

LPPI Responsible Investment Report

Q1 2026

Key takeaways for the period

- Through GLIL we responded to the UK Governments consultation to change the inflation indexation (from UK RPI to CPI) for the Renewables Obligation Certificates (ROCs) and Feed-in-Tariff (FiT) schemes which compensate renewable energy generators in the UK.
- The Pension Schemes Bill received royal assent on 29th April 2026, after a lengthy parliamentary passage which incorporated significant debate and dispute between the House of Lords and the House of Commons on the principal of mandation.
- LPPI's appointed investment manager, Knight Frank Investment Management (KFIM), partnered with Thrive, an independent social value consultancy, to pilot a structured assessment of tenant led social impact across LPPI's direct real estate portfolio.
- In Q1 2026 LPPI voted on 100% company proposals, supporting 93% of these.
- Investments in Brown sectors (extraction, transportation, storage, supply, and generation of energy from fossil fuels) are 1.48% of the portfolio.
- Investments in Green sectors (renewable energy generation, clean technology, and decarbonising activities) are 4.55% of the portfolio.

RCBPF RI Policy ESG Priorities

	Theme	Coverage	Location
E	Climate Change	TPI	p.3
		Green & Brown	p.5
		Climate Voting	p.8
	Pollution	N/A	N/A
	Biodiversity	N/A	N/A
S	Local Investment	N/A	N/A
	Affordable Housing	N/A	N/A
G	Corporate Governance	Governance Insights	p.2
		Stewardship Headlines	p.6
		Votes Against Management – Director Related	p.7
		Shareholder Proposals	p.8
		Votes Against Management – Compensation	p.8

P(E,S or G) – This symbol appears within the report where content links to RCBPF RI Policy ESG priorities.

Portfolio Insights – Listed Equities (LPPI Global Equities Fund)

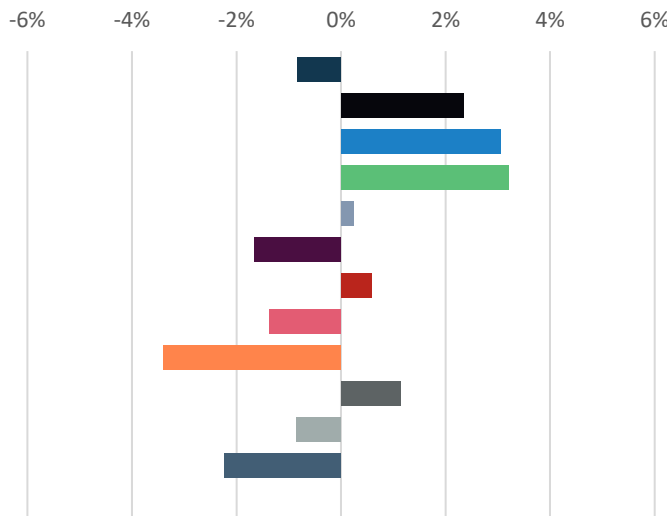
Q1 2026

[Further Information](#)

Sector Breakdown (%)

Information Tech.	25.6
Financials	19.1
Industrials	14.4
Consumer Discretionary	12.6
Communication Services	8.6
Health Care	7.2
Consumer Staples	6.0
Materials	2.6
Energy	1.2
Cash	1.1
Real Estate	0.9
Utilities	0.6
Others	0.0

LPPI Global Equities Fund Sector Weights vs MSCI ACWI ND



Top 10 Positions

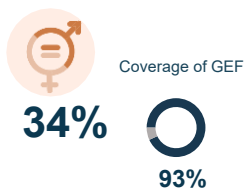
	Portfolio (%)	Position Change
1. ALPHABET INC	5.0	-
2. MICROSOFT CORP	3.8	-
3. VISA INC	3.6	-
4. TSMC	3.4	-
5. LSEG	2.4	-
6. AMAZON.COM INC	2.2	-
7. EXPERIAN PLC	2.1	+1
8. HEICO CORP	1.8	-1
9. AUTOZONE INC	1.8	New
10. KLA CORP	1.8	New

Top 10 Positions

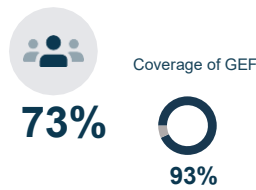
The top 10 companies (10 largest positions) make up **28%** of the total LPPI GEF.

Governance Insights (ISS DataDesk)

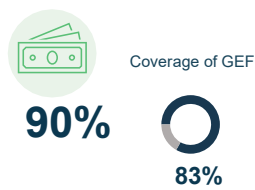
Women on the Board (Average)



Board Independence (Average)



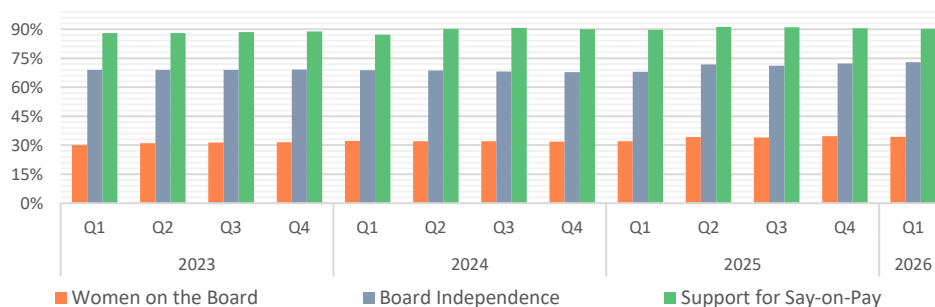
Support for Say-on-Pay (Average)



P(G)

Source: ISS Data Desk

Governance Insights (Timeseries)



Source: ISS Data Desk

Governance Insights

P(G)

Women on the Board

In Q1 2026, an average of 34% of board members were female in the GEF, which is up from 32% in Q1 2025. There was a coverage of 93% data availability (up from 87% in Q1 2025), which was a result of several companies not being in scope of the ISS database.

Board Independence

In Q1 2026, on average 73% of board members were independent in the GEF, which is up from 68% in Q1 2025. There was a coverage of 93% data availability (up from 87% in Q1 2025), which was a result of several companies not being in scope of the ISS database.

Support for Say-on-pay

In Q1 2026, an average of 90% were in support for say on pay (unchanged from Q1 2025), which indicates a high proportion of investors were supportive of the pay policies of investee companies. There was a coverage of 83% data availability (up from 73% in Q1 2025), which was a result of several companies not being in scope of the ISS database.

