision-making
- 4 – Strategically assesses climate risks and opportunities
- 5 – Transition-planning and implementation

<sup>1</sup> Note the LCIV engagement plan was last updated in 2025; it will be refreshed to incorporate the updated results in 2026.

Our carbon footprint: public markets continued

### Passive pooled funds and benchmark emissions



In aggregate, both the LCIV ACS funds and the passive pooled funds held with BlackRock and LGIM have a significantly lower carbon to value intensity than the MSCI ACWI.<sup>1</sup> Over the last year, the intensity of the passive pooled funds held with LGIM and BlackRock declined by 21%, whilst the overall MSCI ACWI declined by 13%. This is faster than LCIV's ACS funds. There are a number of factors which fed into this, include differing fund strategies, sector and geographical exposure, and fund allocation (in the case of the passive pooled funds).

A particularly important reason is exposure to technology, and especially the Magnificent 7. LCIV's ACS funds have significantly less exposure to the Magnificent 7 than the MSCI ACWI or passive pooled funds, with ~10.9% exposure as of 31st December, compared with ~21.8% exposure in the MSCI ACWI, and ~18.9% in the passive pooled funds. The Magnificent 7 in general had very low overall carbon to value intensities, averaging just 0.78tCO<sub>2</sub>e/mGBP as of 31st December 2025 (on a Scope 1 and 2 basis), and 3.41tCO<sub>2</sub>e/mGBP on a Scope 1, 2 and 3 basis. This is because their valuations are very high, and carbon emissions are low. In 2025, the carbon intensity of the Magnificent 7 fell further, by ~17% on a Scope 1 and 2 basis. This is largely driven by valuation increases rather than any real-world reduction in carbon emissions, and occurred despite the increase in artificial intelligence use during the year. We note that increases in market capitalisation and the use of renewable energy often more than "cancel out" increases in emissions reported from AI. Because LCIV's ACS funds have lower exposure to these stocks, this had a lower impact on our funds than on the benchmark or passive funds.

## Case Study: Our inaugural TNFD report

At London CIV, we recognise the strong interdependencies between climate and nature. Climate change poses a significant threat to ecosystems and biodiversity, accelerating degradation across land and sea. Yet nature is also part of the solution: forests, oceans, and wetlands serve as vital carbon sinks, while intact natural habitats help buffer against coastal erosion, flooding, and other climate-related impacts.

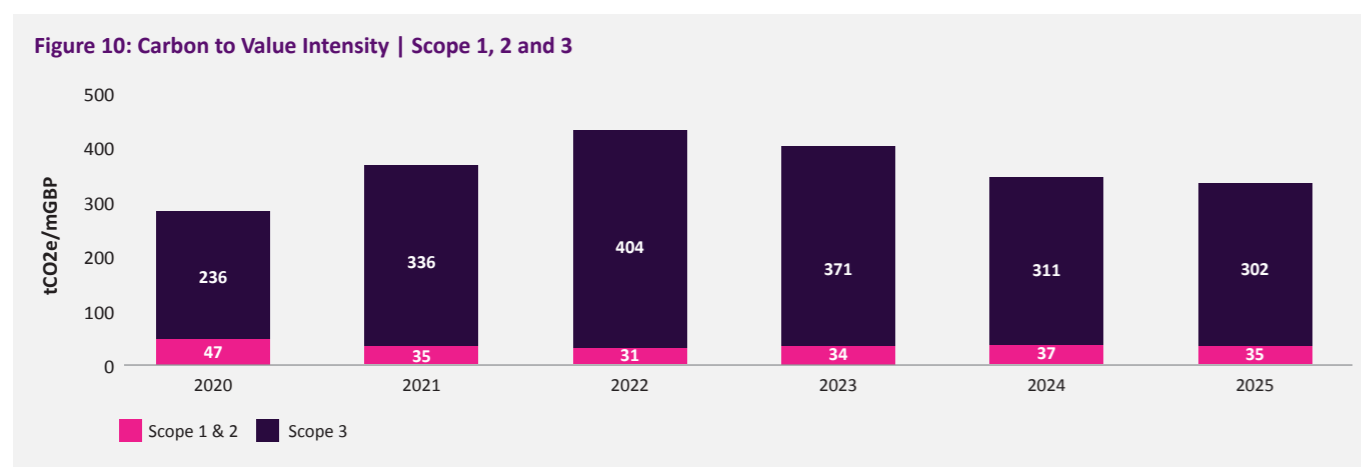
As an early adopter, London CIV published its first Taskforce on Nature-related Financial Disclosures (TNFD) report in 2025, focusing on scoping and prioritisation using the TNFD Locate, Evaluate, Assess and Prepare (LEAP) approach. Key insights included:

- Water emerged as a critical portfolio dependency, including exposure to water stress and flood risk.
- Key sectors of focus for future work include agriculture, forestry, semiconductors and mining.
- We were encouraged to see that many of our investment managers are integrating nature-related risks into their processes, with some demonstrating advanced approaches. However, approaches across the industry are still nascent and we expect to see this continue to evolve and mature.

This report marked a key milestone on our journey to better integrate nature-related risks and opportunities into investment analysis and stewardship for our Partner Funds.

Our next steps will focus on targeted engagement with key companies identified in our analysis, thematic research and further analysis of our exposure to water risks, and continuing to work with our investment managers to improve standards. We will also continue to collaborate with other investors, through initiatives including Nature Action 100 and the Investor Policy Dialogue on Deforestation.

### Scope 3



On a Scope 3 basis, our emissions intensity has fallen by ~3% over the past year.<sup>2</sup> Year on year fluctuations in Scope 3 emissions intensity are likely largely due to the uncertainty inherent in Scope 3 modelling methodologies, and may not necessarily reflect real-world decarbonisation. Our footprint is ~19% higher than our 2020 baseline. We note that Scope 3 data quality remains a significant industry-wide issue, with different data providers giving very different estimates, and reported data remaining limited and inconsistent. It is therefore very difficult to draw conclusions based on the data available. Our ACS footprint is approximately a third lower than the MSCI ACWI on a Scope 3 basis.



<sup>1</sup> In previous years we used MSCI World as the benchmark for TCFD disclosures; however we have switched to MSCI ACWI to better align with internal benchmarks.  
<sup>2</sup> Note that Scope 3 emissions intensity for 2024 has been restated from the previously reported figure, reflecting updates from our data provider.

## Other metrics we use to monitor progress for our public markets funds

We use our carbon footprint to set our short- and medium-term decarbonisation targets; however other metrics can give a more holistic view of our progress on managing climate-related risks. This analysis refers to the LCIV ACS in aggregate; for fund-level metrics, please refer to **Appendix 3**.

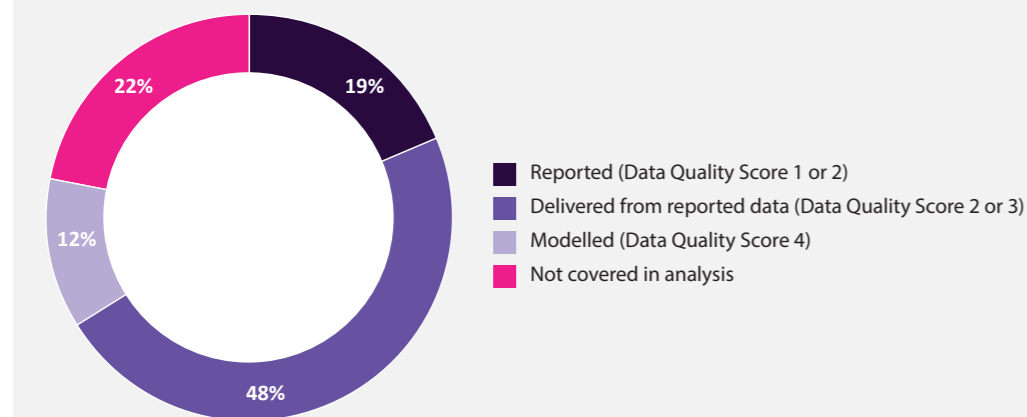
### Data coverage and quality

Climate data coverage and quality vary based on the metric / dataset used, and by asset class. The graph shows the underlying sources of the Scope 1 emissions data for our ACS portfolio by AUM. 19% of coverage is based on emissions data directly reported in companies' annual, CSR or CDP reports. A further 48% is modelled using reported energy consumption data, and ~12% is modelled based on revenue or other financial indicators and sector averages. In comparison, almost all of our Scope 3 data is modelled using financial indicators.

Overall, this amounts to 78% data coverage, approximately the same as last year. This leaves ~22% of AUM in public markets which is not currently covered in our analysis – this may be due to the asset class (e.g. sovereigns, asset backed securities, derivatives), missing data, or other data quality issues. As data coverage and quality improves across the industry, we expect to see fluctuations in the metrics we report. As coverage increases, our reported absolute emissions footprint will most likely increase, whilst emissions intensity could be affected in either direction.

Data coverage and quality also vary by fund and asset class. All our equity funds have >95% coverage. In general, climate data coverage is lower for the fixed income universe than equities, due to the increased volume of issuers including sovereigns and private companies and difficulties in mapping securities to issuers. Coverage is particularly low for the LCIV Alternative Credit Fund and CQS-managed portion of the LCIV MAC Fund, due to the nature of the strategy, which focusses on sub-investment grade debt issued by relatively small borrowers, for whom public climate data may not be available. Multi-asset funds may appear to have low coverage; however this should be viewed in relation to the proportion of the fund invested in listed equities and corporate credit (as other asset classes and derivatives are considered out of scope).

Figure 11: LCIV ACS Funds | Emissions Data Sources | Scope 1

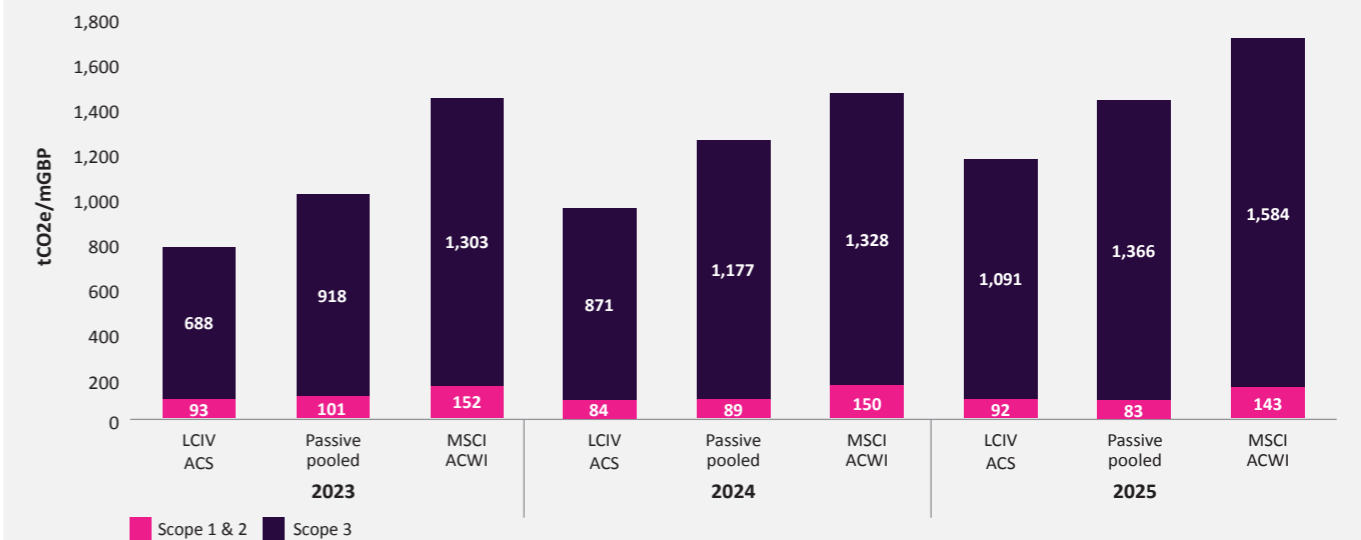


### Weighted Average Carbon Intensity (WACI)

We use WACI primarily to track exposure to high-emitting industries and companies, as well as to monitor the climate objectives of funds with related sustainability commitments, and to prioritise funds and/or assets of concern for engagement. The graph shows the WACI over time for LCIV ACS funds and passive pooled funds, compared to the MSCI World benchmark.

