

Responsible Investment Policy

For

London LGPS CIV Limited

Approving Body	London CIV ExCo
Policy Owner	Chief Sustainability Officer (CSO)
Policy Authors	Responsible Investment (RI) Team

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Contents

1.	Purpose.....	3
2.	Scope	3
3.	Approving Body	3
4.	Related Guidelines / Procedures	3
5.	Communication and Training.....	3
6.	Governance of this Policy	4
7.	Investment Beliefs	4
8.	Responsible Investment Approach	5
9.	Asset Class Considerations.....	6
10.	Version Control.....	8

1. Purpose

The purpose of the Responsible Investment Policy (the Policy) is to set out the framework governing London CIV's responsible investment approach. It provides a reference point for the mechanisms used to manage environmental, social and governance (ESG) risks and opportunities throughout the investment process.

This Policy explains how London CIV embeds its responsible investment principles and applicable regulatory obligations within its investment processes. It is intended to guide internal decision-making and conduct and to help external stakeholders understand London CIV's approach and commitments.

2. Scope

This Policy applies to all London CIV staff and officers, including permanent employees, directors, temporary staff and contractors (collectively the "Workforce"), who are required to be aware of and comply with its principles. It also informs external stakeholders, including London CIV's Partner Funds, investment managers and advisers, by explaining how London CIV integrates responsible investment (RI) and stewardship practices into its operations and investment activities.

3. Approving Body

As a Tier 1 policy, this is approved by the Executive Committee (ExCo). The Board is informed of the Policy and any material developments. Approval of minor factual, administrative or alignment amendments is delegated to the Policy Owner.

4. Related Guidelines / Procedures

The following documents should be read in conjunction with this Policy, as they provide detailed guidance on specific areas of London CIV's responsible investment and stewardship approach:

- **Climate Reporting** – our annual TCFD Report outlines London CIV's aims, expectations and processes regarding climate-related risks and the transition to net zero.
- **Stewardship Guidelines** – sets out how London CIV undertakes active ownership, including the identification of stewardship priorities and their implementation through its investment managers and stewardship provider.
- **Voting Guidelines** – provides guidance on proxy voting principles and expectations, complementing London CIV's engagement approach.

5. Communication and Training

The final approved Policy will be made available to the workforce. Partner Funds will be notified through London CIV's regular client communications. All Workforce members are expected to familiarise themselves with the Policy and how it impacts their roles. To support effective implementation, the Responsible Investment Team will provide training or briefing sessions as necessary – for instance, to explain any new responsibilities or practices outlined in the Policy. Ongoing awareness activities (such as annual refresher training or workshops) may be conducted to ensure that the Policy's provisions are well understood and embedded in day-to-day operations.

6. Governance of this Policy

This Responsible Investment Policy is developed and maintained by London CIV's Responsible Investment (RI) Team under the leadership of the Chief Sustainability Officer (CSO).

The RI Team, in consultation with relevant teams including Investments and Risk & Compliance, will review this Policy at least annually. Material updates will be submitted to ExCo for approval. Minor factual, administrative or alignment amendments may be approved by the CIO, with ExCo informed.

Annual reviews help to ensure that the Policy remains up to date. Any changes will follow the agreed governance process.

Roles and responsibilities for this Policy are clearly defined in line with the overarching Policy Framework:

- The Policy Owner has overall accountability for maintaining the content of the RI Policy and overseeing its implementation. The Policy Owner supports integration of the Policy through the RI Team's subject matter expertise, input to investment processes, coordination with relevant business functions and reporting through the agreed governance framework. Delivery of the Policy is therefore shared across relevant teams, with each function responsible for applying the Policy within its own remit.
- The Policy Owner recommends this Policy (and any updates) to the Approving Body. Operationally, the Policy Owner leads the development of responsible investment capabilities and reports to the CIO on RI matters.
- The Responsible Investment Team (Policy Authors) is responsible for drafting the Policy, coordinating reviews, and carrying out the day-to-day implementation. This includes maintaining procedures and guidelines (such as the Stewardship Policy and Voting Guidelines) that support the high-level principles in this Policy. The RI Team also monitors compliance with the Policy across the organisation and provides training and communication as required.
- All London CIV staff and management are expected to be aware of this Policy and support its implementation within their roles. In particular, the Investment Team has responsibility to integrate ESG and stewardship considerations into manager selection, monitoring, and decision-making, as mandated by this Policy. Performance objectives and job descriptions for investment professionals reflect this duty, reinforcing accountability throughout the organisation.