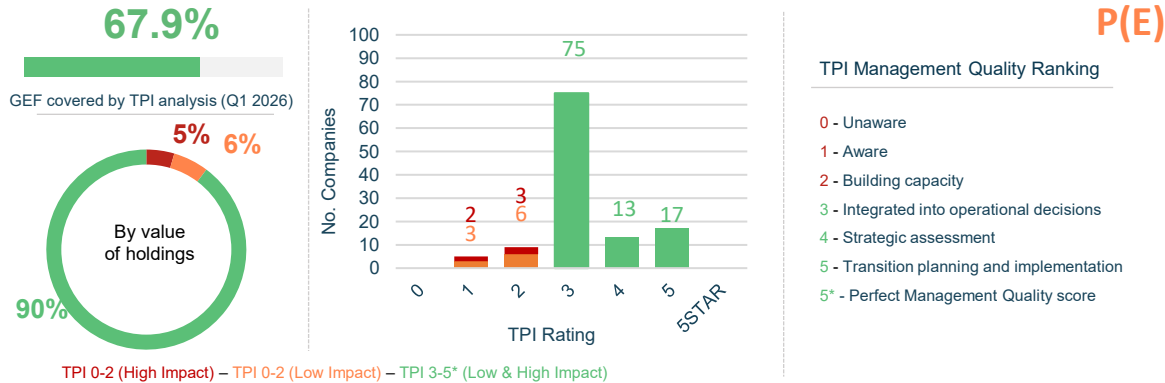
Portfolio Insights – Listed Equities (LPPI Global Equities Fund)

Q1 2026

[Further Information](#)



Transition Pathway Initiative – Management Quality Headlines



Source: TPI

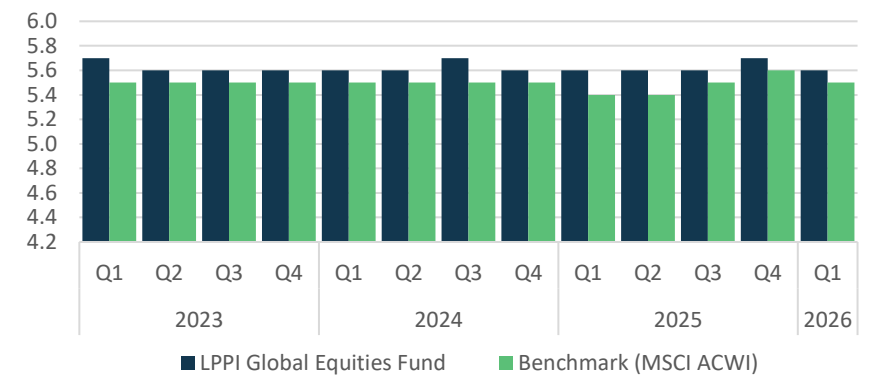
Transition Pathway Initiative (TPI)

By value, the coverage of the GEF represented within the globally high emitting companies under TPI assessment has slightly increased from 67.1% to 67.9%, and by number has increased from 118 to 119 between Q4 2025 and Q1 2026. This increase is as a result of 4 companies dropping out of scope as they are no longer in the portfolio, and 5 companies in the TPI universe that have entered the GEF portfolio.

Of the 119 companies in TPI scope:

- 90% (by value) are rated TPI 3 and above – demonstrably integrating climate change into their operational planning (TPI 3), their strategic planning (TPI 4) and into their transition planning and implementation (TPI 5). This is up from 88% in Q4 2025, which is a general reflection of the churn in coverage of the GEF under the TPI universe.
- 14 companies are scored below TPI 3 and are under monitoring*. This remains unchanged from Q4 2025.

Portfolio ESG Score (MSCI ESG Metrics)



Source: MSCI ESG Manager

Portfolio ESG Score

The GEF's Portfolio ESG score has decreased from 5.7 to 5.6 between Q4 and Q1. In the same period the equivalent score for the benchmark had decreased from 5.6 to 5.5.

Source: MSCI ESG Manager

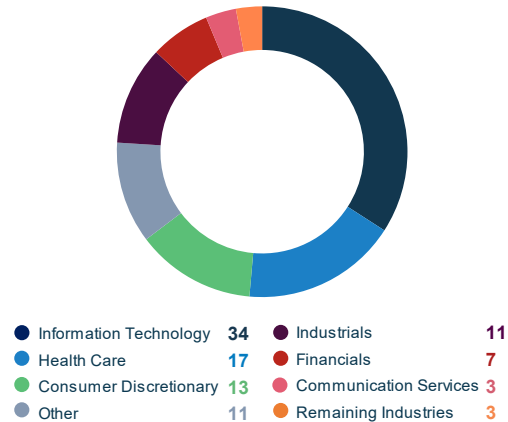
Portfolio Insights – Other Asset Classes

Q1 2026

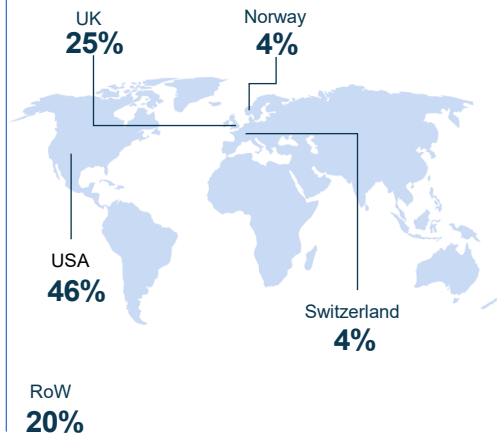
[Further Information](#)

Private Equity

Industry Breakdown (%)

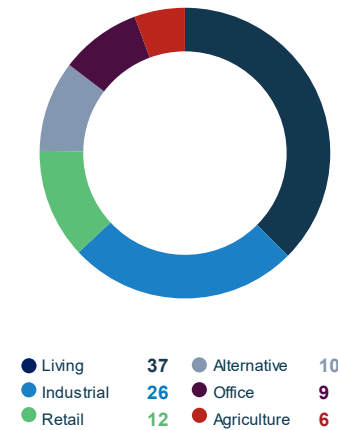


Region Breakdown (%)

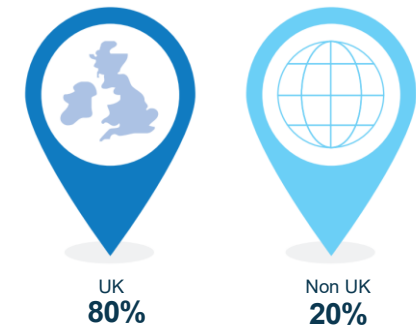


Real Estate (LPPI Real Estate Fund)

Sector Breakdown (%)

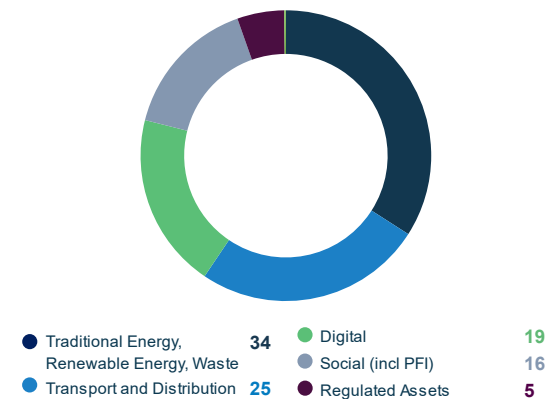


Geographical Exposure (NAV %)

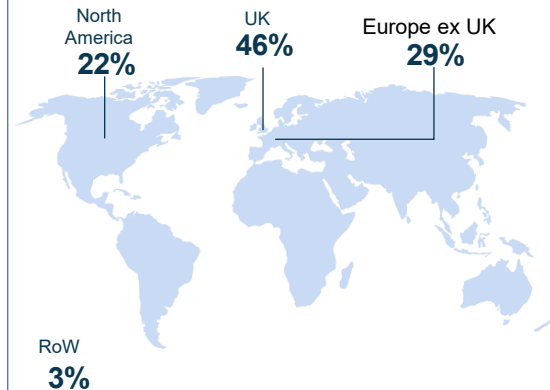


Infrastructure (LPPI Global Infrastructure Fund)

Industry Breakdown (%)



Region Breakdown (%)



Portfolio Insights – Other Asset Classes

Q1 2026

[Further Information](#)

Green & Brown Exposure

Total % of the portfolio that is in scope of Green and Brown



P(E)

Green

Investments in businesses directly contributing to the global transition to a lower carbon economy, expressed as a % of the total value of the pension fund.