- Both LCIV ACS and passive pooled funds have consistently had a lower WACI than the MSCI ACWI. In 2025, LCIV ACS funds were 36% lower when considering Scope 1 and 2 emissions, and 31% lower across Scopes 1, 2 and 3.
- For Scope 1 and 2 emissions, the WACI of our ACS funds has fluctuated over time. The longer-term trend depicts a dip in emissions in 2021-2 – this is likely to have been caused by the drop in overall global emissions caused by the global COVID-19 pandemic. As climate data is reported with a lag, it takes some time for this impact and subsequent recovery to be seen in our analysis. This year the Scope 1 and 2 WACI increased by ~9%.
- For Scope 3 emissions the WACI trended up over the past two years, increasing by ~24% in 2025. However, as previously discussed, Scope 3 data quality remains poor across the industry, and it is difficult to draw conclusions based on this result
- In 2025, the WACI of the passive pooled funds fell by 7% on a Scope 1 and 2 basis, but increased by 14% for Scopes 1, 2 and 3. London CIV has no control over these funds and therefore no direct influence on the WACI.

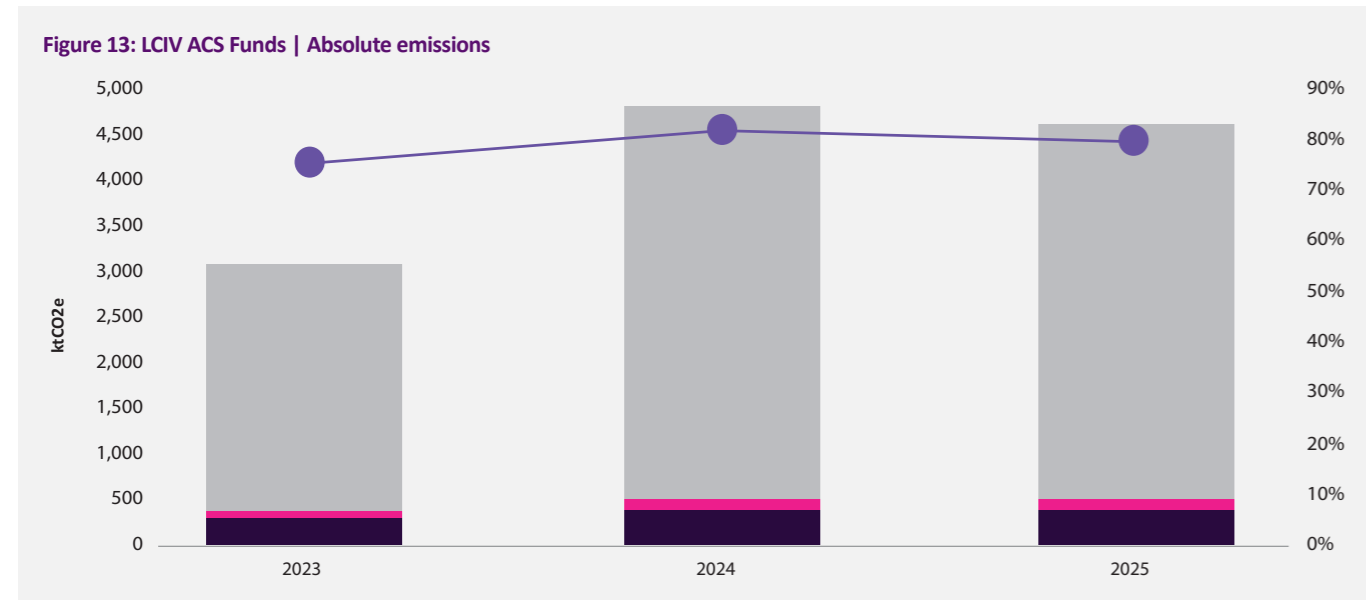
Figure 12: LCIV ACS Funds | WACI | Scopes 1, 2 & 3



Other metrics we use to monitor progress for our public markets funds continued

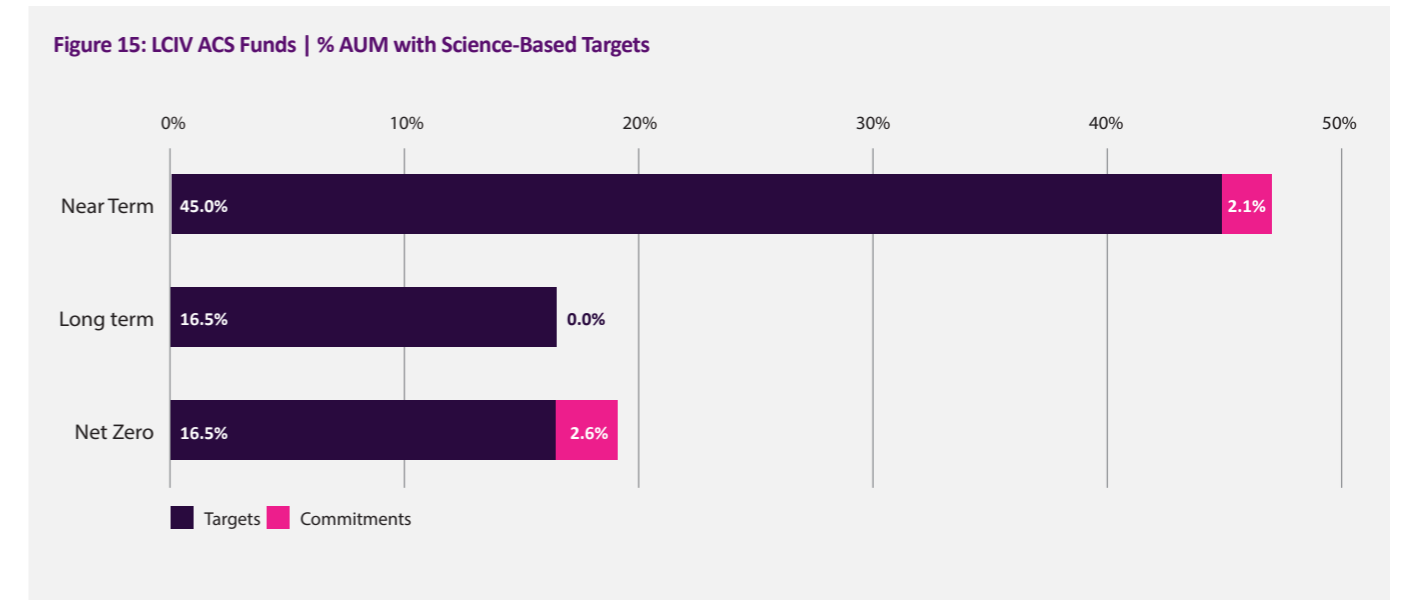
### Absolute emissions

Because of the nature of our business as an LGPS pool, our Net Zero targets and monitoring are conducted on an intensity basis. However, we also monitor our absolute carbon footprint as a measure of our real-world impact on the global carbon budget. The graph depicts the absolute carbon emissions of our ACS funds over time. In the last year, the AUM in the LCIV ACS has increased by ~8%, and data coverage slightly fell from 80% to 78%. The overall effect is a 5% increase in the AUM covered by our analysis. In the same period the Scope 1 and 2 emissions rose by just 2%, whilst the Scope 1, 2 and 3 emissions increased by ~2%. It should also be noted that fluctuations in Scope 3 data are to be expected due to data quality issues



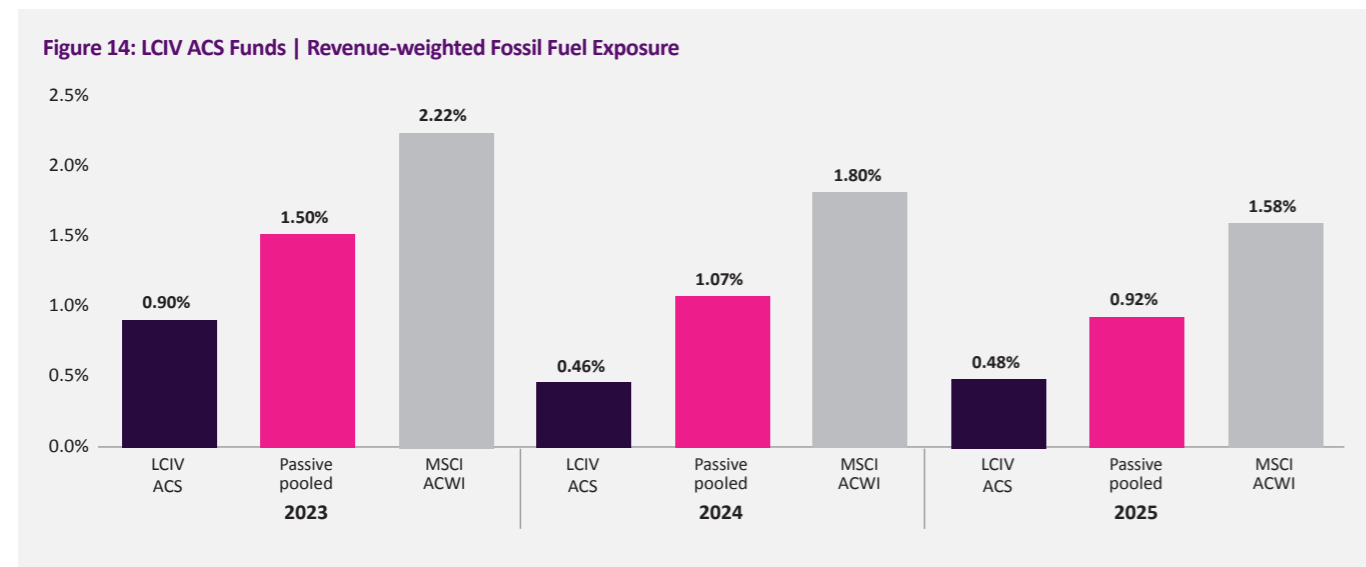
### Science-Based Targets

We also monitor the proportion of our assets which have set or committed to Science- Based Targets, as the gold standard in emissions reduction targets. Approximately 16% of our AUM in corporate public markets have set a Net Zero target, an increase from last year when ~10% had set targets. A further 2.6% have committed to setting Net Zero targets. 45% have set short-term reduction targets, an increase from 34% last year. This does not capture assets which may have made decarbonisation commitments which have not been independently verified by the SBTi.