By following the above governance and review practices, London CIV ensures that the Responsible Investment Policy remains a living document, one that evolves with London CIV's business and the external context, and continues to reflect best practices in responsible investing for the benefit of its clients and stakeholders.

7. Investment Beliefs

London CIV has a set of investment beliefs that underpin its investment and stewardship strategy. These beliefs, set out on our website [[London CIV - Our Investment Beliefs](#)] articulate how London CIV seeks to create value over the long term and set the context for its responsible investment activities.

These beliefs guide London CIV's strategy and day-to-day practices, including the selection and monitoring of investment managers, the design of investment solutions and engagement with companies.

8. Responsible Investment Approach

London CIV recognises that environmental, social and governance (ESG) issues can be financially material. It incorporates ESG considerations into its investment process and exercises active ownership on behalf of its Partner Funds. The approach is data-driven, transparent and aligned with London CIV's purpose and beliefs.

Key ESG factors are defined as follows:

- **Environmental** – Issues relating to the natural world and ecosystems, including carbon emissions, climate change, air and water pollution, biodiversity loss, deforestation, energy efficiency, waste management and water scarcity.
- **Social** – Issues relating to people, workforces and communities, including human rights, inequality, human capital management, labour practices, digitalisation, data privacy, health and wellbeing.
- **Governance** – Issues relating to how companies are directed and controlled, including board composition and oversight, leadership diversity, executive remuneration, tax practices, cybersecurity and anti-bribery and anti-corruption controls.

London CIV's responsible investment approach is implemented through three key pillars: Integration, Engagement and Disclosure.

8.1 Integration

ESG considerations are integrated into investment decision-making and product design to mitigate risks and enhance portfolio resilience. This means that before and during the launch of any investment strategy or fund, material ESG factors are identified and incorporated into investment due diligence and ongoing management.

ESG integration is embedded throughout London CIV's investment manager selection and monitoring processes. London CIV undertakes ESG due diligence as part of its product development and manager-selection framework, including detailed questionnaires and meetings to assess prospective investment managers' corporate governance and ESG integration approaches. London CIV evaluates how investment managers incorporate ESG and stewardship into their investment processes. Following appointment, London CIV maintains ESG oversight through monitoring meetings and reporting in which ESG performance and areas for improvement are considered.

8.2 Engagement

Stewardship is a core part of a responsible investment approach. London CIV exercises active ownership by working with its investment managers and stewardship provider to deliver targeted engagement and voting activity that supports long-term value and improved ESG practices across the portfolio.

The stewardship model has three core steps: *defining priorities, implementing them through engagement and voting, and collaborating to increase influence*. The current stewardship themes are Human Rights and Wider Societal Impact, Climate Change, and Nature and Biodiversity, selected based on their materiality to investment returns and importance to stakeholders. Engagement is focused on these themes and supported by voting where appropriate. Through dialogue, objective-setting and progress monitoring, improved ESG outcomes over time are sought.

London CIV believes collaboration strengthens engagement outcomes. By working with other investors and industry bodies, insights are shared, and more consistent expectations of companies can be set. This enables greater influence and impact. London CIV's collaborative initiatives include working with the Local Authority Pension Fund Forum (LAPFF), through which

it aligns elements of engagement and voting activity with wider LGPS initiatives on climate risk, human rights and corporate governance.