4.55%
of portfolio

0.08% 0.15% 4.32%
Green Bonds Private Equity Infrastructure

0.08% 4.47%
Public Markets Private Markets

2.65%
Renewable
Energy
Generation

0.83% 1.37% 0.11% 0.34%
Solar Wind Hydro Other Generation

1.90%
Other "Green"

0.40% 1.51%
Clean Tech Funds Decarbonisation

Brown

Investments in traditional energy (based on fossil fuels) expressed as a % of the total value of the pension fund.

1.48%
of portfolio

0.62% 0.02% 0.02% 0.82%
Listed Equity Fixed Income Private Equity Infrastructure

0.64% 0.84%
Public Markets Private Markets

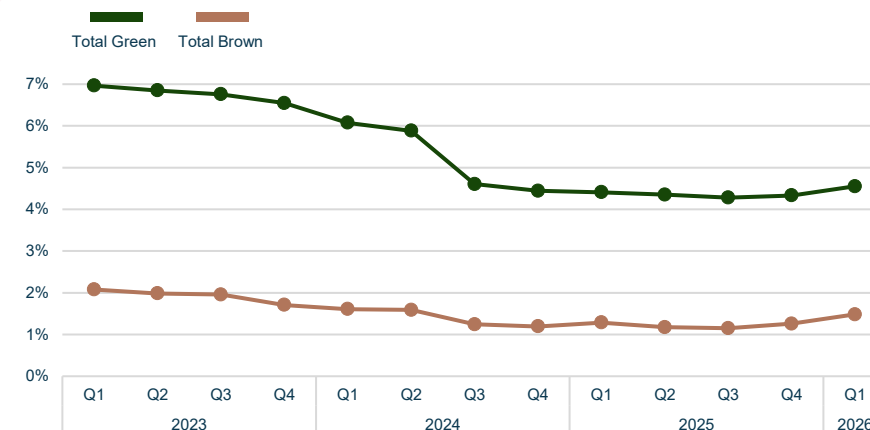
1.37%
Energy

0.02% 0.76% 0.25% 0.33%
Upstream Midstream Downstream Integrated

0.12%
Generation

0.12%
Energy Generation

Green & Brown Trend



The above Green and Brown metrics apply to parts of the portfolio which have exposure to a specific set of activities as per our definition of Green and Brown, and which are quantifiable at the time of publication (please see appendix). LPPI's Responsible Investment team endeavours to provide partner funds with the most expansive picture of exposure possible.

Green and Brown

P(E)

Calculation of the Fund's exposure to Green and Brown activities focusses specifically on equity assets (Listed Equity, Private Equity, and Infrastructure) plus corporate bonds within Fixed Income. As a result, in **Q1 2026**, **70.1%** of the total portfolio was in scope of Green and Brown. Figures give an indication, rather than a precise measure, as an assistance to reviewing the overall position.

Compared with Q4 2025, **Brown** exposure has increased from 1.26% to **1.48%**. The biggest contribution to the increased exposure comes from the GEF asset class. This increased exposure is a result of a rise in mark-to-market valuations for some existing Brown assets held in the GEF portfolio. This has increased GEF's share of Brown exposure from 0.46% in Q4 to 0.62% of the portfolio in Q1 2026.

Compared with Q4 2025, **Green** exposure has increased from 4.33% to **4.55%** of the portfolio. The biggest contribution to the increased exposure comes from the Infrastructure asset class. Whilst the total value of the Green assets remained similar, RCBPF total fund value decreased, producing an overall increase to the fund's Green exposure. This has increased Infrastructure's share of Green exposure from 4.14% in Q4 to 4.32% of the portfolio in Q1 2026.

Investments in renewable energy generation from wind, solar, hydro, and waste make up 58% of total Green exposure, and 95% of Green exposure is via Infrastructure assets.

Stewardship Headlines

Q1 2026 - Shareholder Voting - LPPI Global Equities Fund (GEF)

[Further Information](#)

Shareholder Voting Statistics (LPPI Global Equities Fund)

Headlines



28

Meetings
Voted



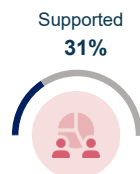
322

Proposals
Voted



306

Company
Proposals



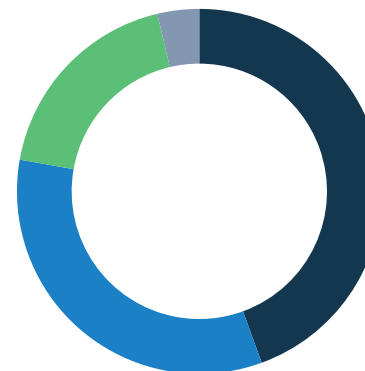
16

Shareholders
Proposals



61%

Meetings with a vote
against Management



Votes Against
Management (By theme)

● Election of Directors (and related)	12
● Audit-related	9
● Shareholder Resolutions	5
● Compensation	1
● Anti-takeover (and related proposals)	0
● Routine Business	0
● Capitalisation	0

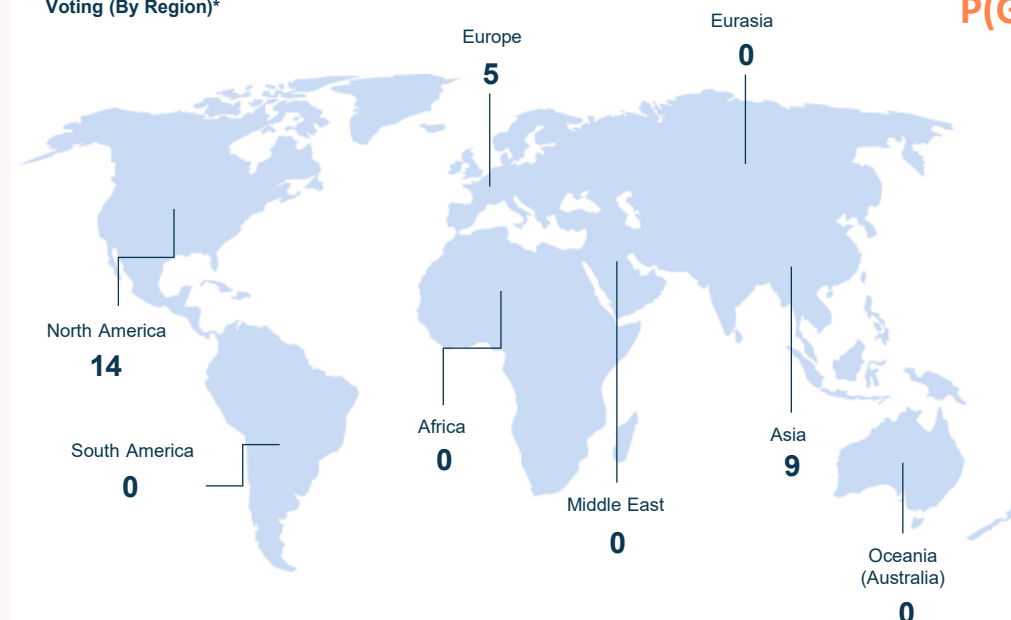
P(G)

Voting (By Theme)



P(G)

Voting (By Region)*



*Total votable meetings

P(G)

Headlines

The period 1st January – 31st March 2026 encompassed 28 meetings. LPPI voted at 28 (100%) meetings where GEF shares entitled participation, totalling 322 proposals voted.