### Fossil fuel exposure

We monitor revenue-weighted fossil fuel exposure across our ACS funds, as a measure of exposure to stranded asset risk. Since 2020, fossil fuel revenues have consistently made up <1% of our AUM. Exposure rose slightly in 2025 from 0.46% to 0.48%. Despite this marginal increase, fossil fuel exposure remains well below that of the MSCI ACWI benchmark.



# Scenario analysis

To better understand the potential financial impact of physical and transition risks on our portfolio, we conducted a climate scenario analysis covering listed equity and corporate fixed income instruments across our funds. For further details on our methodology please see Appendix 2.

Our analysis focusses on the portfolio (as opposed to our own operations) due to the materiality of impact – our operational carbon footprint is <0.01% of our portfolio footprint (which affects our operational exposure to transition risks) and we use a single, leased office space (which affects our operational exposure to physical risks).

## Approach

Our approach is summarised below. More detailed methodology notes can be found in the appendix. In particular, please note that our analysis does not consider any potential strategic actions taken by us, our investment managers or our Partner Funds to respond to mitigate potential impacts. The analysis provides a point-in-time snapshot based on the portfolio as of 31st December 2025, which is not necessarily reflective of the portfolio construction at any point in the future. All scenario analysis involves a very high degree of uncertainty and is sensitive to the parameters of the underlying modelling.

Table 5: Our approach to modelling climate-related risks

Risk category	Approach
Transition risks	We analyse our exposure to transition risks through assessing our “carbon earnings at risk”; the exposure of underlying companies to carbon pricing mechanisms such as emission trading schemes and carbon taxes. This is used as a proxy for wider exposure to transition-related risks.
Physical risks	We use value-at-risk metrics that evaluate exposure to acute and chronic climate hazards (such as coastal floods, fluvial floods, extreme heat, extreme cold, tropical cyclones, wildfires, water stress, drought, pluvial floods and landslides) under different climate scenarios, taking into account geographic location, vulnerability and preparedness of assets.

Although we acknowledge the complex interrelations between physical and transition risks, we analyse them separately due to the different channels of impact, and limitations on data availability. It is important to note that physical risk impacts are measured as a percentage of asset value, while transition risk impacts are measured as a percentage of EBITDA, and the scenarios differ between these analyses. As a result, the two metrics are not directly comparable.

## Scenarios

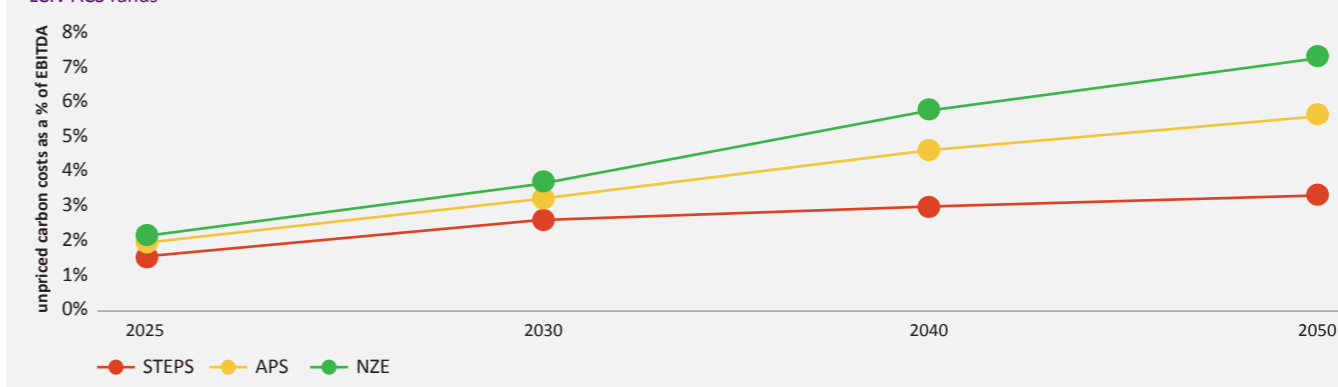
We use the following scenarios in our analysis. More detailed descriptions, including the mapping to the NGFS scenarios can be found in the appendix.

Table 6: Climate scenarios used in this report

Scenario provider	Scenarios Used in Analysis	Implied Temperature Rise
<b>Transition Risks</b>		
International Energy Agency (IEA)	State Policies Scenario (STEPS)	1.9°C to 2050, rising to 2.4°C to 2100
	Announced Pledges Scenario (APS)	1.7°C to 2100
	Net Zero Emissions by 2050 Scenario (NZE)	1.5°C to 2050, falling to 1.4°C to 2100
<b>Physical Risks</b>		
Intergovernmental Panel on Climate Change (IPCC)	SSP1-2.6	1.7°C to 2060 1.8°C to 2100
	SSP2-4.5	2.0°C to 2060 2.7°C to 2100
	SSP3-7.0	2.1°C to 2060 3.6°C to 2100
	SSP5-8.5	2.4°C to 2060 4.4°C to 2100

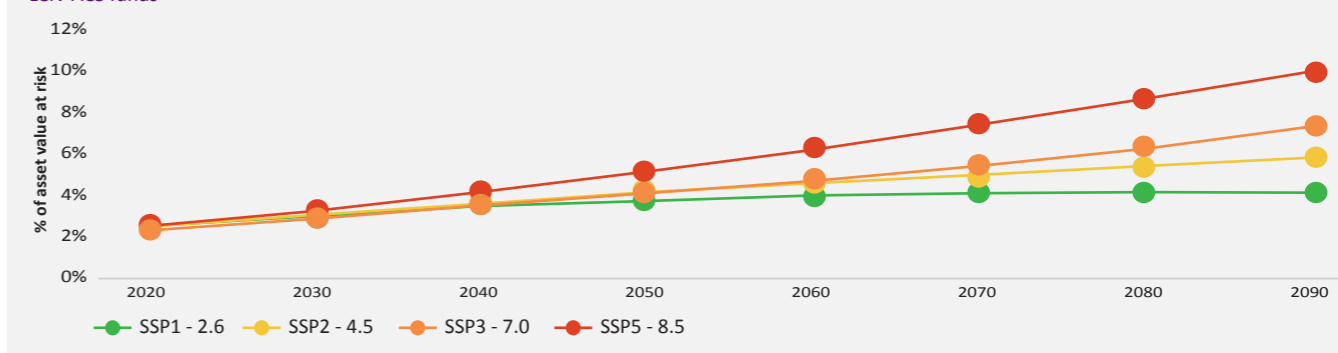
## Results

Figure 16: Scenario Analysis – Exposure to Transition Risks  
LCIV ACS funds



In 2025, estimated transition risk costs are relatively low, but increase roughly linearly in the future under all the climate scenarios considered. Transition risks are higher under lower-temperature scenarios as t early and ambitious climate action increases the likelihood of higher operating costs (e.g. through carbon pricing or emissions trading schemes) and accelerates the risk of stranded assets. In hotter scenarios, delayed policy intervention postpones these costs and slows the pace of business model transition, resulting in lower transition risk impacts.

Figure 17: Scenario Analysis – Exposure to Physical Risks  
LCIV ACS funds



Under all scenarios, exposure to physical risks increases in the future, but under higher temperature rises, exposure increases exponentially. By the end of the century, estimated asset value at risk rises to nearly 10% under the worst scenario. The impact of physical risk is highest in the most extreme warming scenario, where climate policies remain limited to those already in place, decarbonisation commitments are not met, and average global temperatures exceed 4°C by the end of the century. Impacts are lowest under an orderly transition scenario, where early and decisive policy action is taken, climate policies strengthen gradually over time, and warming is limited to well below 2°C, in line with the Paris Agreement.

We note that there are complex interplays and trade-offs between our exposure to physical and transition risks under different climate scenarios. 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.

As part of our analysis, we also identified a subset of companies with particularly high exposure to either physical or transition risks in the near-term. For transition risks, we identified companies with expected losses of >10% of EBITDA by 2030 under the highest temperature scenario, and for physical risks, we identified companies with >5% of asset values at risk by 2030 under the lowest temperature scenario. These companies are likely to be significantly impacted by climate-related risks, even in the mildest scenario outcomes. This may represent significant financial risk to our funds, where these companies make up a material portion of our AUM. We are reviewing these exposures to validate the findings, and plan to incorporate them into our engagement plan.

The results of this work are also referenced in our Internal Capital and Risk Assessment process (“ICARA”), and will also be a factor that informs our triennial in-depth reviews of our Climate Action Plan.

# Our impact in private markets

## Private markets are important in addressing the climate crisis across all areas of mitigation, avoidance, offsetting and adaptation.

With only 34% of private firms having set Net Zero targets, versus 74% of listed companies<sup>1</sup>, it is imperative that we monitor and engage with our private markets general partners to understand our carbon baseline and work to decarbonise across asset classes. At the same time, private markets investment and innovation in renewables, forestry and other climate solutions are key to displacing emissions from traditionally high-emitting industries.

This is the second year for which we have disclosed data for our private markets funds.

Many of our funds show significant changes in intensity this year. We believe that much of this is due to methodology. In particular, the following assumptions affect our analysis:

- We use emissions data as reported by the general partners of each of the underlying funds, and are reliant on the quality of their data, methodologies and assumptions. Approaches may vary between managers. In particular, our infrastructure manager has changed their modelling approach this year, which has resulted in a significant change to the reported intensity.
- Our intensity metrics use Net Asset Value (NAV) as the denominator, which can be affected by accounting assumptions and the timing and magnitude of capital calls. We also do not account for the leverage of funds.

Given the materiality of the changes, we do not believe there is any validity in comparing the numbers with those of last year. For the purposes of transparency, we have reported the data collected.

We will continue to engage with our general partners to better understand the results, and will be reviewing our approach to calculating climate intensities, aiming to ensure it is fit for purpose and provides meaningful, decision-useful data. This is an ongoing process at the time of this report's publication.

## Approach

For further details on our methodology as well as key assumptions and limitations, please refer to the appendix. Approaches to reporting emissions in private markets are still nascent and can vary significantly between managers and may change as they develop their internal tools and modelling, as discussed below and in the appendix.

It is also important to be cognisant that the emissions data reported below does not show the overall picture of what the emissions are "used" for. For example, constructing a low carbon building or solar plant obviously consumes energy and resources, producing carbon emissions, but provides critical infrastructure and may displace emissions elsewhere in the economy. The overall net effect may be a reduction in real-world emissions in the long-term.