London CIV prioritises engagement and may use escalation measures where concerns are not adequately addressed. Further detail on the escalation approach is set out in the Stewardship Guidelines. In private markets, where exit options may be limited by illiquidity and long-term structures, pre-investment due diligence, manager selection, mandate design and expectation-setting are particularly important.

This stewardship approach applies to London CIV funds only. Oversight of assets held in non-London CIV funds is undertaken on a proportionate basis (*see section 9.2 below*). Further detail on how London CIV works with investment managers and its stewardship provider on engagement and voting is set out in the Stewardship Guidelines.

8.3 Disclosure

London CIV is committed to transparency and accountability in responsible investment. Its monitoring and disclosure framework supports reporting on ESG activities and progress. Internally, key responsible investment performance indicators are tracked. Externally, London CIV reports on relevant activities and outcomes.

London CIV currently publishes or contributes to a number of ESG-related reports and disclosures, including:

ESG Disclosure	Frequency
Quarterly Performance Reports – Include a quarterly macro ESG outlook and, where relevant, engagement, voting metrics for investors.	Quarterly
Responsible Investment and Stewardship Outcomes Report – A comprehensive report detailing engagement and voting activities and outcomes in line with the Financial Reporting Council (FRC) UK Stewardship Code.	Annually
TCFD Report – Reporting in line with the Taskforce on Climate-related Financial Disclosures, summarising London CIV's climate risk assessments and management strategies.	Annually
TNFD Report - Reporting in line with the Taskforce on Nature-related Financial Disclosures, outlining nature-related risks, dependencies, and mitigation strategies.	Annually
UN PRI Report – As a signatory to the United Nations-supported Principles for Responsible Investment, London CIV reports on its RI activities and outcomes through the PRI framework.	Biennially

9. Asset Class Considerations

London CIV's responsible investment responsibilities extend across all asset classes and strategies under its management. The nature and extent of ESG risks vary by asset class. For example, private markets, infrastructure and other less liquid asset classes can present challenges in relation to ESG data availability and direct influence compared with public equities and fixed income.

9.1 Assets Subject to London CIV's Compliance Monitoring Framework

London CIV conducts quarterly screening, compliance monitoring and reporting for assets managed within its pooled fund structure where investment restrictions, prospectus requirements and responsible investment commitments can be monitored through established governance and oversight processes. Monitoring includes consideration of relevant regulatory requirements, including the FCA's Sustainability Disclosure Requirements (SDR) and anti-greenwashing rules where applicable. Any issues identified are referred to the relevant parties for investigation,

including assessment of whether a mandate or prospectus breach has occurred. Where appropriate, matters are escalated through established compliance procedures, recorded with Compliance and remediation actions identified. The results of screening and compliance monitoring are reported quarterly to the Executive Investment Committee (EIC) and the Investment Risk and Mandate Compliance Meeting.

9.2 Oversight of assets held in non LCIV funds

London CIV is responsible for the oversight and management of funds where it is not the appointed fund manager. Responsible investment oversight for these assets is undertaken on a proportionate basis as part of the wider investment oversight framework. This includes reviewing the underlying manager's responsible investment approach and policies, monitoring compliance with any applicable investment restrictions, assessing progress against climate-related targets, and considering stewardship activity and credentials.

10. Version Control

Figure 1: Version Control Summary

Version	Author	Key updates or changes made	Approved by	Date
1.0	Governance Team	First version of Policy developed	The Board	October 2018
2.0	RI Team	Included information on reviews undertaken to implement the Policy.	The Board	December 2020
3.0	RI Team	Restructured to include information from Stewardship Guidelines, Climate Action Plan and other RI documents.	The Board	April 2022
4.0	RI Team	New additions to reflect updated stewardship priorities following a three-year review.	The Board	March 2024
5.0	RI Team	• Annual review • Updates made to reflect new stewardship priorities • Updates made to reflect the regulatory landscape	Executive Committee (ExCo)	September 2026