Votes Against Management – Director Related

P(G)

- Director elections or resolutions relating to directors: 48% of all votes against management (addressing issues including lack of independent challenge - i.e., concentration of power, inadequate levels of independence both overall and on key committees, and board composition issues such as insufficient levels of diversity).
- LPPI voted against management on 13 director elections or director-related resolutions at nine companies in Q1 2026. This was 7% of all director-related votes.

Independence
LPPI voted against four resolutions at four companies due to issues pertaining to lack of independent challenge either on the Board overall, or on key committees.
Shimano, Inc. (Japan: Consumer Discretionary)
We voted against the re-election of a director proposed as statutory auditor. This is because the role should be filled by an ‘outsider’ (as per Japanese corporate governance), and the director in question had an affiliation with the company which we believed could compromise independence.
Result: The director received ~33% dissent.

Diversity
LPPI voted against five resolutions at four companies due to an assessed lack of diversity at board level. The preferred levels of diversity (relating to gender or ethnicity) are specific to different jurisdictions and are outlined in LPPI’s shareholder voting guidelines.
HEICO Corporation (USA: Industrials)
In continuation with our voting in previous years, we voted against the Chair of the Nomination committee as a result of a continued lack of gender diversity (just 22% women) on the Board.
Result: The director received ~26% dissent.

Stewardship Headlines

Q1 2026 - Shareholder Voting - LPPI Global Equities Fund (GEF)

Votes Against Management – Compensation

P(G)

- Compensation: 4% of votes against (addressing issues including inadequate disclosure of underlying performance criteria, use of discretion, misalignment of pay and performance, and the quantum of proposed rewards).
- LPPI voted against management on one compensation-related resolution at one company. This was approximately 4% of management-filed compensation related votes.

Symbotic Inc. (USA: Industrials)

We voted against the advisory vote to ratify named executive officers' compensation. This was due to the fact that our proxy advisor highlighted a problematic pay practice. The company provided a NEO with an excessive perquisite in the form of non-commercial air travel through third-party aviation providers without sufficient explanation provided in the proxy statement.

Result: The proposal received ~1% dissent (the company is controlled by insiders).

Shareholder Proposals

P(G)

- There were 16 shareholder proposals at nine companies during Q1.

Deere & Company (USA: Industrials)

We voted in favour of, and therefore against the recommendations of management, a shareholder-filed proposal seeking Deere & Company provide shareholders with the right to act by written consent. We will typically support proposals requesting that the company adopt measures which we believe will enhance the rights of minority shareholders, whilst also ensuring there are guardrails in place which will prevent a single shareholder to act unilaterally in a way which may be contrary to our interests.

Result: The proposal received 38.3% support.

Climate Voting

P(E)

In Q1, AGMs of one company in LPPI's climate voting watchlist occurred. We chose to exercise our voting rights with regards to climate in this occasion, in continuation with our voting at last year's AGM.

Climate Action 100+

There was one AGM held at a company in the portfolio which appears on the CA100+ focus list.

LAPFF Voting Alerts

LAPFF didn't issue any voting alerts for companies held in the Global Equities Fund in Q1 2026.

Manager Engagement – KFIM

LPPI’s appointed investment manager, Knight Frank Investment Management (KFIM), partnered with Thrive, an independent social value consultancy, to pilot a structured assessment of tenant led social impact across LPPI’s direct real estate portfolio.

The pilot utilised Thrive Social Impact Software, underpinned by the Impact Evaluation Standard (IES) — a consistent, multi-sector framework for measuring and valuing social impact. IES provides a standardised methodology for assessing social outcomes across employment, skills, community facilities and workforce support, enabling consistency and comparability across assets.

The pilot involved 12 tenants and was delivered through a standardised tenant survey based on selected core impact metrics. The survey captured data across key social value indicators, including employment creation, apprenticeships, volunteering activity, charitable donations and the provision of community amenities. Community services assessed included access to public Wi Fi, toilets, play areas and green spaces.

The participating tenants represent approximately 12% of NAV for the Real Estate Direct portfolio. Following completion of the survey, each participating tenant received a tailored social impact report produced by Thrive, including an impact summary, a local needs analysis to provide asset level context, and insights relating to public facilities and workforce support initiatives. These reports supported tenant engagement and helped identify opportunities to enhance social value delivery aligned with local community needs.

Portfolio Level Outcomes (Pilot Participants)

Based on responses from the 12 participating tenants, the pilot identified the following aggregate outcomes covering 12 months in 2025:

- 418 volunteering hours contributed
- £59,712 in charitable donations
- 505 new jobs filled by local residents
- 38 apprenticeship weeks delivered

Using Thrive’s Impact Evaluation Standard methodology, these activities were estimated to have generated £22.4 million of social value over the assessment period. The findings are presented in Figure 1.

Learnings and Next Steps

The pilot has provided an initial evidence-base for understanding tenant led social value within LPPI’s direct Real Estate portfolio, while testing a scalable and repeatable, software enabled approach to social impact measurement. The insights will be used by KFIM to inform future tenant engagement and assess the potential for a broader rollout across the portfolio.

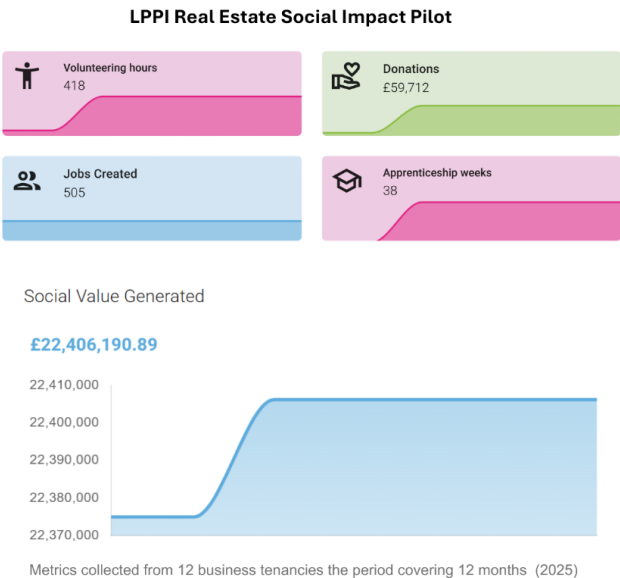


Figure 1: Results of Thrive impact pilot for 12 LPPI tenants in 2025. Source: KFIM 2025

Collaborative Engagement

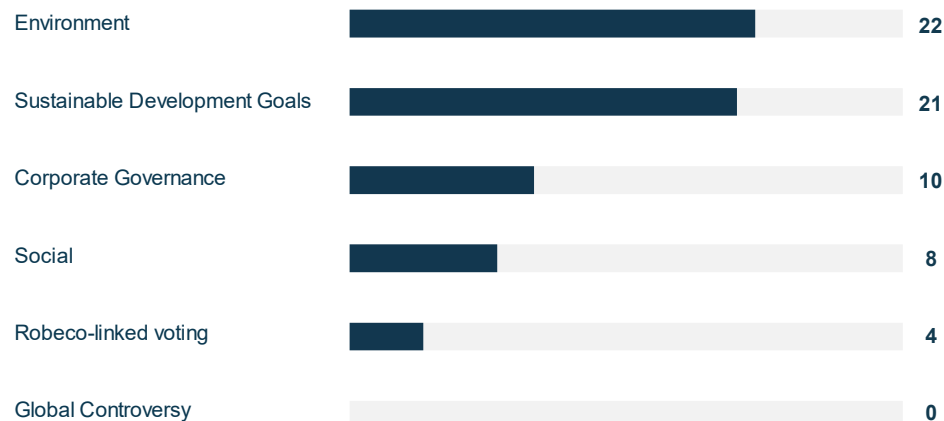
Q1 2026 – Engagement (Public Markets): Robeco