## Data quality and coverage

Overall data coverage was approximately 78% on a Scope 1 basis and 83% on a Scope 3 basis.<sup>2</sup> Data was reported for the latest available year. For 12 funds representing 38% of NAV, data was provided for 2024 instead of 2025, due to reporting timelines.



<sup>1</sup> <https://zerotracker.net/insights/privately-owned-firms-unprepared-for-incoming-climate-regulation>

<sup>2</sup> Some manager report Scope 3 but not Scope 1 emissions. Where only an aggregate was provided, it was generally assigned to Scope 3.

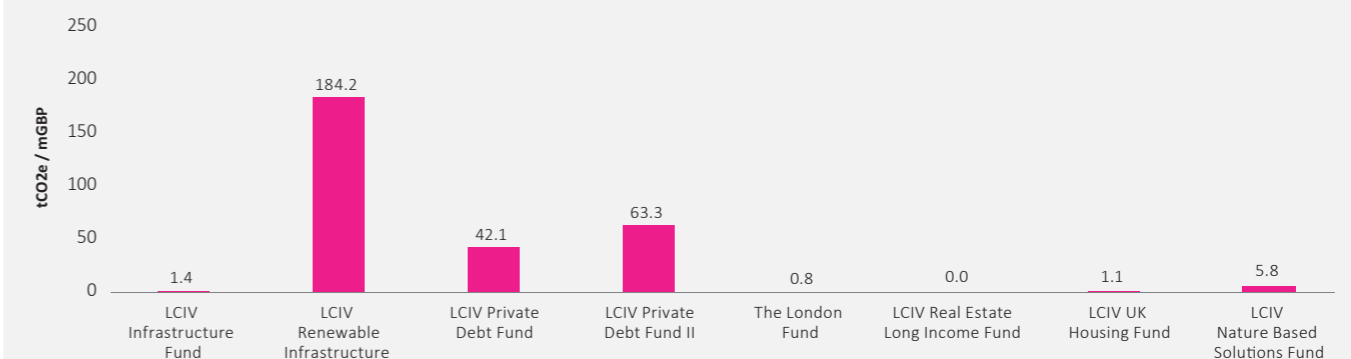
## Carbon Intensity: Scope 1 and 2

On a Scope 1 and 2 basis, there were some significant methodological changes compared to last year, which significantly impacted the results.

In particular, the manager for the LCIV Infrastructure Fund made a significant update to its modelling methodology and assumptions. This highlights some of the difficulties in monitoring real-world change in private markets, where approaches are still nascent and evolving. It is also notable that the intensity calculated for the LCIV Renewable Infrastructure Fund is significantly higher than the LCIV Infrastructure Fund. We believe this is due to differences in assumptions – for the LCIV Infrastructure Fund, the manager models all assets as though they are in the operational stage and does not account for construction emissions. This means that the actual impact is likely understated. We are engaging with this manager to better understand the updated methodology, and challenge its assumptions, to enable us to better track progress going forward.

Please note that in addition to changes in modelling assumptions, results may be affected by the timing and magnitude of capital calls, changes in net asset values (NAV) and leverage, as well as by actual changes in emissions. We are working with our managers to better understand how these factors affect the results reported, and will review our methodology in the coming year, aiming to ensure it is useful for tracking progress.

Figure 18: Carbon to value intensities – Scope 1 & 2 London CIV private markets funds

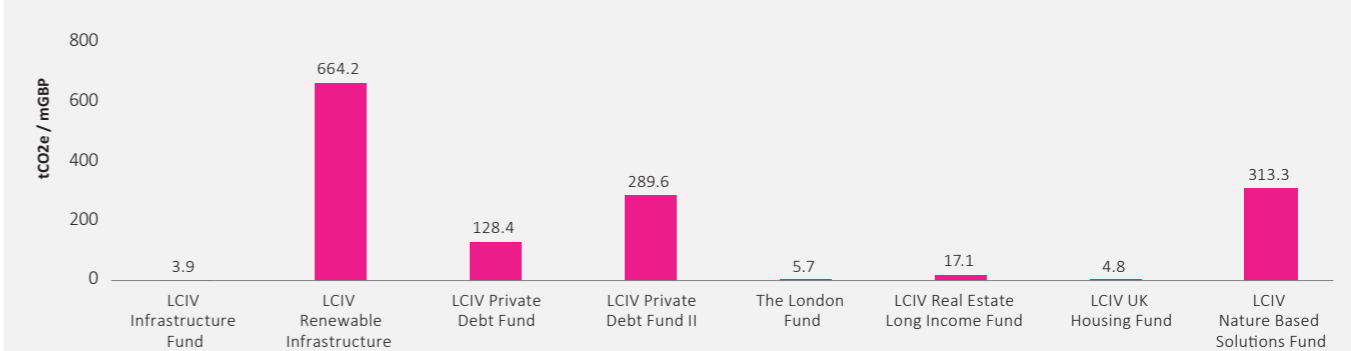


## Carbon intensity: Scope 3

On a Scope 3 basis, the LCIV Infrastructure Fund reported the highest footprint, followed by the Nature Based Solutions Fund and the two Private Debt funds. As with Scope 1 and 2 emissions, we are working with our managers to better understand their methodologies and the sensitivities to underlying financial factors.

Of note is that on a Scope 3 basis, the Nature Based Solutions Fund has a significant impact, due to activities like planting, thinning and sawmills. This highlights that all activities result in emissions, even when they have other benefits to climate and/or nature. Due to limitations on data availability, we cannot account for the carbon sequestered by this fund.

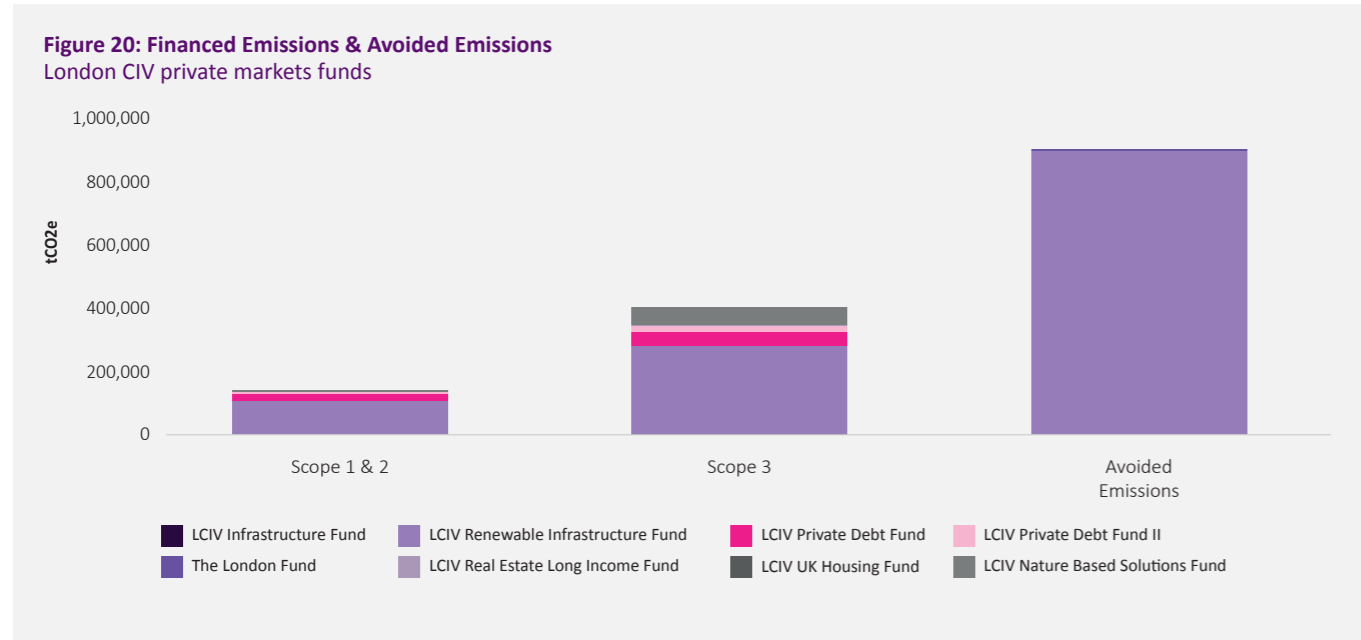
Figure 19: Carbon to value intensities – Scope 1, 2 & 3 London CIV private markets funds



Our impact in private markets continued

### Absolute emissions

We have also reported the absolute and avoided emissions as reported by our underlying investment managers.



### Next steps

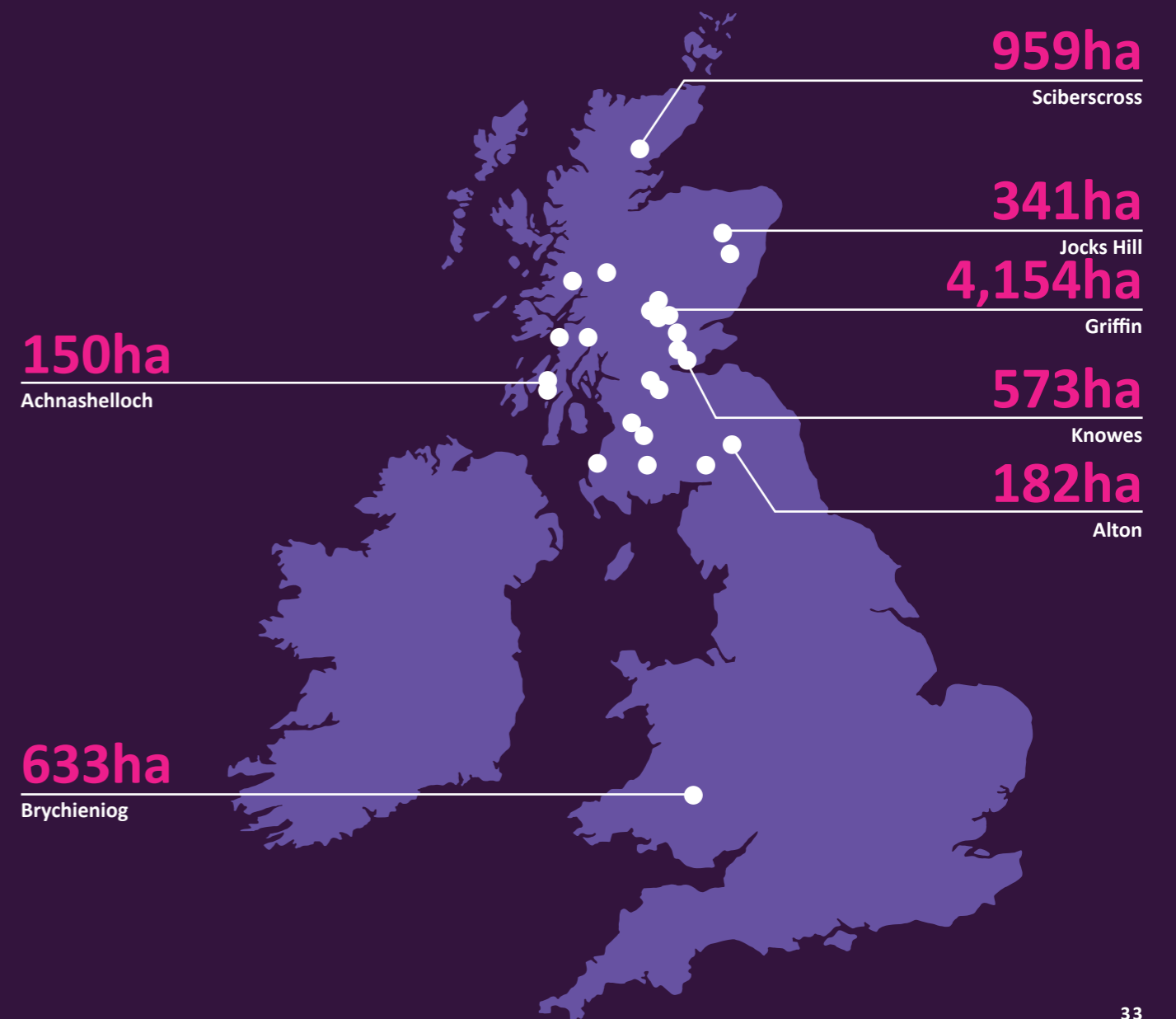
As mentioned, we are working with our GPs to better understand the reasons for the evolving emissions picture. We also plan to review our approach over the next year, aiming to ensure it is useful for tracking progress.

## Case Study:

### Gresham House Forest Fund VI LP

The Gresham House Forest Fund VI LP is an asset-backed forestry strategy designed to deliver diversified returns while sequestering carbon and enhancing natural capital through biodiversity. The portfolio currently comprises just under 16,700 hectares across 31 properties in Scotland and Wales. The fund generates returns through sustainable timber harvesting and land appreciation, with additional revenue potential from renewable energy development and operation on forest sites. The forestry investment strategy aligns with national and international objectives to increase tree cover as part of a climate change strategy, as well as promotion of timber as a low-embodied-carbon construction material. Over the next 25 years, the fund is expected to sequester c.4.9 million tonnes of CO<sub>2</sub>, with total annual sequestration estimated at approximately c.169,000 tCO<sub>2</sub>e for the year ended 31 March 2027.

**16,697 hectares**  
**31 UK forests**



# Own operations

## In 2025, we became operationally carbon neutral for the first time, in line with our Climate Action Plan and net zero ambitions.

This was achieved through offsetting the emissions from our office, supply chain, business travel and other material Scope 3 categories (excluding investment-related emissions). This was an important milestone on our climate journey, and we were very proud to be able to support two high-quality, verified carbon removals projects, having positive impacts on local communities whilst taking responsibility for our own emissions.

### Our footprint

Our operational footprint is very small relative to its investment-related emissions. Compared to ~4.5 million tCO<sub>2</sub>e associated with our ACS funds, our operational footprint is just c.187 tCO<sub>2</sub>e, or <0.01%. As such, most of our decarbonisation strategy focusses on managing investment-related emissions, but we do recognise the importance of disclosing and taking responsibility for our own Scope 1 and 2 emissions, as well as material non-investment-related Scope 3 categories, where we have more direct control.

Our operational footprint is outlined below. This was calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard<sup>1</sup>, using data from our building manager, internal finance records, and a survey on employee commuting and homeworking practices.

Table 7: London CIV 2024 corporate footprint

Emissions scope	Category	2024 Emissions, tCO <sub>2</sub> e
Scope 1	Heating	2.4
Scope 2	Electricity (market-based) <sup>1</sup>	0.0
	Electricity (location-based) <sup>2</sup>	6.8
Scope 3	1. Purchased goods & services	131.8
	3. Fuel and energy-related activities	4.5
	5. Waste generated in operations	0.3
	6. Business travel <sup>3</sup>	17.5
	7. Employee commuting and working from home	23.6
	15. Investments	Calculated separately
Total		177.6
<b>Total corporate footprint (location-based)<sup>1</sup></b>		<b>186.8</b>
<b>Total corporate footprint (market-based)<sup>2</sup></b>		<b>180.0</b>

- 1 Location-based emissions use grid average emission factors, and measure the actual emissions associated with the energy use of a company / individual.
- 2 Market-based emissions use supplier emission factors and reflect the purchasing decisions of a company / individual. We use a 100% renewable-based supplier.
- 3 In 2024, London CIV took 20 flights which were paid for by investment managers. This accounts for approximately 15.6 tCO<sub>2</sub>e. As per GHG Protocol guidance, these are not included within our stated footprint, but are disclosed here for completeness.

## Becoming carbon neutral

In order to achieve our target of becoming operationally carbon neutral by 2025, we developed an offsetting approach, which prioritised high-quality, externally verified offsets with a focus on nature-based solutions.

Recognising the need to carefully select a reliable offset provider, we undertook a detailed market review, ultimately opting to partner with Ecologi. Ecologi is a climate action platform that supports businesses to measure, reduce and offset carbon emissions. It offers a diverse portfolio of projects, including carbon removal projects in the UK and internationally. In addition to verification by recognised standards such as Gold Standard, Verra and Puro, Ecologi applies a further layer of due diligence through its Carbon Project Assessment Framework (CPAF).

We invested in two nature-based carbon removal projects, comprising a biochar project in Surrey and a mangrove restoration project in Pakistan.

### Key principles of our offset approach

To the extent possible, we aim to:

- Use offsets which remove carbon from the atmosphere through nature-based solutions
- Use established, reliable technologies aligned with Categories IV or V of the Oxford Offsetting Principles
- Use actual offsets (as opposed to pending issuance units)
- Use high-quality, externally verified offsets
- Look for offsets with co-benefits on nature and/or social objectives
- Include some local UK exposure

<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

## Reducing our footprint

We recognise that offsetting is one way of becoming “Net Zero”, but to truly mitigate our impacts, we have considered a range of measures to reduce our operational footprint. These include optimising heating and cooling, encouraging energy-saving behaviours (e.g. switching off devices and using energy-efficient settings), improving recycling habits, and engaging with building management on further initiatives such as lighting and equipment upgrades and waste composting. We will continue to explore these options, working with other stakeholders. We note that, relative to the impact we can have in influencing our investments, these actions have limited impact overall.

## Offsetting projects that we supported in 2025

### Producing biochar from waste biomass in Surrey

Biochar is a carbon rich, highly stable soil amendment produced as a by-product of pyrolysis, which generates energy from biomass in the absence of oxygen. While natural decomposition releases carbon dioxide and methane, conversion to biochar retains a significant proportion of this carbon, which can be stored in soils for centuries, providing a durable carbon removal pathway. The process generates energy, improves soil quality, nutrient retention and crop yield, offering an alternative to disposal through burning or decomposition.

The project developer, Brodie Biomass Ltd (BBL), is a sustainable farming enterprise based near Brockham in Surrey. BBL sources locally available timber offcuts and coppiced wood, converting these into biochar using advanced pyrolysis technology, supporting a zero-waste model by transforming wood residues that might otherwise be burned or left to decompose.

Our certified carbon credits support the expansion of operations at BBL, including adding additional pyrolysis units and distribution channels. This project demonstrates how regional biochar production can combine carbon removal, soil improvement and rural economic development within a scalable model for climate action.



#### SDGs supported



#### Verifications

Puro Earth

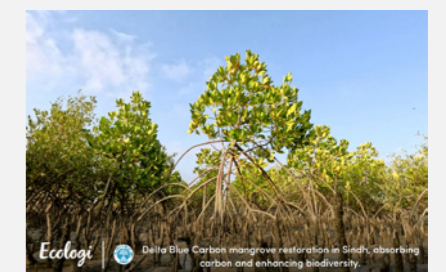


### Supporting mangrove restoration in Pakistan

The Delta Blue Carbon Project is an initiative to promote climate change mitigation and adaptation, maintain biodiversity and create improved livelihoods, well-being and employment for forest-dependent communities in Pakistan’s Indus Delta Region. The project is being implemented in the coastal portion of the Indus eco-region, which is one of the 40 most biologically rich ecoregions in the world. The Project Zone meets the Key Biodiversity Area (KBA) definition on account of both vulnerability and irreversibility criteria.

The project consists of the restoration and conservation of tidal wetland mangrove forests in the project area. By restoring degraded mangroves, the project creates a significant natural carbon sink, removing 127 million tCO<sub>2</sub>e of emissions over its lifetime. Additionally, the project strengthens climate adaptation by protecting coastal ecosystems, reducing vulnerability to sea level rise and extreme weather events.

The project’s community objectives also include the promotion of various gender development and income generating activities for women and through Mangrove Stewardship Agreements, the project collaborates with local forest-dependent communities to improve financial security and climate resilience.



#### SDGs supported



#### Verifications

Verified Carbon Standard and Climate, Community and Biodiversity Standard



## Next steps

**The TCFD report is an important way to take stock of where we are on our climate journey. We use the data to inform our engagement planning for the year ahead, as well as inform the implementation of our Climate Action Plan.**

A key area of focus over the next year will be on considering how our Climate Action Plan and ambitions will need to evolve in light of the Pension Schemes Act 2026. We have been working closely with our Partner Funds to consider how their RI and climate ambitions will be integrated into our future fund offerings, and will continue to engage them as we work to produce products that meet their needs and support them in achieving their climate goals.

Other key areas of focus in the next year will be on:

- Continuing to expand the proportion of our fund range aligned with our Climate Action Plan, including through integrating decarbonisation, alignment and engagement objectives
- Revisiting our approach to private markets emissions reporting, and making any updates as necessary order for us to more meaningfully track progress
- Continuing to engage with managers to monitor their approaches to climate, and advocating for robust, considered approaches
- Continuing to engage with companies in our engagement plan, prioritising the top contributors to our carbon footprint and others

identified through this report as having material exposure to climate risks

- Working with our data providers, investment managers, and peers to continue to improve data standards across the industry.

We will also closely monitor external market developments, including the shifting policy and regulatory landscape in the United States and the growing emphasis on energy security in light of the US-Iran war. These dynamics introduce uncertainty and will influence both the pace and pathway of the global climate transition, with direct implications for our investment strategy and ability to meet our climate objectives.

We expect the year ahead to be an exciting one for the LGPS and for the world, and look forward to continuing to work with our Partner Funds to deliver on climate, aiming to do our bit to help create a greener, safer world for their beneficiaries.

## Case Study:

### Engaging with a top emitter | European low-cost airline

#### Background

The airline has committed to reducing its emissions intensity by 27% by 2031 (from a 2023 baseline), aligned with a 1.5°C pathway. This target has been validated by the Science Based Targets initiative (SBTI) which is expected to be achieved through increased use of sustainable aviation fuel (SAF), fleet renewal and improved operational efficiency.