[Further Information](#)

This section of the dashboard outlines the engagement activities undertaken by Robeco in the public markets by topic, sector, method, and region (indicating the number of companies engaged / geographical distribution). **Robeco currently engages with 43 companies in the LPPI Global Equities Fund (GEF) and 15 companies in the LPPI Fixed Income Fund (FIF), accounting for 31.16% and 3.33% of the total portfolios respectively.**

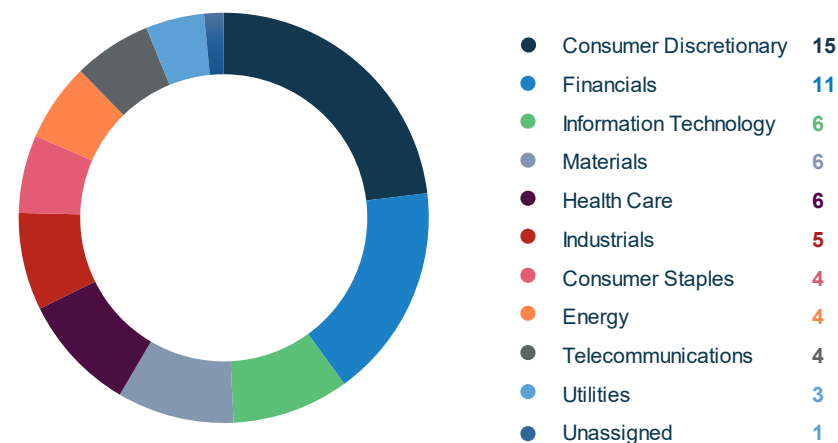
The following data is specifically related to the companies in LPPI's portfolio and the engagements Robeco undertake on our behalf.

Activity (By Topic)

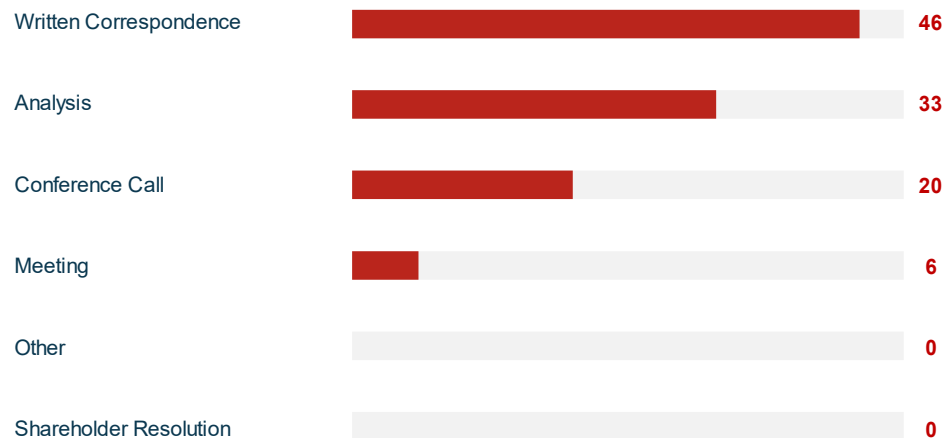


Sustainable Development Goals: <https://sdgs.un.org/goals>

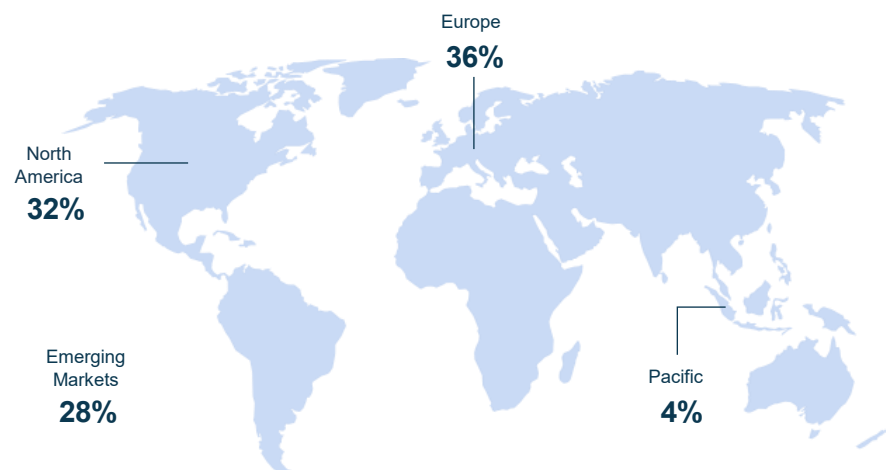
Activity (By Sector)



Activity (By Method)



Activity (By Region) (%)