#### Action and Engagement

Our investment manager, Ruffer, engaged with the company via its shareholder forum in 2025, followed by a one-to-one meeting with management. The engagement focused on understanding its approach to SAF, and its engagement with policymakers on the EU Emissions Trading Scheme (ETS).

The airline has demonstrated ambition to play a leading role in the SAF market. While EU regulation requires a 6% SAF blend by 2030 (rising to 20% by 2035 and 70% by 2040), the company has committed to a 12.5% blend by 2030, with approximately 80% of this target already secured. This positioning is supported by its ability to negotiate long-term, cost-competitive agreements. However, the airline noted that achieving the EU's 6% SAF blending mandate by 2030 may still be challenging given current supply constraints. It aims to support the scaling of SAF production through investment in research initiatives and has partnered with a university to support a range of innovation initiatives to accelerate the use of SAF, including analysing lifecycle greenhouse gas emissions from its production and assessing the feasibility of zero-carbon aircraft propulsion systems. The company recently extended this partnership to 2030, with a further €2.5m committed to sustainable aviation research.

The airline also continues to invest in more fuel-efficient aircraft, with fleet renewal remaining a core component of its decarbonisation strategy.

From a policy perspective, the company is engaging with policymakers on reform of the EU Emissions Trading Scheme (ETS), which requires airlines to account for and pay for their carbon emissions. It raised concerns about perceived inequities in the current design, noting that the scheme applies only to intra EU flights and does not cover a significant proportion of emissions from long haul travel. This excludes over 50% of European aviation emissions, with these emissions generated by just 6% of flights. In response, and in collaboration with the NGO Transport and Environment, the company is advocating for the extension of the scheme to cover all flights departing from an EEA airport. It is also engaging with policymakers on measures to support investment in SAF and incentivise its use.

#### Outcomes and Next Steps

The company demonstrated a willingness to engage constructively and has provided robust disclosures under the Corporate Sustainability Reporting Directive (CSRD). Ruffer will continue to monitor developments in SAF supply, regulatory frameworks and fleet strategy, given their importance in managing transition risk and protecting long term shareholder value.



## Appendix 1: Mapping to TCFD categories

Table 8: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Section	Recommended disclosure	Report reference and notes
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	p6
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	p6
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	p8-9
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	p10
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p28-29
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	p14
	b) Describe the organisation's processes for managing climate-related risks.	p15-18
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	p16
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	p20-32
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	p26 & 32
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	p12 & 20

## Appendix 2: Technical methodology

### Metric definitions

The following metrics are used in this report:

Table 9: Metrics used in this report

Metric	Definition	Calculation	Units	Use	Link
<b>Carbon to Value (C/V) intensity or carbon footprint</b>	A measure of carbon emissions normalised by enterprise value (or net asset value for private markets funds)	$\frac{\sum_i^n \left[ \frac{\text{Value of investment}_i}{\text{EVIC}_i} \times \text{Emissions}_{\text{issuer}_i} \right]}{\sum_i^n [\text{Total fund value}_i]}$	tCO <sup>2</sup> e / mGBP holdings	To compare the carbon intensity of different funds	
<b>Weighted Average Carbon Intensity (WACI)</b>	A measure of carbon emissions normalised by revenue and weighted by holding value	$\sum_i^n \left[ \frac{\text{Emissions}_{\text{issuer}_i}}{\text{Revenues}_{\text{issuer}_i}} \times \text{Weight}_i \right]$	tCO <sup>2</sup> e / mGBP revenue	To measure exposure to carbon-intensive assets	<a href="#">PCAF</a>
<b>Data quality score</b>	A measure of the quality of data used to calculate climate metrics. 1 indicates highest quality data and 5 is worst	N/A	N/A	To track the quality of emissions data used in analysis	
<b>Absolute emissions</b>	The total carbon emissions produced by a company or fund	$\sum_i^n \left[ \frac{\text{Value of investment}_i}{\text{EVIC}_i} \times \text{Emissions}_{\text{issuer}_i} \right]$	ktCO <sup>2</sup> e	To understand the real-world climate impact of investments	
<b>Revenue-weighted fossil fuel exposure</b>	The proportion of underlying asset revenues derived from fossil fuel extraction and power generation	N/A	%	To measure risks associated with exposure to fossil fuels	
<b>% Science-Based Targets</b>	The proportion of underlying AUM which has set decarbonisation targets approved by the Science-Based Targets institute	N/A	%	As an indicator of the planned future decarbonisation of companies	<a href="#">SBTi</a>
<b>Unpriced carbon costs as % of EBITDA</b>	A measure of the impact of future carbon prices on earnings	$\sum_i^n \left[ \frac{\text{Carbon footprint}_i \times \text{Risk premium}_i}{\text{EBITDA}_i} \right] \times \text{Weight}_i$	%	To measure exposure to transition risks associated with carbon pricing	
<b>% asset values at risk</b>	A measure of the impact of future climate hazards on asset values	$\sum_i^n \left[ \frac{\text{Financial impact}_i}{\text{Asset value}_i} \right] \times \text{Weight}_i$	%	To measure exposure to physical risks associated with acute and chronic climate hazards	<a href="#">S&amp;P</a>

### Emissions scopes

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:** Covers Scope 1 and 2 emissions, plus emissions generated through a company's upstream and downstream value chain, where material.

Appendix 2: Technical methodology continued

## Methodology notes and limitations

### Public markets funds

All metrics have been calculated in accordance with The Global GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for Carbon Accounting Financials (PCAF). Analysis covers listed equities and fixed income assets in our LCIV ACS portfolio and passive pooled funds held with BlackRock and LGIM. Data is provided by S&P Global Sustainable1; whilst we have conducted due diligence to understand their processes and controls, we are reliant upon their underlying data reliability and modelling techniques. Metrics cover the proportion of the fund for which data was available only, which may not be representative of the whole fund.

### Private markets funds

Emissions data for each underlying fund was provided by our investment managers. We are reliant on the quality of their underlying data, methodologies and assumptions. There may be inconsistencies in the approach taken by different managers, or by the same manager in different years. Where there were uncertainties over the data reported, we have tried to clarify this with the managers. Where we were not able to do so, conservative assumptions were made. Metrics cover the proportion of the fund for which data was available only, which may not be representative of the whole fund. We have not attempted to use estimates to fill gaps. The latest available emissions data was used- in some cases this involved using 2024 data where 2025 emissions data was not available. For details on the year of the data taken for each underlying fund, please refer to Appendix 4. Emissions were apportioned to us based on the ratio of our commitments to total fund commitments as of 31st December 2025. This may mean a discrepancy between the date of the financial data and the date of the reported emissions data. Emissions intensity was calculated based on the ratio of emissions to Net Asset Value. We have not accounted for the leverage of underlying funds due to limitations on data availability. We recognise that this may overstate our attributed emissions and have identified this as a potential future improvement to our analysis. Metrics at an LCIV fund level were calculated by weighting by Net Asset Value.

### Data coverage

Data coverage varies across our funds, with the most significant factors being asset class mix, geography, sector and strategy. Where data is only available for a small proportion of a fund, it may not be representative of the remaining data. We therefore do not “gap-fill” missing data which may result in erroneous conclusions; however, variations in data coverage should be considered when comparing absolute values. For public markets data, it is not always possible to match up individual securities to the corporate level at which climate data is reported due to the complex legal and financial structures of businesses. This is reflected in the fact that the coverage of our equities funds is much higher than that of more diversified portfolios. For private markets data, we are reliant on the coverage of the data provided by our underlying investment managers.

### Scenario analysis

To model transition risks, we draw on analysis from S&P Global Sustainable1, which models current carbon prices for different sectors and jurisdictions and projects them into the future using scenario data from the IEA and OECD, as well as independent research. This analysis is used to estimate impact on EBITDA at an asset level under different scenarios and time periods and then aggregated up to the fund and portfolio level.

To model physical risks, we draw on analysis from S&P Global Sustainable1, which provides estimated financial losses under different scenarios from CapEx, OpEx, business interruption and other pathways as a proportion of total asset value, at a corporate level, under different scenarios and time periods. We use composite indicators which aggregate risk across the following hazards: coastal floods, fluvial floods, extreme heat, extreme cold, tropical cyclones, wildfires, water stress, drought, pluvial floods and landslides. These are then aggregated up to the fund and portfolio level.

For both physical and transition risks, corporate financial impacts were provided by S&P Global Sustainable1 in accordance with their proprietary methodologies; whilst we have conducted due diligence to understand their processes and controls, we are reliant upon their underlying data reliability and modelling techniques. There is considerable modelling uncertainty linked to climate scenario analysis, and the results should be considered exploratory and interpreted with caution. Scenarios are not forecasts or predictions. This methodology is exploratory and subject to change. Analysis covers listed equities and fixed income assets in our LCIV ACS portfolio. Sovereign bonds are covered by the physical risk analysis only. The analysis is based on a point-in-time snapshot of the portfolio as of 31st December 2025, which is not necessarily reflective of the portfolio construction at any point in the future. In particular, it does not account for any management actions taken by London CIV, our investment managers or the underlying assets. Analysis covers listed equities and fixed income assets in our LCIV ACS portfolio, and considers direct operations only. Impacts from physical risks are highly location-specific. The spatial resolution varies by climate hazard but in general is 25km x 25km or lower. Metrics cover the proportion of the fund for which data was available only which may not be representative of the whole fund.

The following scenarios are used in our analysis:

Table 10: Climate scenarios used in this report

Scenario provider	Scenarios Used in Analysis	Implied Temperature Rise	Description of Scenarios	Link	Mapping to NGFS Scenario
<b>Transition Risks</b>					
International Energy Agency (IEA)	State Policies Scenario (STEPS)	1.9°C to 2050, rising to 2.4°C to 2100	This scenario takes into account current government policies around climate change, including regulatory, market, infrastructure and financial factors and models, the expected global emissions pathway, and temperature rise.	<a href="#">STEPS</a>	Too Little, Too Late (Fragmented World)
	Announced Pledges Scenario (APS)	1.7°C to 2100	This scenario assumes that governments will meet all climate-related pledges which have been announced to date, regardless of whether they have yet been underpinned by specific policies. Commitments from business and NGOs are also considered.	<a href="#">APS</a>	Disorderly (Delayed Transition) / Orderly (Below 2°C)
	Net Zero Emissions by 2050 Scenario (NZE)	1.5°C to 2050, falling to 1.4°C to 2100	This scenario sets out a pathway for achieving both the Paris Agreement goal of stabilising emissions at 1.5oC above pre-industrial levels, and key UN Sustainable Development Goals, including universal access to energy by 2030 and major improvements in air quality. Advanced economies are assumed to decarbonise faster than developing ones.	<a href="#">NZE</a>	Orderly (Net Zero 2050 / Low Demand)
<b>Physical Risks</b>					
Intergovernmental Panel on Climate Change (IPCC)	SSP1-2.6	1.7°C to 2060, 1.8°C to 2100	This scenario assumes global emissions are cut severely, avoiding some of the worst impacts of climate change but still not fast enough to meet the goals of the Paris Agreement. Progress towards the UN SDGs is accelerated, including reducing global inequality, and improving health and education outcomes.	<a href="#">IPCC Sixth Assessment Report</a>	Orderly (Below 2°C) / Disorderly (Delayed Transition)
	SSP2-4.5	2.0°C to 2060, 2.7°C to 2100	This scenario assumes global emissions remain roughly static until 2050, declining later in the century. Socioeconomic development is uneven, and progress towards the SDGs continues at historic rates.		Too Little, Too Late (Fragmented World)
	SSP3-7.0	2.1°C to 2060, 3.6°C to 2100	Under this scenario, global temperatures rise steadily and CO2 emissions double by the end of the century. Economic growth is slow and increased focus on energy and food security reduces global cooperation.		Hot House World (NDCs / Current Policies)
	SSP5-8.5	2.4°C to 2060, 4.4°C to 2100	This scenario assumes global emissions double by 2050. The global economy accelerates, powered by fossil fuels and other intensive sectors, with devastating consequences on the planet.		NA