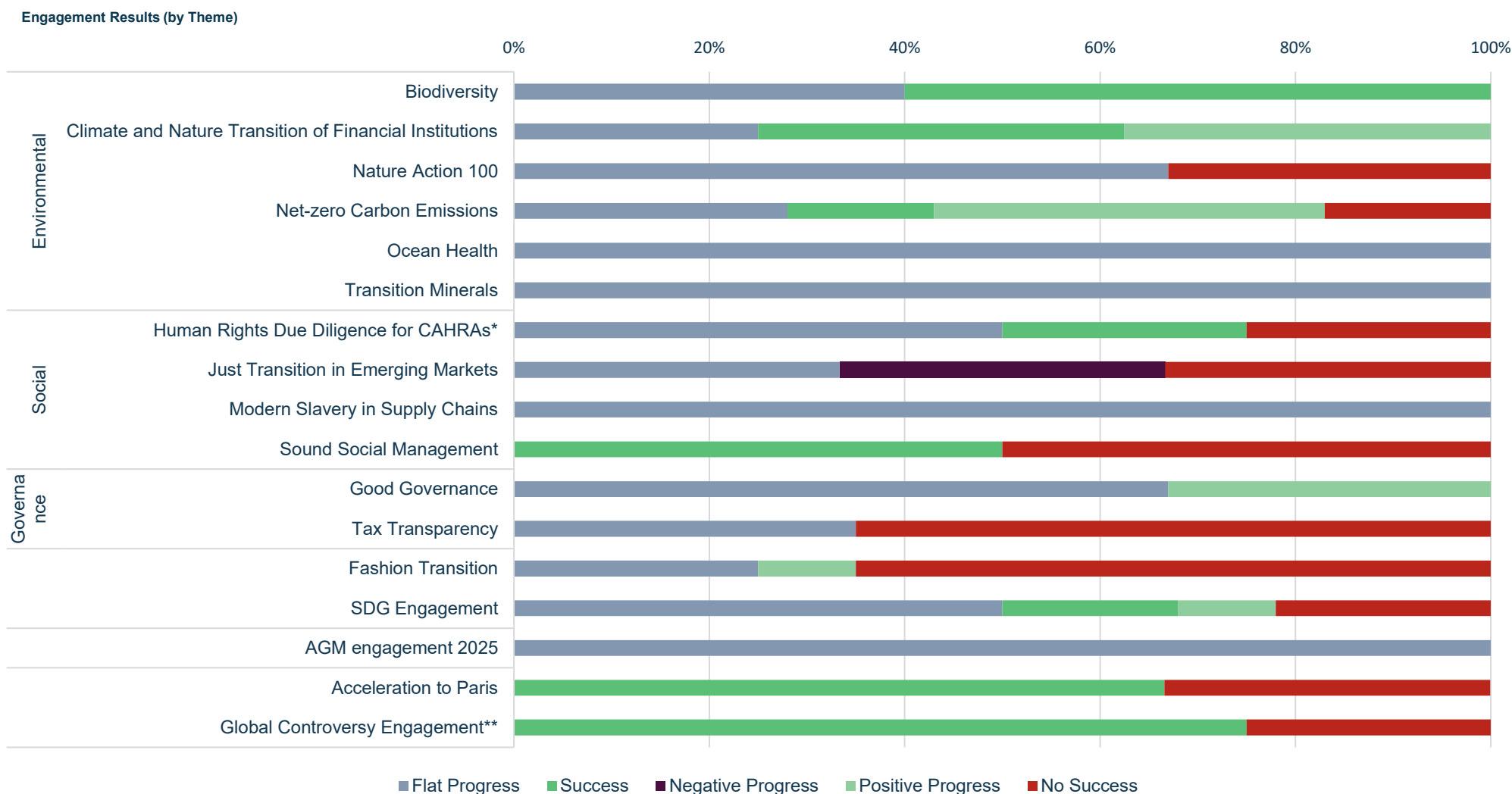
Collaborative Engagement

Q1 2026 – Engagement (Public Markets): Robeco

[Further Information](#)

Engagement progress by theme, also shown on page 2 in the Robeco Active Ownership report, summarises their engagement activity for our portfolio over the quarter broken down into sub-sectors, and rated on success/progress (shown as a %). For this quarter four themes have concluded and left the chart: Natural Resource Management, Human Capital Management, Corporate Governance in Emerging Markets, Corporate Governance Standards in Asia. Conclusions and results from these themes will be released in due course.

The following data is specifically related to the companies in LPPI's portfolio and the engagements Robeco undertake on our behalf.



*CAHRAs - Conflict-Affected and High-Risk Areas

**Global Controversy Engagement - companies under engagement based on potential breaches of the UN Global Compact and/ or the OECD Guidelines for Multinational Enterprises.

Source: Robeco Active Ownership Report Q1 2026

Fulcrum Group – % of LPPI Infrastructure IPV: 0.23%



Fulcrum Infrastructure Group (FIG) includes 42 primary and community healthcare facilities based in Bristol, London, Merseyside and Oxford. FIG is the private sector partner in four UK Local Improvement Finance Trust (LIFT) companies in these areas. The LIFT programme was established by the UK Government in 2000 to focus on the regeneration, management and maintenance of the building fabric for premises used by the NHS with the public sector owning a 40% stake. The FIG healthcare estate is estimated to service around five million patients per year, staffed by nearly 3,900 NHS employees.

As well as delivery of core management and building-maintenance services, Fulcrum delivers social impact through a wide range of community partnerships and initiatives focused on community connection, health and wellbeing and empowerment.

Health and Wellbeing

As well as GP and dentist surgeries, lower limb-clinics and CAMHS, their facilities host programmes such as Cook & Eat promoting healthy eating, food safety and household budgeting to local school children, a Law Clinic offering free work and welfare advice, and nature-based therapies in a community garden to support social prescribing.



Community Connections

Fulcrum helps to create meaningful social value through use of their 42 healthcare facilities beyond the provision of clinical space.

For example, working in partnerships they worked to reconfigure the ground floor of the Akerman Health Centre in Lambeth to create five bookable rooms -now known as the Akerman Wellbeing Hub.

The space is made available free of charge to local community groups and enables the delivery of activities that address social isolation, mental health, and economic hardship within the community, including a young Carers Hub and the LEAP Multilingual Café which offers early years support to families.

Other centres (such as Gracefield Gardens in Streatham) have developed youth clubs, a Memory Café and spaces to host cultural events.



Measurement of Outcomes

The company has sought to measure these impacts using Office for National Statistics wellbeing indicators, such as “People to Rely On,” “Loneliness,” and “Belonging to Neighbourhood” and is using Social Return on Investment (SROI) methodology to place a financial value on these intangible but often transformative outcomes. Detailed analysis of three facilities in London and Merseyside estimated delivery of cumulative impacts exceeding £850 million of wellbeing value to local patients. Further information and measurement methodologies can be found in Fulcrum’s Social Value Annual Report.



Purple Line – % of LPPI Infrastructure IPV: 0.05%

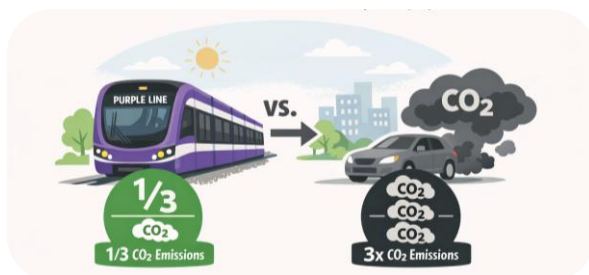


Purple Line Transport Co is a 16-mile, rapid light-rail system in the US that will provide services between Bethesda and New Carrollton in the Maryland suburbs north of Washington, D.C. The investment covers design, construction, operation and maintenance over 40 years, including a state-of-the-art rolling stock, safety and signalling systems. It will include 21 stations and 28 light rail vehicles (“LRVs”) Major works are expected to be completed by December 2026, followed by testing and commissioning through 2027. Full-service commencement is expected in January 2028.

Purple Line is designed to improve accessibility to major economic and job centres, supporting local growth, and reducing the number of cars on the roads.

Avoided Emissions

The Purple Line is projected to be a third as carbon intensive as the same journey by car.



Community Amenities

Community amenities, including 18.6 miles of expanded walking and biking trails near the route, have been integrated into the project.



Forecasting 27,000 new jobs

The project has forecast 27,000 new jobs will be indirectly created and supported by the enhanced connectivity offered by the Purple Line project.

Social Features

Purple Line features include:

Low floors to allow passengers to board without climbing steps.

Quiet operations – the LRVs have been designed with noise dampening wheel skirts, and other noise reducing measures.

Neighbourhood stations **convenient for pedestrians and bicyclists.**



CleanCapital – % of LPPI Infrastructure IPV: 1.1%



CleanCapital is a renewable energy company that owns and operates distributed generation solar and storage projects in the US and its territories. CleanCapital's portfolio consists of 360+ projects totalling more than 455MW of capacity. The company focuses on smaller scale solar projects (less than 20 MW) both in front- and behind-the-meter that produce electricity closer to customer demand, as well as distributed battery storage, operating in the 'middle market' between residential and utility-scale generation for commercial, industrial & community solar off takers.

CleanCapital invests in markets where the shift from fossil fuels to solar has an outsized carbon emissions impact; and specialise in "brownfield to brightfield" projects enhancing the community and environmental benefits of their schemes.

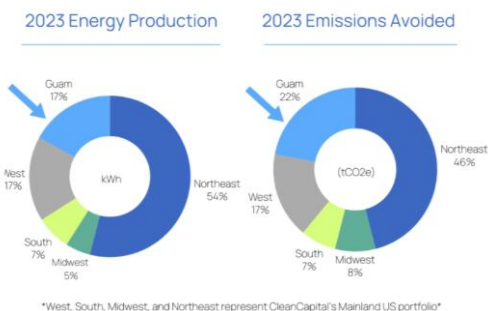
CleanCapital has invested in renewable energy projects in several underserved regions, such as Guam, Hawaii, and Alaska. Adding distributed generation assets in these jurisdictions has an outsized impact on global carbon emissions due to their reliance on fossil fuels.