## Appendix 3: Fund-level metrics

Table 11: Carbon to value intensity

Fund	Data coverage (% AUM)	% of fund in scope <sup>1</sup>	Carbon to value Intensity (tCO <sub>2</sub> e / mGBP)					
			Scope 1 & 2			Scope 1, 2 & 3		
			2023	2024	2025	2023	2024	2025
LCIV Absolute Return Fund	28%	31%	75	194	157	312	1,005	853
LCIV All Maturities Buy and Maintain Credit Fund	86%	94%	NA	16	18	NA	169	197
LCIV Alternative Credit Fund	29%	63%	52	124	102	361	702	584
LCIV Diversified Growth Fund	65%	70%	70	76	60	893	428	507
LCIV Emerging Market Equity Fund	99%	100%	22	23	122	213	253	784
LCIV Global Alpha Growth Fund	99%	100%	49	47	32	361	324	194
LCIV Global Alpha Growth Paris Aligned Fund	99%	100%	22	23	21	473	312	181
LCIV Global Bond Fund	72%	72%	89	82	63	494	360	342
LCIV Global Equity Focus Fund	100%	100%	8	7	4	75	57	45
LCIV Global Equity Fund	99%	100%	18	22	20	923	942	760
LCIV Global Equity Quality Fund	100%	100%	4	4	4	321	60	60
LCIV Global Equity Value Fund	100%	100%	NA	46	36	NA	718	468
LCIV Long Duration Buy and Maintain Credit Fund	86%	90%	30	17	17	193	177	162
LCIV MAC Fund	29%	62%	105	94	96	599	513	486
LCIV Passive Equity Progressive Paris Aligned Fund	100%	100%	20	16	12	184	172	125
LCIV Short Duration Buy and Maintain Credit Fund	82%	90%	16	10	11	803	241	240
LCIV Sustainable Equity Exclusion Fund	98%	100%	23	24	18	214	358	555
LCIV Sustainable Equity Fund	98%	100%	25	44	25	548	555	577

Table 12: Weighted Average Carbon Intensity

Fund	Data coverage (% AUM)	% of fund in scope <sup>2</sup>	Weighted Average Carbon Intensity (tCO <sub>2</sub> e / mGBP)					
			Scope 1 & 2			Scope 1, 2 & 3		
			2023	2024	2025	2023	2024	2025
LCIV Absolute Return	28%	31%	247	233	187	729	1,563	1,538
LCIV All Maturities B&M Credit Fund	86%	94%	NA	69	66	NA	834	940
LCIV Alternative Credit	29%	63%	84	119	142	1,191	1,074	1,582
LCIV Diversified Growth Fund	65%	70%	249	236	296	1,932	1,332	1,753
LCIV Emerging Market Equity Fund	99%	100%	66	65	215	896	837	1,861
LCIV Global Alpha Growth Fund	99%	100%	132	121	108	717	869	590
LCIV Global Alpha Growth Paris Aligned Fund	99%	100%	61	68	78	621	770	550
LCIV Global Bond Fund	72%	72%	226	219	175	1,889	1,771	1,904
LCIV Global Equity Focus Fund	100%	100%	20	17	13	224	134	117
LCIV Global Equity Fund	99%	100%	68	58	62	1,927	2,183	2,218
LCIV Global Equity Quality Fund	100%	100%	23	25	33	402	310	319
LCIV Global Equity Value Fund	100%	100%	NA	85	86	NA	1,623	1,416
LCIV Long Duration B&M Credit Fund	86%	90%	122	56	80	786	622	675
LCIV MAC Fund	29%	62%	190	106	129	1,515	994	1,362
LCIV Passive Equity Progressive Paris Aligned Fund	100%	100%	71	49	46	750	806	696
LCIV Short Duration B&M Credit Fund	82%	90%	85	98	36	1,331	1,011	1,332
LCIV Sustainable Equity Exclusion Fund	98%	100%	68	74	72	234	1,314	2,421
LCIV Sustainable Equity Fund	98%	100%	77	104	98	330	1,351	2,389

<sup>1</sup> The scope of this analysis is listed equities and corporate fixed income instruments.

<sup>2</sup> Ibid.

Table 13: Absolute emissions

Fund	Data coverage (% AUM)	% of fund in scope <sup>1</sup>	Absolute emissions (ktCO <sub>2</sub> e)					
			Scope 1 & 2			Scope 1, 2 & 3		
			2023	2024	2025	2023	2024	2025
LCIV Absolute Return	28%	31%	11	49	50	28	204	221
LCIV All Maturities B&M Credit Fund	86%	94%	NA	6	7	NA	59	70
LCIV Alternative Credit	29%	63%	5	17	15	29	77	73
LCIV Diversified Growth Fund	65%	70%	18	10	10	214	47	74
LCIV Emerging Market Equity Fund	99%	100%	11	13	82	96	123	447
LCIV Global Alpha Growth Fund	99%	100%	68	69	52	223	412	258
LCIV Global Alpha Growth Paris Aligned Fund	99%	100%	49	55	46	514	701	345
LCIV Global Bond Fund	72%	72%	55	58	49	250	195	217
LCIV Global Equity Focus Fund	100%	100%	9	9	4	72	65	50
LCIV Global Equity Fund	99%	100%	9	13	13	458	557	490
LCIV Global Equity Quality Fund	100%	100%	2	3	3	44	42	40
LCIV Global Equity Value Fund	100%	100%	NA	8	14	NA	123	166
LCIV Long Duration B&M Credit Fund	86%	90%	4	11	12	21	109	97
LCIV MAC Fund	29%	62%	56	56	66	264	247	263
LCIV Passive Equity Progressive Paris Aligned Fund	100%	100%	16	16	16	133	162	142
LCIV Short Duration B&M Credit Fund	82%	90%	1	1	2	53	25	32
LCIV Sustainable Equity Exclusion Fund	98%	100%	14	18	19	30	259	566
LCIV Sustainable Equity Fund	98%	100%	28	66	35	179	772	773

Table 14: Revenue-weighted fossil fuel exposure, %

Fund	Data coverage (% AUM)	% of fund in scope <sup>2</sup>	Revenue-Weighted Fossil Fuel Exposure (%)		
			2023	2024	2025
			LCIV Absolute Return	28%	31%
LCIV All Maturities B&M Credit Fund	86%	94%	NA	1.2%	1.2%
LCIV Alternative Credit	29%	63%	2.0%	2.1%	2.7%
LCIV Diversified Growth Fund	65%	70%	2.2%	1.5%	2.6%
LCIV Emerging Market Equity Fund	99%	100%	0.0%	0.0%	0.2%
LCIV Global Alpha Growth Fund	99%	100%	0.6%	0.4%	0.2%
LCIV Global Alpha Growth Paris Aligned Fund	99%	100%	0.0%	0.0%	0.0%
LCIV Global Bond Fund	72%	72%	3.1%	2.5%	2.0%
LCIV Global Equity Focus Fund	100%	100%	0.0%	0.0%	0.0%
LCIV Global Equity Fund	99%	100%	0.0%	0.0%	0.0%
LCIV Global Equity Quality Fund	100%	100%	0.0%	0.0%	0.0%
LCIV Global Equity Value Fund	100%	100%	NA	1.8%	0.9%
LCIV Long Duration B&M Credit Fund	86%	90%	2.2%	0.4%	0.8%
LCIV MAC Fund	29%	62%	3.9%	1.2%	1.6%
LCIV Passive Equity Progressive Paris Aligned Fund	100%	100%	0.1%	0.1%	0.1%
LCIV Short Duration B&M Credit Fund	82%	90%	2.0%	1.7%	0.7%
LCIV Sustainable Equity Exclusion Fund	98%	100%	0.0%	0.0%	0.0%
LCIV Sustainable Equity Fund	98%	100%	2.5%	0.0%	0.0%

<sup>1</sup> Ibid.

<sup>2</sup> Ibid.

Appendix 3: Fund-level metrics continued

Table 15: Science-based Targets

Fund	Data coverage (% AUM)	% of fund in-scope <sup>2</sup>	Science-Based Targets set			Implied Temperature Rating (ITR)
			Near-term	Long-term	Net Zero	
LCIV Absolute Return	28%	31%	14%	6%	7%	1.5°C to 2°C
LCIV All Maturities B&M Credit Fund	86%	94%	41%	19%	24%	< 1.5°C
LCIV Alternative Credit	29%	63%	11%	3%	4%	1.5°C to 2°C
LCIV Diversified Growth Fund	65%	70%	29%	14%	17%	1.5°C to 2°C
LCIV Emerging Market Equity Fund	99%	100%	37%	19%	21%	< 1.5°C
LCIV Global Alpha Growth Fund	99%	100%	53%	13%	16%	2°C to 3°C
LCIV Global Alpha Growth Paris Aligned Fund	99%	100%	51%	14%	17%	2°C to 3°C
LCIV Global Bond Fund	72%	72%	34%	13%	16%	1.5°C to 2°C
LCIV Global Equity Focus Fund	100%	100%	91%	60%	64%	< 1.5°C
LCIV Global Equity Fund	99%	100%	70%	20%	22%	2°C to 3°C
LCIV Global Equity Quality Fund	100%	100%	73%	35%	35%	< 1.5°C
LCIV Global Equity Value Fund	100%	100%	55%	18%	19%	< 1.5°C
LCIV Long Duration B&M Credit Fund	86%	90%	52%	23%	29%	> 3°C
LCIV MAC Fund	29%	62%	13%	4%	5%	< 1.5°C
LCIV Passive Equity Progressive Paris Aligned Fund	100%	100%	71%	24%	27%	< 1.5°C
LCIV Short Duration B&M Credit Fund	82%	90%	37%	19%	24%	< 1.5°C
LCIV Sustainable Equity Exclusion Fund	98%	100%	66%	10%	14%	2°C to 3°C
LCIV Sustainable Equity Fund	98%	100%	72%	11%	15%	1.5°C to 2°C

Table 16: Carbon earnings at risk

Fund	Unpriced carbon costs as % EBITDA in 2050			Data coverage
	STEPS scenario	APS scenario	NZE scenario	
LCIV Absolute Return	10%	17%	22%	27%
LCIV All Maturities B&M Credit Fund	2%	3%	4%	58%
LCIV Alternative Credit	6%	11%	14%	18%
LCIV Diversified Growth Fund	7%	12%	16%	61%
LCIV Emerging Market Equity Fund	6%	13%	18%	97%
LCIV Global Alpha Growth Fund	5%	8%	11%	90%
LCIV Global Alpha Growth Paris Aligned Fund	4%	6%	8%	90%
LCIV Global Bond Fund	4%	7%	9%	61%
LCIV Global Equity Focus Fund	0%	1%	1%	100%
LCIV Global Equity Fund	2%	4%	5%	99%
LCIV Global Equity Quality Fund	1%	1%	1%	100%
LCIV Global Equity Value Fund	3%	5%	7%	100%
LCIV Long Duration B&M Credit Fund	3%	6%	8%	58%
LCIV MAC Fund	6%	10%	13%	21%
LCIV Passive Equity Progressive Paris Aligned Fund	1%	2%	3%	99%
LCIV Short Duration B&M Credit Fund	1%	2%	2%	61%
LCIV Sustainable Equity Exclusion Fund	2%	4%	5%	94%
LCIV Sustainable Equity Fund	3%	5%	7%	93%

<sup>1</sup> Ibid.

Table 17: Physical risk exposure

Fund	Financial impacts as a % asset value in 2050				Data coverage
	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5	
LCIV Absolute Return	4.0%	4.3%	3.3%	5.0%	85%
LCIV All Maturities B&M Credit Fund	4.0%	4.4%	3.9%	5.2%	81%
LCIV Alternative Credit	3.1%	3.5%	3.6%	4.3%	24%
LCIV Diversified Growth Fund	3.0%	3.3%	3.3%	4.2%	81%
LCIV Emerging Market Equity Fund	3.0%	3.4%	3.7%	4.3%	99%
LCIV Global Alpha Growth Fund	3.9%	4.4%	4.5%	5.5%	99%
LCIV Global Alpha Growth Paris Aligned Fund	4.0%	4.5%	4.5%	5.6%	99%
LCIV Global Bond Fund	3.2%	3.6%	3.6%	4.4%	78%
LCIV Global Equity Focus Fund	3.8%	4.3%	4.3%	5.3%	100%
LCIV Global Equity Fund	4.2%	4.7%	4.6%	5.9%	100%
LCIV Global Equity Quality Fund	3.9%	4.3%	4.4%	5.3%	100%
LCIV Global Equity Value Fund	3.7%	4.1%	4.3%	5.1%	100%
LCIV Long Duration B&M Credit Fund	4.3%	4.6%	4.0%	5.5%	88%
LCIV MAC Fund	3.1%	3.5%	3.8%	4.4%	37%
LCIV Passive Equity Progressive Paris Aligned Fund	3.8%	4.3%	4.3%	5.4%	100%
LCIV Short Duration B&M Credit Fund	4.4%	4.8%	4.3%	5.8%	86%
LCIV Sustainable Equity Exclusion Fund	3.5%	4.0%	4.0%	5.0%	100%
LCIV Sustainable Equity Fund	3.6%	4.0%	4.0%	5.0%	100%

## Appendix 4: Private market funds

We have collated the following data for our private market funds from our investment managers. As part of our climate change action plan, we are looking at ways in which we can increase coverage, fill gaps and improve data quality. Please note, due to data lags some of this data is provided for 2024.

Table 18: Private market funds

Fund	Investment Manager	Investments	SFDR Classification	Scope 1 & 2 GHG emissions (tCO <sub>2</sub> e)	Scope 3 GHG emissions (tCO <sub>2</sub> e)	Avoided emissions (tCO <sub>2</sub> e)	Data year	
LCIV Infrastructure Fund	Stepstone	Arcus European Infrastructure Fund II	Article 8	186	1,538	-	2025	
		Australia New Zealand Diversified Infrastructure Fun	Article 8	-	-	-	NA	
		Basalt Infrastructure Fund III	N/A	604	4,213	-	2025	
		Brookfield Global Transition Fund	Article 9	2,079	17,724	-	2025	
		EQT Active Core Infrastructure Co-Investment (G) SCSp	N/A	232	645	-	2025	
		Capital Dynamics Clean Energy Infrastructure Fund VIII	Article 9	617	1,229	-	2025	
		Equitix Fund VI	Article 8	1,211	7,851	-	2025	
		European Diversified Infrastructure Fund III	Article 8	25,579	18,627	-	2025	
		STEPSTONE PEREGRINE BLOCKER AGGREGATOR, L.P.	N/A	-	-	-	NA	
		OHDOP GW COI, L.P	N/A	2	32	-	2025	
		Macquarie GIG Renewable Energy Fund II	Article 8	532	1,425	-	2025	
		NextPower UK	Article 9	298	589	-	2025	
		KKR Global Infrastructure Investors IV	Article 8	884	2,176	-	2025	
		Meridiam Infrastructure North America Fund II	N/A	164	1,482	-	2025	
		GIP Pegasus Fund	N/A	88	809	-	2025	
LCIV Renewable Infrastructure Fund	BlackRock	Global Renewable Power Fund III	Article 9	9,543	438,969	-	2025	
		Renewable Income UK Fund	N/A	-	-	-	NA	
	Foresight	Foresight Energy Infrastructure Partners Fund	Article 9	32,785	27,460	162,857	2025	
	Stonepeak	Stonepeak Global Renewables Fund	Article 8	1,165,885	2,604,451	9,763,847	2024	
		Stonepeak Global Renewables Fund – LCIV (Side Car)	N/A	-	-	-	NA	
	Macquarie	Macquarie Green Energy Transition Solutions	N/A	2,109	91,112	66,000	2024	
	Quinbrook	Quinbrook Renewables Impact Fund	N/A	2,227	49,373	60,692	2025	
NextPower	NextPower V ESG	Article 9	665	76,975	66,010	2025		
The London Fund	LPPi	CIP	Copenhagen Infrastructure V EUR Blocker Feeder (CIP V)	N/A	2,577	281,293	-	2025
		MEIF 7 Virtus Holdings	N/A	6,195	508	-	2024	
		Yoo Capital Fund II	N/A	6	12	-	2025	
		Edge London Bridge	N/A	-	4,202	-	2024	
LCIV UK Housing Fund	Man Group	DOOR S.L.P.	N/A	38	70	20	2024	
		CBRE	CBRE UK Affordable Housing Fund	Article 9	-	2,721	-	2024
		Octopus	Octopus Affordable Housing Fund	Article 9	177	46	-	2024
		Savills	Simply Affordable Homes 1	N/A	-	601	-	2025
		Man Group	Man RI Community Housing Fund 3	Article 9	-	-	-	NA
LCIV Real Estate Long Income Fund	Aviva	LCIV Real Estate Long Income Fund	N/A	2	2,580	-	2024	

Fund	Investment Manager	Investments	SFDR Classification	Scope 1 & 2 GHG emissions (tCO <sub>2</sub> e)	Scope 3 GHG emissions (tCO <sub>2</sub> e)	Avoided emissions (tCO <sub>2</sub> e)	Data year
LCIV Private Debt Fund	Pemberton	Pemberton Mid-Market Debt Fund III	Article 6	121,951	177,710	-	2024
		Pemberton Mid-Market Debt Fund IV	Article 8	71,121	87,958	-	2024
	Churchill	Churchill Middle Market Senior Loan Fund IV	N/A	35,741	103,151	-	2025
		Churchill Middle Market Senior Loan Fund V	N/A	22,852	70,883	-	2025
LCIV Private Debt Fund II	Pantheon	PSD III GBP Feeder (Lux) SCSp	Article 8	5,609	35,578	-	2024
		PPDP PSD IV GBP Feeder (Lux) SCSp	Article 8	-	-	-	NA
	Churchill	Churchill Middle Market Senior Loan Fund V (Unlevered LP)	N/A	22,852	70,883	-	2025
	Pollen Street	PSC Credit IV (B) SCSp	Article 8	2,991	3,639	-	2025
	Arcmont	Arcmont Direct Lending Evergreen (Unlevered) Fund	Article 8	636	7,702	-	2025
LCIV Nature Based Solutions Fund	Manulife	Hancock Timberland and Farmland Fund	Article 8	14,060	107,515	-	2025
	Campbell Global	JPM CAMPBELL FUND (CG FCSF II Lux USD A SCSP) LP	Article 9	247	150,548	-	2025
	Gresham House	Gresham House Forest Fund VI LP	Article 9	1,432	10,396	-	2024

## Glossary

<b>ACS</b>	Authorised Contractual Scheme
<b>AGM</b>	Annual General Meeting
<b>AUM</b>	Assets Under Management
<b>CA100+</b>	Climate Action 100+
<b>CapEx</b>	Capital Expenditure
<b>CARCO</b>	Compliance Audit and Risk Committee
<b>CDP</b>	CDP, formerly Carbon Disclosure Project
<b>CEO</b>	Chief Executive Officer
<b>CIO</b>	Chief Investment Officer
<b>CSO</b>	Chief Sustainability Officer
<b>CSR</b>	Corporate Social Responsibility
<b>EOS</b>	EOS at Federated Hermes
<b>ESG</b>	Environment, social and governance
<b>ExCo</b>	Executive Committee
<b>FCA</b>	Financial Conduct Authority
<b>FRC</b>	Financial Reporting Council
<b>FSB</b>	Financial Stability Board
<b>GHG</b>	Greenhouse gas
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortisation
<b>EIC</b>	Executive Investment Committee
<b>ExCo</b>	Executive Committee
<b>ICO</b>	Investment and Customer Outcomes Committee
<b>IEA</b>	International Energy Agency
<b>IPCC</b>	Intergovernmental Panel on Climate Change

<b>ISIN</b>	International Securities Identification Number
<b>LAPFF</b>	Local Authority Pension Fund Forum
<b>LGPS</b>	Local Government Pension Scheme
<b>LPPI</b>	Local Pensions Partnership Investments
<b>mGBP</b>	Million Great British Pounds
<b>NA100</b>	Nature Action 100
<b>NGFS</b>	Network for Greening the Financial System
<b>NZIF</b>	Net Zero Investment Framework
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OpEx</b>	Operating Expenditure
<b>RI</b>	Responsible Investment
<b>RMF</b>	Risk Management Framework
<b>PAAO</b>	Paris Aligned Asset Owners
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SWG</b>	Sustainability Working Group
<b>TCFD</b>	The Task Force on Climate-related Financial Disclosures
<b>tCO<sub>2e</sub></b>	Tonnes of carbon dioxide equivalent.
<b>TNFD</b>	The Taskforce on Nature-related Financial Disclosures
<b>UN PRI</b>	United Nations Principles for Responsible Investment
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>WACI</b>	Weighted Average Carbon Intensity
<b>WEF</b>	World Economic Forum



# London CIV

## Getting in touch with the team

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Compliance code – 2026006