Replacing fossil fuels

CleanCapital has invested in renewable energy projects in several underserved regions, such as Guam, Hawaii, and Alaska. Adding distributed generation assets in these jurisdictions has an outsized impact on global carbon emissions due to their reliance on fossil fuels

Solar facility on Guam

The energy produced replaces the burning of diesel fuel, accounted for 17% of the energy produced by CleanCapital's operating portfolio in 2023 but made up 22% of estimated avoided emissions.



8.5 MW renewables project in Alaska

The largest ever built in the state—will have a similarly outsized impact in the petroleum- and natural gas-reliant state.



"Brownfield to Brightfield" developments

CleanCapital's subsidiary BQ Energy specializes in the development of solar and storage projects on landfills, superfund sites (a US designation for contaminated land and abandoned industrial sites), and other brownfields. Examples of brownfield sites developed in 2025 include:

Yeoman Solar in Waukegan

Illinois is a 9.15 MW community solar project built on the Yeoman Creek Landfill site. The site is part owned by Waukegan Public Schools and will participate in the Illinois Solar for All Low-Income Community Solar Pilot Program, to offer the schools and low-income Waukegan households with 50% discounted electricity credits, saving each subscriber an estimated \$400 annually.



Elk Street Solar project in Buffalo

New York is situated on a site formerly used by ExxonMobil. The 3.59 MW development revitalises the remediated industrial site and will deliver affordable solar energy to local residents—including low- and moderate-income households—through the (US) National Grid's Expanded Solar for All (E-SFA) programme.

Cornerstone – % of LPPI Infrastructure IPV: 3.25%



Cornerstone is UK's leading digital infrastructure services provider, who take responsibility for enabling robust and seamless infrastructure solutions for UK businesses and communities.

Its model centres on the development and operation of neutral host infrastructure, allowing multiple operators to use the same physical assets. This approach is intended to reduce duplication of infrastructure and support more efficient deployment, particularly in areas where coverage may otherwise be limited. They are committed to designing, building, and deploying shared digital infrastructure that ensures seamless connectivity by integrating land, property, and technology in urban and rural locations.

Cornerstone has partnered with Cornwall Air Ambulance Trust (CAAT) to shine a light on the critical role that reliable mobile and digital infrastructure plays in saving lives and supporting local economies across Cornwall. The partnership marks a pivotal moment for Cornerstone as the organisation builds on its strong track record of delivering nationwide connectivity. Increasingly, its focus is on meaningful collaborations that demonstrate the real-world impact of mobile coverage, particularly in remote and rural communities.



Working With Local Authorities

Cornerstone's goal is to work with local authorities and national government to rethink the importance of mobile infrastructure in even the most protected areas, because mobile connectivity doesn't just connect people, it saves lives.



CAAT Responds to over 1,000 emergency calls each year

As Cornwall's only air ambulance charity, CAAT responds to over 1,000 emergency calls each year, reaching challenging locations like coastlines, beaches and rural moorlands.



CEO's Comments

Chief Executive explained, "This is not a vanity project. It's about saving lives and strengthening communities. Our work with the air ambulance underscores that connectivity is essential infrastructure, critical for emergency services, economic opportunities, and the wellbeing of rural residents."

Department for Energy Security and Net Zero Letter

Through GLIL we recently became aware of the UK Governments consultation to change the inflation indexation (from UK RPI to CPI) for the Renewables Obligation Certificates (ROCs) and Feed-in-Tariff (FiT) schemes which compensate renewable energy generators in the UK. [Renewables Obligation \(RO\) scheme: indexation changes - GOV.UK](#). The proposals will reduce returns for assets reliant on ROCs and FIT, which includes some GLIL assets. Schroders Greencoat emailed clients to share their view that these retrospective adjustments will undermine investor confidence and investors' view of political risk in the UK for renewables – a view we share.

LPPI supports the arguments against the proposals raised by the Institutional Investor Group on Climate Change (IIGCC), Global Infrastructure Investor Association (GIIA), and GLIL who have provided a more detailed responses to the consultation.

LGPS X Pool RI Group

LPPI has been a member of the LGPS Cross Pool RI Group since it was formed in 2016 to support dialogue between practitioners formulating the RI approaches of the LGPS pools which were being developed.

Reflecting there has been a change of focus over time; a review of the current Group's format and membership is currently underway. The aim is to ensure clarity of purpose and distinctiveness from other forums where responsible investment practitioners come together. This is important for ensuring it is both a productive forum for focussed discourse and collaboration between the 6 LGPS pool companies which remain and an efficient use of time and resources on the collective behalf of the wider scheme.

LGPS Scheme Advisory Board RI Advisory Group

LPPI's Head of RI is an LGPS pool representative on the SAB RIAG. Minutes from the last meeting of the group held on 9th February 2026 are available [here](#). Topics include (item 5) the Board's commitment to producing guidance for LGPS funds on how to draw up their responsible investment policies (in light of changes introduced by Fit for the Future) with a request for group members to contribute to the drafting of the guidance. The Head of RI volunteered to participate and attended a first meeting on this topic organised by the Local Government Association (as SAB secretariat) on 30th April 2026.

Pension Schemes Act

After a lengthy parliamentary passage which incorporated significant debate and dispute between the House of Lords and the House of Commons on the principal of mandation, the Pension Schemes Bill received royal assent on 29th April 2026.

The Pensions Schemes Act 2026 is the legislation which enacts the Government's Fit for the Future programme for the LGPS. Consolidating Local Government Pension Scheme assets into pools managed by FCA-regulated managers, and supporting long-term investment in local infrastructure, housing and clean energy across the country is a key measure within an Act which "aims to transform the pensions landscape" according to the [press release](#) which quotes Pensions Minister Torsten Bell.

The finer detail of how the government's implementation of Fit for the Future affects responsible investment for LGPS funds and pools is awaited in the form of final guidance on Investment Strategy Statements expected to be released in May 2026 by MHCLG.

PRI Update

LPPI is a long-term signatory to the Principles for Responsible Investment. Following the hiatus in mandatory reporting, this year signatories are required to demonstrate their commitment through streamlined reporting which will once more incorporate formal assessment and benchmarking.

LPPI is in the process of completing organisational profiling questions which determine the parts of the reporting framework applicable to us and preparing the information required for input between the reporting window opening on May 6th and closing on 29th July 2026.

Sector Breakdown (%)

- Identifies the Global Equities Fund's ("GEF") sector breakdown and their proportions.

Top 10 Positions

- The top 10 GEF companies as a % of the asset class portfolio.

GEF Sector Weights

- Comparison of sector weights against their benchmark.
- The larger the bar the bigger the difference between GEF and benchmark weightings.
- Where a positive number is shown, this indicates the GEF is overweight to a sector.
- Where a negative number is shown, this indicates the GEF is underweight to a sector.

Portfolio ESG Score

- This is a relative indicator and not a measure of portfolio ESG risk exposure.
- Individual companies are assigned an ESG score (between 0-10). The final numbers shown in the bar chart are the weighted averages of these scores for the stocks held in the GEF vs its benchmark through time.
- This table is a comparison with the benchmark and reviews changes over time.
- LPPI utilise an established methodology (developed by MSCI) for determining the ESG score of stocks within the GEF. Further details can be found here:
<https://www.msci.com/documents/1296102/21901542/MSCI+ESG+Ratings+Methodology+-+Exec+Summary+Nov+2020.pdf>
- The higher the score shown, the better the ESG credentials of the GEF / benchmark.

Governance Insights

These metrics provide insights on governance issues for the GEF using data from ISS DataDesk (Institutional Shareholder Services), our provider of shareholder voting services.

- Women on the board:** A measure of gender diversity based on the average proportion of female board members for companies in the GEF.
- Board independence:** The average proportion of board members identified by ISS as independent. Please note independence expectations vary across markets with LPPI generally favouring greater independence.
- Say-on-pay:** The average investor support for the most recent say-on-pay vote at a company meeting. Please note not all markets require say-on-pay votes. A vote of greater than 20% against (support < 80%) is generally considered significant.

Transition Pathway Initiative (TPI) Headlines

- TPI assess how well the largest global companies in high carbon emitting sectors are adapting their business models for a low carbon economy.
- The % of GEF covered by TPI shows the portfolio exposure to high emitting companies.
- The number/proportion of companies with top scores (TPI 3 to 5*) is a measure of the quality of transition management by the high emitting companies held within the GEF.
- Detailed TPI methodology can be found through the following link:
<https://www.transitionpathwayinitiative.org/publications/2023-methodology-report-management-quality-and-carbon-performance-version-5-0>
- *Monitoring – For all companies rated below TPI 3 and sit in High Impact sectors, we request our internal team or external managers to submit a TPI monitoring questionnaire, which aims to further understand the rationale behind its inclusion in the fund, and asks the following questions: What is their thesis & observations on climate risk for the company? Is the TPI score an accurate reflection of the company's climate risk management? What actions have been taken to encourage improvement?

Private Market Asset Classes

- These metrics indicate the industry sector and regional breakdown as a % of the asset class for Private Equity, Infrastructure and Real Estate investments.

Green & Brown

- These metrics indicate the Pension Fund's total portfolio exposure (%) to green and brown assets. Current coverage extends to: Listed Equities, Fixed Income, Green Bonds, Private Equity, and Infrastructure.
- These are further broken down into their sectors/activities related to green and brown.
- Please be aware that due to rounding within the different breakdowns the totals may not sum correctly.
- The report presents information on the trend in Green and Brown exposures (commencing in Q4 2021). Quarterly changes in Green and Brown exposure reflect multiple factors at play including funds reaching maturity, assets being revalued, and investments being made and sold. The total value of the Royal County of Berkshire Pension Fund (RCBPF) portfolio (as the denominator) also affects Brown and Green % shares quarterly.

Green

Green activities are those directly contributing to real world decarbonisation, principally through renewable energy generation, but include other activities supporting lower emissions including district heating, and waste management. Where possible, these assets are identified at the sub-industry GICS level for each underlying asset. Further LPPI analysis is undertaken where GICS does not provide enough detail.

Brown

Investments in energy and power generation based on fossil fuel activities, including: extracting (upstream), transporting (midstream), refining (midstream), supplying (downstream), or some energy companies that legitimately span all aspects (integrated). Fossil fuels used to generate energy is part of electricity generation. These assets are identified at the sub-industry GICS level for each underlying asset.

Further Information Guide

Q1 2026 - Stewardship Headlines (Pages 6 - 11)

Shareholding Voting

- This section of the report gives an overview of stewardship activities in the last quarter. Partner pension funds delegate day to day implementation of the Partnership's Responsible Investment approach to Local Pensions Partnership Investments Ltd (LPPI). Ongoing stewardship activities by LPPI include portfolio and manager monitoring and the exercise of ownership responsibilities via shareholder voting and engagement.
- Shareholder voting is overseen centrally by LPPI rather than by individual asset managers. LPPI receives analysis and recommendations from Institutional Shareholder Services (ISS) who are a provider of proxy voting and governance research. We follow Sustainability Voting Guidelines focussed on material ESG considerations and liaise with providers and asset managers as needed to reach final voting decisions.
- Full details of all shareholder voting by LPPI are publicly available from the LPPI website within quarterly shareholder voting reports.
- The Headline section provides insight into the scope of voting activity, including how votes against management is concentrated.
- The map of votes per region is included because different jurisdictions have different voting seasons. This provides context to the reporting of voting statistics quarter to quarter as votes take place in batches depending on the companies domicile at different points throughout the year.

Engagement (Public Markets)

- Engagement is an active, long-term dialogue between investors and companies on environmental, social and governance factors, which can be executed through a variety of channels.
- LPPI has engaged an external provider (Robeco Active Ownership Team) to supplement dialogue underway by LPPI and external delegate managers.
- This section outlines the engagement activities undertaken by Robeco in the public markets by topic, sector, method, and region (indicating the number of companies engaged / geographical distribution).
- "Activity by method" summarises engagements by category / method and can include multiple inputs from the same company.
- The updated Robeco Active Ownership report summarises our engagement activities for the quarter and breaks them down into sub-sectors, where they are rated on success/progress (shown as a %).
- Page 9 of the Robeco stewardship policy outlines further details of their process: <https://www.robeco.com/docm/docu-robeco-stewardship-policy.pdf>

Further Information Guide

Q1 2026 - Real World Outcomes (Pages 12 & 15)

- This section provides case studies which highlight positive ESG outcomes arising from the Pension Fund's holdings.
- The focus of the real-world outcomes rotates between asset classes for each quarter in the following pattern:
 - Q1 – Infrastructure
 - Q2 – Real Estate
 - Q3 – Private Equity
 - Q4 – GEF
- The case studies offer bite sized insights on positive outcomes being achieved and contributed to by companies held by the portfolio.

GICS - Global Industry Classification System

The most widely used approach to categorising activities into industry sectors. The main standard in use for public markets with growing use for other asset classes. For more information on GICS and the activities that fall into each sector, please see:

https://www.spglobal.com/marketintelligence/en/documents/112727-gics-mapbook_2018_v3_letter_digitalspreads.pdf

Climate Action 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

Paris Agreement

The Agreement is a legally binding international treaty to tackle climate change and its negative impacts. The Agreement includes commitments from all countries to reduce their emissions and work together to adapt to the impacts of climate change. It entered into force on 4 November 2016.

The Agreement sets long-term goals to guide all nations to:

- substantially reduce global greenhouse gas emissions to limit the global temperature increase in this century to 2 degrees Celsius while pursuing efforts to limit the increase even further to 1.5 degrees,
- review countries' commitments every five years,
- provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.

<https://www.un.org/en/climatechange/paris-agreement>

MSCI ACWI - MSCI All Country World Index

A stock index designed to track broad global equity-market performance. The LPPI Global Equity Fund's benchmark.

MSCI - Morgan Stanley Capital International

A global index provider.

TCFD - Taskforce on Climate Related Financial Disclosure

The Financial Stability Board created the Task Force on Climate-related Financial Disclosure (TCFD) to improve and increase reporting of climate-related financial information by companies and investors.

Recommendations include annual disclosure under 4 pillars: Governance, Strategy, Risk Management, Metrics & Targets.

TPI - Transition Pathway Initiative <https://www.transitionpathwayinitiative.org/>

The TPI assesses the highest emitting companies globally on their preparedness for a transition to a low carbon economy. 368 companies are rated TPI 0-4* for Management Quality based on 19 separate datapoints. TPI Management Quality scores provide an objective external measure of corporate transition readiness.

NZAMI – Net Zero Asset Managers Initiative <https://www.netzeroassetmanagers.org/>

The Net Zero Asset Managers Initiative launched in December 2020 and aims to galvanise the asset management industry to commit to a goal of net zero emissions.

IIGCC

Institutional Investor Group on Climate Change. LPPI is a member.

PRI - Principles for Responsible Investment <https://www.unpri.org/>

A United Nations-supported international network of financial institutions working together to implement its six aspirational principles, often referenced as "the Principles".

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